

From: [Phan, Johnny](#)
To: [Downtown West Project](#)
Subject: FW: Google - Diridon/DW - Autumn PCRs
Date: Tuesday, April 6, 2021 2:51:38 PM
Attachments: [240 N Montgomery - Property Condition Report-c.pdf](#)
[260 N Montgomery & 255 North Autumn - Property Condition Report-c.pdf](#)

From: Miller, Gregg <gmiller@coblentzlaw.com>
Sent: Tuesday, March 9, 2021 9:06 PM
To: Phan, Johnny <Johnny.Phan@sanjoseca.gov>
Subject: Google - Diridon/DW - Autumn PCRs

[External Email]

Johnny: PCRs for Autumn. Still working on the Phase Is. Huge files that are tough to download and send. Hopefully tomorrow morning.

Gregg Miller

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PROPERTY CONDITION REPORT

Commercial Building - APN 259-29-103
240 N Montgomery Street
San Jose, California 95110

March 13, 2018
Partner Project Number: 18-209196.1

Prepared for:
Trammell Crow Company
San Francisco, California 94111



March 13, 2018

Mr. Tom Jodry
Trammell Crow Company
101 California Street, 22nd Floor
San Francisco, California 94111

Subject: Property Condition Report
Commercial Building - APN 259-29-103
240 N Montgomery Street
San Jose, California 95110
Partner Project No. 18-209196.1

Dear Mr. Jodry:

Partner Engineering and Science, Inc. is pleased to provide the results of the assessment performed on the above-referenced property. At a minimum, this assessment was performed in conformance with the scope and limitations as set forth by ASTM E2018-15 "Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process" and as specified in the engagement agreement that initiated this work.

The purpose of this assessment is to provide sufficient information to evaluate the condition of the real property in order to facilitate completion of due diligence as a secured lender. The findings of this report are intended to be used in support of securing the debt created through the prospective financing for which the subject property serves as collateral. This report may not be used for any other purpose, including, without limitation, use by owner, borrower or tenant for the purpose of evaluating specific building components and systems, or as an instrument in negotiations related to the acquisition or disposition of the property.

We appreciate the opportunity to provide these assessment services. If you have any questions concerning this report, or if we can assist you in any other matter, please contact Mark Lambson at (619) 925-9672 or mlambson@partneresi.com.

Sincerely,

Partner Engineering and Science, Inc.

DRAFT

Anthony S. Claveria
Sr. Reviewer

DRAFT

Mark Lambson
Principal

EXECUTIVE SUMMARY AND PROPERTY DESCRIPTION

Executive Summary

Partner Engineering and Science, Inc. (Partner) has performed a property condition assessment (PCA) of the parcel and improvements defined in the following table (the "subject property"). The assessment was performed in accordance with ASTM E2018-15 "Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process". The purpose of this Property Condition Assessment was to observe and document readily-visible materials and building system defects that might significantly affect the value of the subject property, and determine if conditions exist which may have a significant impact on the continued operation of the facility during the evaluation period.

| Property Data | |
|-------------------------------------|--|
| Name | Commercial Building - APN 259-29-103 |
| Address | 240 N Montgomery Street |
| City, State and Zip Code | San Jose, California 95110 |
| Property use | Industrial |
| Land acreage (acres) | 0.348 Acres |
| Number of buildings | Two |
| Number of floors | One |
| Year built | Building 1 - 2004 Building 2 - 1948 |
| Gross building area (sf) | 5,000 |
| Net rentable area (sf) | 5,000 |
| Number of tenant spaces | Three |
| Foundation / Substructure | Concrete slab-on-grade with perimeter and interior footings under load bearing structures |
| Superstructure | Concrete masonry unit (CMU) load bearing walls and wood-framed load bearing walls Panelized wood roof framing with oriented strand board (OSB) roof sheathing |
| Façade | Unpainted masonry, painted stucco and painted metal siding |
| Roof type | Low-slope, built-up roofing system |
| Parking area | Concrete pavement at grade |
| Parking space count | 16 open parking spaces |
| ADA-designated parking count | One ADA van-accessible parking space |
| HVAC system | Rooftop packaged unit and ceiling-hung gas-fired heaters |
| Water supply piping | Copper |
| Electrical branch wiring | Copper |
| Number of elevators | None |
| Fire suppression | None |
| Fire alarm | None |

Overall Condition

Based on the systems and components observed during the site visit, the subject property appeared to be in good condition. The overall level of preventative maintenance appeared to be good. The detailed

observations of reviewed systems are presented in the following Sections of this report, with tabulated opinions of cost presented in the Appendices.

Reported Capital Expenditures

According to property management, no recent or planned capital improvements were performed

Immediate and Short-Term Repair Items

This report presents opinions of costs for items or conditions that require immediate action as a result of the following: Material existing or potentially unsafe conditions, material code violations, or any other physical deficiencies that if left uncorrected would be expected to result in or contribute to the failure of critical elements or systems within one year or may result in a significant increase in remedial costs. These items should be addressed at the first practical opportunity.

In addition, this report presents opinions of costs for items or conditions that may not require immediate action, but should be conducted on a priority basis above and beyond routine maintenance. Generally, the recommended time frame for addressing these items is two years.

Deferred maintenance items and/or physical deficiencies that are considered significant are also identified in Table 1 - Immediate Repair and Deferred Maintenance Cost Opinion.

Replacement Reserve Items

In accordance with the terms under which this assessment was performed, this report includes opinions of costs for capital replacement reserve items that are anticipated to occur during a specified evaluation period. These items are identified in Table 2 – Long-Term Cost Opinion. Systems or components that are present at the subject property, but not listed in Table 2, are expected to realize a useful life that exceeds the evaluation period.

Cost Exclusions

This report excludes costs for systems or components that are reported to be a tenant responsibility to maintain and replace, that are generally associated with the normal operation of the subject property, that are part and parcel of a building renovation program, for enhancements to reposition the subject property within the marketplace, for work that is cosmetic or decorative, for work that is being conducted for warranty transfer purposes, and routine maintenance activities. This report also excludes costs that are below the reporting threshold established by the engagement agreement.

Deviation from ASTM E2018

The deviations listed below are part of the Partner standard operating procedures or were specified in the Client's scope of work.

- This report includes seismic zone information that is not required by the Standard.
- This report includes an opinion of costs for anticipated capital expenditures for an evaluation period defined by the Addressee. The costs are presented in Table 2.
- This report includes an evaluation of the condition of the observed components and systems.
- This report combines the opinions of immediate and short-term costs included in Table 1.

Recommendations for Additional Investigations

No current conditions were determined to warrant further investigation at the time of Partner's site assessment.

TABLE 1 - IMMEDIATE REPAIRS & DEFERRED MAINTENANCE COST OPINION

Commercial Building - APN 259-29-103

240 N Montgomery Street

San Jose, CA

Partner Project No. 18-209196.1

March 13, 2018

| Sect. No. | Deficiency or Repair Item | Quantity | Unit | Unit Cost | Total Cost |
|---|--|----------|------|-----------|------------|
| 2.0 Regulatory Compliance | | | | | |
| | None Noted | | | | |
| 3.0 Site Improvements | | | | | |
| | None Noted | | | | |
| 4.0 Structural Frame and Building Envelope | | | | | |
| 4.4.1 | Roof repairs - The roofing system on Building 1 was observed with clogged roof drains. The roof drains should be cleared free of debris. | 1 | LS | \$1,500 | \$1,500 |
| 5.0 Mechanical and Electrical Systems | | | | | |
| | None Noted | | | | |
| 6.0 Interior Elements | | | | | |
| | None Noted | | | | |
| 7.0 Accessibility | | | | | |
| 7.0 | ADA Compliance - The ADA parking stall has no signage. An ADA compliant Van Accessible sign should be installed. | 1 | LS | \$800 | \$800 |
| 8.0 Water Intrusion and Microbial Growth | | | | | |
| | None Noted | | | | |

TOTAL \$ 2,300

TABLE 2 - LONG-TERM COST OPINION

Commercial Building - APN 259-29-103

240 N Montgomery Street
San Jose, CA

Partner Project No. 18-209196.1
March 13, 2018

Rentable area (sf): 5,000
Site effective age (years): 14
Inflation rate: 2.5%
Evaluation period (years): 12

| Sect. No. | Description | Avg EUL (YR) | Est Age (YR) | RUL (YR) | On Site Qty | Qty in Eval Period | Unit | Unit Cost | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | YR 6 | YR 7 | YR 8 | YR 9 | YR 10 | YR 11 | YR 12 | Total Cost |
|---|--|--------------|--------------|----------|-------------|--------------------|------|-----------|------|----------|------|------|------|-----------|------|------|----------|-------|-------|-------|------------|
| 3.0 Site Improvements | | | | | | | | | | | | | | | | | | | | | |
| | None anticipated | | | | | | | | | | | | | | | | | | | | |
| 4.0 Structural Frame and Building Envelope | | | | | | | | | | | | | | | | | | | | | |
| 4.3.1 | Exterior cleaning, painting, sealing | 8 | 6 | 2 | 9,000 | 18,000 | SF | \$1.00 | | \$ 9,000 | | | | | | | \$ 9,000 | | | | \$ 18,000 |
| 4.4.1 | Roof replacement - BUR | 20 | 14 | 6 | 5,000 | 5,000 | SF | \$6.50 | | | | | | \$ 32,500 | | | | | | | \$ 32,500 |
| 5.0 Mechanical and Electrical Systems | | | | | | | | | | | | | | | | | | | | | |
| | None anticipated | | | | | | | | | | | | | | | | | | | | |
| 6.0 Interior Elements | | | | | | | | | | | | | | | | | | | | | |
| | None anticipated-tenant responsibility | | | | | | | | | | | | | | | | | | | | |

Uninflated Totals: \$ - \$ 9,000 \$ - \$ - \$ - \$ 32,500 \$ - \$ - \$ - \$ 9,000 \$ - \$ - \$ - \$ 11,240 \$ - \$ - \$ 50,500
Inflated Totals: \$ - \$ 9,225 \$ - \$ - \$ - \$ 36,771 \$ - \$ - \$ - \$ 11,240 \$ - \$ - \$ 57,236

Uninflated cost per unit per year: \$0.84

Inflated cost per unit per year: \$0.95

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FIGURES AND APPENDICES

The following report Figures and Appendices are attached at the end of this report.

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| Figures | Figure 1: Site Location Map |
| | Figure 2: Site Plan |
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1.0 INTRODUCTION

1.1 Purpose

The purpose of this assessment is to provide information to evaluate the condition of the subject property in order to facilitate completion of due diligence by the addressee. The purpose is accomplished by describing the primary systems and components of the subject property, identifying conspicuous defects or material deferred maintenance, and presenting an opinion of cost to remedy the observed conditions. In addition, this report identifies systems or components that are anticipated to reach the end of their expected useful life during the specified evaluation period and includes an opinion of cost for future capital replacements.

The findings of this report are intended to be used in support of securing the debt created through the prospective financing for which the subject property serves as collateral. This report may not be used for any other purpose, including, without limitation, use by owner, borrower or tenant for the purpose of evaluating specific building components and systems, or as an instrument in negotiations related to the acquisition or disposition of the property.

1.2 Scope of Work

This assessment was performed in conformance with the scope and limitations as set forth by ASTM E2018-15 "Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process" (the Standard) and as specified in the engagement agreement that initiated this work. Specific requirements or deviations from the minimum ASTM standard are described herein.

This assessment was performed utilizing methods and procedures consistent with good commercial or customary practices designed to conform to acceptable industry standards. The independent conclusions represent Partner's best professional judgment based upon existing conditions and the information and data available to us during the course of this assignment.

1.3 Cost Evaluation Methodology

Opinions of costs presented within this report are based on construction costs developed by construction resources such as Marshall & Swift, RS Means, Partner's experience with past costs for similar projects, city cost indexes, consultations with local specialty contractors, client-provided information, and assumptions regarding future economic conditions. Actual cost estimates are determined by many factors including but not limited to: choice and availability of materials, choice and availability of a qualified contractor, regional climate zone, quality of existing materials, site compatibility, and access to the subject property and buildings. In addition, opinions of costs are based solely on material replacement and do not account for soft costs.

Items included in the replacement reserve table are determined based upon the estimated useful life (EUL) of a system or component, the apparent effective age (EA) of the system, and the remaining useful life (RUL) of that system. Factors that may affect the age and condition of a system include, but are not limited to, the frequency of use, exposure to environmental elements, quality of construction and installation, and amount

of maintenance provided. Based on these factors, a system may have an effective age that is greater or less than its actual chronological age.

1.4 Descriptive Qualifiers

The following definitions and terminology are used in this report regarding the physical condition of the project, and the estimated life expectancies/age of the components and systems.

| | |
|------|---|
| Good | In working condition and does not require immediate or short term repairs above an agreed threshold. |
| Fair | In working condition, but may require immediate or short term repairs above an agreed threshold. |
| Poor | Not in working condition or requires immediate or short term repairs substantially above an agreed threshold. |

The agreed threshold is presumed to be the de minimis reporting threshold, unless otherwise specified in this report.

Unless stated otherwise in this report, the systems reviewed are considered to be in good condition and their performance appeared to be satisfactory.

1.5 User Reliance

Partner was engaged by the Addressee, or their authorized representative, to perform this assessment. The engagement agreement specifically states the scope and purpose of the assessment, as well as the contractual obligations and limitations of both parties. This report and the information therein, are for the exclusive use of the Addressee. This report has no other purpose and may not be relied upon, or used, by any other person or entity without the written consent of Partner. Third parties that obtain this report, or the information therein, shall have no rights of recourse or recovery against Partner, its officers, employees, vendors, successors or assigns. Any such unauthorized user shall be responsible to protect, indemnify and hold Partner, the Addressee and their respective officers, employees, vendors, successors and assigns harmless from any and all claims, damages, losses, liabilities, expenses (including reasonable attorneys' fees) and costs attributable to such use. Unauthorized use of this report shall constitute acceptance of, and commitment to, these responsibilities, which shall be irrevocable and shall apply regardless of the cause of action or legal theory pled or asserted.

This report has been completed under specific Terms and Conditions relating to scope, relying parties, limitations of liability, indemnification, dispute resolution, and other factors relevant to any reliance on this report. Any parties relying on this report do so having accepted the Terms and Conditions for which this report was completed. A copy of Partner's standard Terms and Conditions can be found at <http://www.partneresi.com/terms-and-conditions.php>.

2.0 RECONNAISSANCE, REGULATORY AND DOCUMENT REVIEW

2.1 Site Reconnaissance

Date: March 28, 2018
Weather: Clear and cool
Field Assessor(s): Dean Andrews, AIA
Escort: Mr. Tom Jodry, Buyer representative, (650) 224-8707

Limiting Conditions

The performance of this assessment was limited by the following condition(s):

- A pre-survey questionnaire was not completed at the time of the assessment.

2.2 Property Personnel Interviewed/Contacted

The site escort was interviewed during the course of the survey. Additional site personnel were not available for interview.

2.3 Regulatory Compliance Inquiry

| | | | |
|----------------------------|--|------------|--------------|
| Building Codes | San Jose Development Services Building Division | | |
| Contact: | Records Clerk | Telephone: | 408 535-3555 |
| Findings: | <input checked="" type="checkbox"/> No Violations <input type="checkbox"/> Violations <input type="checkbox"/> Awaiting response No violations were reported. | | |
| Fire or Life Safety | San Jose Fire Department | | |
| Contact: | Fire Prevention Office | Telephone: | 408 794-7000 |
| Findings: | <input checked="" type="checkbox"/> No Violations <input type="checkbox"/> Violations <input type="checkbox"/> Awaiting response No violations were reported. | | |
| Zoning | San Jose Development Services Planning Division | | |
| Contact: | Ms. Cindy Clark | Telephone: | 408 535-3555 |
| Findings: | <input checked="" type="checkbox"/> No Violations <input type="checkbox"/> Violations <input type="checkbox"/> Awaiting response The subject property was reported to be not compliant with respect to on-site parking. According to a review of the zoning map obtained from city website, the subject property is zoned HI and Heavy Industrial. The permitted uses listed in the zoning regulations include retail, office and industrial use. Based on limited review, the subject property appeared to be compliant. | | |

This information does not constitute a detailed regulatory-compliance investigation and any code compliance issues noted in this report are based on information provided by the regulatory agencies noted above. If possible, the provided information was confirmed with on-site observations. Additional information that is received within 30 days of the site visit will be forwarded upon receipt.

2.4 Document Review

The following documents were readily available or provided to Partner for review as part of this assessment.

- Santa Clara County Tax Assessor property information;
- San Jose Zoning Map;
- San Jose on-line building code violation database; and
- Federal Emergency Management Agency (FEMA) flood hazard layer map.

3.0 PROPERTY CHARACTERISTICS

3.1 Parcel Configuration

The subject property improvements are placed upon one parcel. The parcel is rectangular and comprises approximately 0.348 acres.

3.2 Site Improvements

3.2.1 Topography and Storm Water Drainage

The general vicinity is slightly sloped. The subject property slopes downward to the east.

Storm water from the roofs of the subject buildings, and paved areas is removed primarily by sheet flow action across the paved surfaces towards the public right of way, and to on-site storm water drains. The subject property is connected to a storm sewer system that is owned and maintained by the municipality.

Survey Condition and Analysis

The topography appeared to be in good overall condition and appeared to adequately accommodate the built improvements. Routine maintenance is anticipated during the evaluation period.

Precipitation was not present during the walk-through survey; consequently, direct observation of the operation of the storm water drainage system was not possible. Evidence of improper operation was not readily apparent. Routine maintenance, including clearing of debris from inlets, channels, piping, and outlets, is anticipated throughout the evaluation period.

3.2.2 Vehicular Access, Paving

Vehicular access is provided by single driveway approach leading from the adjacent public right-of-way to the side yard along the south side of the site. Signalization is not provided at the entrance point to the subject property.

Concrete pavement is provided at the right-of-way approach and throughout the site.

Concrete curbing is located along the driveway approach.

Survey Condition and Analysis

The pavement appeared to be in good structural condition. Routine maintenance, including minor sectional replacement, is anticipated throughout the evaluation period.

Curbing was observed to be in good condition.

3.2.3 Walkways, Grade-Level Steps and Ramps

Building entrance flatwork and pedestrian walkways consist of cast-in-place concrete construction.

Survey Condition and Analysis

The pedestrian concrete walkways appear to be in good overall condition. Limited cracking was noted throughout. Routine maintenance, including minor sectional replacement, is anticipated throughout the evaluation period.

3.2.4 Landscaping and Irrigation

Landscaped areas consisting of mulched beds, and shrubs are provided in areas not occupied by the buildings, walkways, or pavement. An underground automatic irrigation system is not provided.

Survey Condition and Analysis

Vegetative materials were observed to be in good overall condition. Routine maintenance, including as-needed replacement of vegetation, is anticipated throughout the evaluation period.

3.2.5 Retaining Walls

Retaining walls are not present.

3.2.6 Site and Building Signage

Building address identification is primarily provided by painted numerals on the exterior facades. A limited quantity of façade-mounted, tenant-specific signage is also present.

Survey Condition and Analysis

The signage appeared to be sufficient and in good condition. Sign maintenance or replacement can be conducted on an as-needed basis during the evaluation period as part of routine maintenance.

3.2.7 Perimeter Walls, Gates, and Fences

CMU walls, wood fencing and chain link security fencing and access gates are provided along the perimeters of the subject property. The front driveway approach is secured with a rolling chain link gate.

Survey Condition and Analysis

The perimeter fencing and gates, including associated gate mechanisms, appeared to be in good condition. Routine maintenance is anticipated during the evaluation period.

3.2.8 Exterior Lights

Outdoor lighting is provided by building-mounted light fixtures. The fixtures are equipped with high-intensity discharge lamps.

Survey Condition and Analysis

The walk-through survey was conducted during daylight hours and lighting operation could not be verified. Based on the number of lights provided and the spacing, the lighting appeared to be adequate and was reported by the site escort to be sufficient for the subject property.

The light fixtures were reported by the site escort and appeared to be in good overall condition. The light fixtures are anticipated to require minimal repairs and replacements that can be addressed as part of routine maintenance during the evaluation period.

3.2.9 Site Amenities

Recreational facilities and additional site amenities are not present.

3.2.10 Special Utility Systems

Special utility systems are not present.

3.2.11 Utility Service Providers

| Utility | Provider | Meter configuration and location |
|----------------|--------------------------|--|
| Storm Water | City of San Jose | |
| Electric | Pacific Gas and Electric | Pole-mounted transformers serving the main electrical panels |
| Gas | Pacific Gas and Electric | Main meter at the base of the building |
| Water | San Jose Water Company | Vault meters along the parkway |
| Sanitary Sewer | City of San Jose | |

Survey Condition and Analysis

No issues or service deficiencies were reported by the site escort. Routine maintenance is anticipated during the evaluation period.

4.0 STRUCTURAL FRAME AND BUILDING ENVELOPE

4.1 Foundation/Substructure

Based on experience with similar structures in this geographic region, foundations are likely to consist of a reinforced-concrete slab-on-grade with continuous strip footings at the perimeter and isolated spread footings at interior bearing locations.

Survey Condition and Analysis

Evidence of structural distress indicative of foundation settlement was not observed. Foundations appeared to be in functional condition. Normal monitoring of the foundation is anticipated during the evaluation period.

4.2 Building Frame

Building 1 is constructed of conventional CMU perimeter walls. The roof structure consists of a wood panelized framing system with OSB sheathing. Building 2 appears to be constructed with conventional wood-framed walls supporting a wood-framed roof structure.

Survey Condition and Analysis

The framing appeared to be in functional condition. Normal monitoring of the framing is anticipated during the evaluation period.

4.3 Facades or Curtain Walls

4.3.1 Exterior Walls

The exterior walls of the building 1 consist of unpainted masonry. Building 2 is finished with painted stucco and painted metal siding.

Survey Condition and Analysis

The exterior walls appeared to be in good condition. No significant exterior wall damage was observed.

Based on the observed condition of the paint finish and the average effective useful life of paint coatings, reapplication of exterior paint is anticipated during the evaluation period. Additional work consisting of reapplying sealants is anticipated on an as-needed basis. An opinion of cost for this work is included in Table 2.

4.3.2 Windows

Windows appeared to be single-pane, fixed and operable units. Window framing appeared to be steel and aluminum.

Survey Condition and Analysis

Windows were reported by the site escort and appeared to be in good overall condition. No signs of window leaks or condensation were evident during the observation. Window sealants appeared to be intact, with no signs of deterioration. Routine maintenance is anticipated during the evaluation period.

4.3.3 Doors

The Building 1 main entrance consists of an aluminum-framed door set in an aluminum frame. Hardware includes a lever latch set, closer, and deadbolt. The building 2 main entrance consists of a solid-core wood door set in a wooden frame. Hardware includes a lever latch set, closer, and deadbolt.

Secondary doors are painted, hollow-core metal set in metal frames. Building 1 has four overhead roll-up doors. The doors are manually-operated.

Survey Condition and Analysis

Doors were reported by the site escort and appeared to be in good overall condition. Routine maintenance is anticipated during the evaluation period.

4.3.4 Parapets

Exterior walls extend above the roof plane as parapets and are capped with sheet metal copings. Roof materials cover the inboard sides of the parapets. The materials terminate at the coping.

Survey Condition and Analysis

Parapets appeared to be in good overall condition. Routine maintenance is anticipated during the evaluation period.

4.4 Roof

4.4.1 Roofing Materials

The Building 1 roof covering consists of a built-up roofing (BUR) system with a mineral cap sheet. The Building 2 roof covering consists of a BUR system with an emulsion coating. Flashing materials appeared to be similar to the roofing membrane. The roofing systems were reportedly installed new in 2004.

Survey Condition and Analysis

The roofing systems appeared to be in good overall condition. Based on EUL, reapplication of the roof coating is anticipated during the evaluation period with an opinion of the cost for this work included in Table 2.

4.4.2 Roof Drainage

Storm water runoff for the roof is directed to roof drains connected to internal leaders that exit through the exterior walls and discharge at grade.

Survey Condition and Analysis

Roof drains appeared to be in good overall condition. Roof drains should be repaired or replaced, as needed, during roof replacement activities. Evidence of water damage indicative of roof leaks was not observed.

The roofing system on Building 1 was observed with clogged roof drains. The roof drains should be cleared free of debris. An opinion of cost for this work included in Table 1.

4.5 Fire Escapes, Stairs or Balconies

Interior stairs providing access to the mezzanine level at Building 1 are constructed of wood stringers and open risers with wooden treads. Open sides are protected by wooden guardrails, and wooden handrails are located on walls at closed sides.

Survey Condition and Analysis

Stairs appeared to be in good condition. Routine maintenance is anticipated throughout the evaluation period.

5.0 MECHANICAL AND ELECTRICAL SYSTEMS

5.1 Plumbing, Domestic Hot Water, and Sewer Systems

Domestic water piping was observed to be copper. Sanitary drainage and vent piping is reported by the site escort to be cast iron. Observation of visible vent piping indicates that the piping is cast iron.

Domestic hot water is provided by electric water heaters installed by the tenants.

Survey Condition and Analysis

The plumbing systems were reported by the site escort to be in good overall condition. Evidence of leaks or faulty piping was not observed. Routine maintenance is anticipated during the evaluation period.

The sanitary drainage and vent system was reported by the site escort to be in good overall condition. Evidence of leaks or faulty piping was not observed. Routine maintenance is anticipated during the evaluation period.

The water heaters appeared to be in good overall condition. Maintenance and replacement of water heater is reported by the site escort to be a tenant responsibility under current lease agreements; consequently, an opinion of cost for repairs or replacements during the evaluation period have not been included in this report.

5.2 Heating, Air Conditioning, and Ventilation

At Building 1, heating is provided by ceiling-hung gas-fired heaters. This building has no mechanical cooling system. Building 2 is equipped with a rooftop-mounted packaged HVAC unit that provides heating and cooling. Cooling is provided by direct expansion and appeared to utilize R-22 refrigerant while the heating is provided by electric resistance coils. Conditioned air is distributed through sheet metal ducts to diffusers located in the finished ceilings. Fresh air is supplied by intakes on the side of the package unit. Return air is collected by concealed sheet metal ducts through ceiling-mounted intakes. The system is controlled by a local thermostat.

Survey Condition and Analysis

According to property management, the mechanical equipment is maintained by the tenants.

The HVAC equipment components are reported by the site escort to be of various ages and generally in good. Replacement of the HVAC equipment is a tenant responsibility.

5.3 Electrical

Electrical service is delivered via a pole-mounted, utility-owned transformer located along Montgomery Street. The main electrical service is rated at 200-amp, 208Y/120 volt, three-phase service level provided to the main distribution panels. Breaker panels for lighting and power controls are located on an interior wall. Observed panels were manufactured by Siemens.

Electrical branch wiring was observed to be copper.

Survey Condition and Analysis

The electrical service was reported by the site escort to be adequate for the current demands of the facility. The switchgear, circuit breaker panels, electrical meters, and wiring appeared to be in good condition. Routine maintenance is anticipated during the evaluation period.

5.4 Vertical Transportation

Vertical conveyances are not provided.

5.5 Life Safety and Fire Protection

5.5.1 Fire Suppression Systems

Fire suppression is not provided.

5.5.2 Alarm Systems

Alarm systems are not provided.

5.5.3 Other Systems

Additional systems are not provided.

6.0 INTERIOR ELEMENTS

6.1 Common Areas

No interior common areas are present. Property tenant spaces are accessed directly from exterior doors.

6.2 Amenities and Special Features

Significant amenities are not provided.

6.3 Support Areas

No support areas are present.

6.4 Commercial Tenant Spaces

The buildings have two tenant spaces in Building 1 and one tenant space in Building 2. Interior flooring consists of vinyl, ceramic tile and bare concrete. Walls are painted gypsum board and painted masonry. Ceilings are acoustic tiles, painted gypsum board and exposed structure.

Survey Condition and Analysis

The tenant finishes, and furnishings appeared to be in good condition. Maintenance, repair, and replacement of the tenant area finishes are generally tenant responsibilities, and as such an opinion of cost for this work are not included in this report.

7.0 ACCESSIBILITY

Americans with Disabilities Act

As part of this assessment, a limited, visual, accessibility survey was conducted. The survey did not include taking measurements or counting accessibility elements. The scope of the survey was limited to determining the existence of architectural barriers or physical attributes of the subject property, which affect on-site parking, path of travel into and through public areas of the building, and elevators, as applicable. Furthermore, the scope of our survey includes only the federal requirements of the ADA; it is not intended to address state or local codes. Our observations were limited to the places of public accommodation on the subject property.

Survey Condition and Analysis

Based on current use, the subject property is a “public accommodation”.

Exterior routes from public transportation stops, the accessible parking space, and public sidewalk at the subject property appeared to be generally accessible. Exterior entrances provided at the subject property appeared to be generally accessible.

Parking areas that provide self-parking for employees and visitors must provide ADA-compliant parking spaces. The subject property provides 16 parking spaces, one of which is an ADA Van-accessible space. The accessible parking space appeared to be correctly configured; however, the stall has no signage. An ADA-compliant sign should be installed.

Interior routes connecting all public areas within the subject building appeared to be generally accessible.

An opinion of cost for correction of non-accessible items is included in Table 1. Design of the means of access is beyond the scope of this report.

8.0 SUSPECT WATER INTRUSION AND MICROBIAL GROWTH

As part of performing this PCA, visual observations for overt signs of suspect mold growth were also performed. These observations were not performed to discover all affected areas, nor were areas of the subject property observed specifically for the purpose of identifying areas of suspect mold growth. The subject property areas viewed were limited to those necessary to perform the primary scope of this PCA.

Survey Condition and Analysis

Visual or olfactory indications of significant suspect microbial growth were not observed.

9.0 NATURAL HAZARD INFORMATION

Partner reviewed readily-available materials to obtain the following information. Determination of site-specific conditions is not within the scope of this report and may require additional investigation.

9.1 Flood Zone

According to Flood Insurance Rate Map, Community Panel Number 06085C0234H dated May 18, 2009, the subject property appears to be located in:

Zone D; which are unstudied areas where flood hazards are undetermined, but flooding is possible. No mandatory flood insurance purchase requirements apply, but coverage is available in participating communities.

9.2 Seismic Zone

According to the seismic zone map, published in the Uniform Building Code 1997, Volume 2, Table 16.2, the subject property appears to be located in Seismic Zone 4.

10.0 OUT OF SCOPE CONSIDERATIONS

These following items are categorically excluded from the scope of work.

- Utilities: Operating conditions of any systems or accessing manholes or utility pits.
- Structural Frame and Building Envelope: Entering of crawl or confined space areas (however, the field observer will observe conditions to the extent easily visible from the point of access to the crawl or confined space areas), determination of previous substructure flooding or water penetration unless easily visible or if such information is provided.
- Roofs: Walking on pitched roofs, or any roof areas that appear to be unsafe, or roofs with no built-in access, or determining any roofing design criteria.
- Plumbing: Determining adequate pressure and flow rate, fixture unit values and counts, verifying pipe sizes, or verifying the point of discharge for underground systems.
- Heating: Observation of flue connections, interiors of chimneys, flues or boiler stacks, or tenant owned or maintained equipment. Entering of plenum or confined space areas.
- Air conditioning & Ventilation: Process-related equipment or condition of tenant owned or maintained equipment. Entering of plenum or confined space areas. Testing or measurements of equipment or air flow.
- Electrical: Removing of electrical panel and device covers, except if removed by building staff, EMF issues, electrical testing, or operating any electrical devices. Opining on process related equipment or tenant-owned equipment.
- Vertical Transportation: Examining of cables, sheaves, controllers, motors, inspection tags, or entering elevator/ escalator pits or shafts.
- Life Safety/ Fire Protection: Determining NFPA hazard classifications, classifying, or testing fire rating of assemblies. Determination of the necessity for or the presence of fire areas, fire walls, fire barriers, paths of travel, construction groups or types, or use classifications.
- Interior Elements: Operating appliances or fixtures, determining or reporting STC (Sound Transmission Class) ratings, and flammability issues/regulations.

Activity Exclusions- These activities listed below generally are excluded from or otherwise represent limitations to the scope of a PCA prepared in accordance with this guide (ASTM 2018-15). These should not be construed as all-inclusive or imply that any exclusion not specifically identified is a PCA requirement under this guide.

- Providing opinions of costs that are either individually or in the aggregate less than a threshold amount of \$3,000 for like items unless specifically requested by the addressee.
- Identifying capital improvements, enhancements, or upgrades to building components, systems, or finishes;
- Removing, relocating, or repositioning of materials, ceiling, wall, or equipment panels, furniture, storage containers, personal effects, debris material or finishes; conducting exploratory probing or testing; dismantling or operating of equipment or appliances; or disturbing personal items or property, that obstruct access or visibility;
- Determining adequate pressure and flow rate, fixture-unit values and counts, verifying pipe sizes, or verifying the point of discharge for underground drains;

- Determining NFPA hazard classifications, identifying, classifying, or testing fire rating of assemblies. Determination of the necessity for or the presence of fire areas, fire walls, fire barriers, accessible routes, construction groups or types, or use classifications;
- Preparing engineering calculations to determine any system's, component's or equipment's adequacy or compliance with any specific or commonly accepted design requirements or building codes, or preparing designs or specifications to remedy any physical deficiencies;
- Identification of code or OSHA compliance beyond what has been reported through communication with local regulatory offices.
- Taking measurements or quantities to establish or confirm any information provided by the owner or user;
- Reporting on the presence or absence of pests or insects;
- Reporting on the condition of subterranean or concealed conditions as well as items or systems that are not permanently installed or are tenant-owned and maintained;
- Entering or accessing any area deemed to potentially pose a threat of dangerous or adverse conditions with respect to the field observer's health or safety;
- Performing any procedure, that may damage or impair the physical integrity of the property, any system, or component;
- Providing an opinion on the operation of any system or component that is shut down;
- Evaluating the Sound Transmission Class or acoustical or insulating characteristics of systems or components;
- Providing an opinion on matters regarding security and protection of occupants or users from unauthorized access;
- Evaluating the flammability of materials and related regulations;
- Providing an opinion on matters regarding security of the subject property and protection of its occupants or users from unauthorized access;
- Operating or witnessing the operation of lighting or any other system controlled by a timer, operated by the maintenance staff, or operated by service companies;
- Providing an environmental assessment or opinion on the presence of any environmental issues such as potable water quality, asbestos, hazardous wastes, toxic materials, the location and presence of designated wetlands, IAQ, etc. unless specifically defined within the agreed scope;
- Evaluating systems or components that require specialized knowledge or equipment;
- Entering of plenum or confined space areas.

11.0 LIMITATIONS

This assessment is based upon the guidelines set forth by the ASTM Standard current to the issuance of this report and subject to the limitations stated therein. Our review of the subject property consisted of a visual assessment of the site, the structure(s) and the accessible interior spaces. Any technical analyses made are based on the appearance of the improvements at the time of this assessment and the evaluator's judgment of the physical condition of the subject property components, their ages and their EUL. Consequently, this report represents the condition of the subject property at the time of observation. Acceptance and use of this report infers acknowledgment that the condition of the property may have changed subsequent to site observations and/or that additional information may have been discovered, and that Partner, its officers, employees, vendors, successors or assigns, are not liable for changes in the condition of the property, failures in property components or systems, and damages that may occur as a result of the changes or failures.

Information regarding the subject property is obtained from a site walk-through survey, local government agency records review, interviews and client-, tenant- or property owner-provided documents. No material sampling, invasive or destructive investigations, equipment or system testing was performed. The observations and related comments within this report are limited in nature and should not be inferred as a full and comprehensive survey of the building components and systems.

Information regarding operations, conditions, and test data provided by the Addressee, property owner, or their respective representatives has been assumed to be factual and complete. Information obtained from readily-available sources, including internet research and interview of municipal officials or representatives is assumed to be factual and complete. No warranty is expressed or implied, except that the services rendered have been performed in accordance with generally-accepted practices applicable at the time and location of the study.

The actual performance of systems and components may vary from a reasonably expected standard and will be affected by circumstances that occur after the date of the evaluation. This assessment, analyses and opinions expressed within this report are not representations regarding either the design integrity or the structural soundness of the project.

The report does not identify minor, inexpensive repairs or maintenance items, which should be part of the subject property owner's current operating budget so long as these items appear to be addressed on a regular basis. The report does identify infrequently occurring maintenance items of significant cost, such as exterior painting, roofing, deferred maintenance and repairs and replacements that normally involve major expense or outside contracting.

The assessment of the roof, façade and substructure contained herein cannot specifically state that these items are free of leaks and/or water intrusion and should not be interpreted as such. Comments made with respect to the condition of the systems are limited to visual observation and information provided by the designated site contacts and/or on-site representatives and their contractors/vendors. The evaluation of these systems did not include any sampling and/or testing. A more extensive evaluation may be required if a comprehensive report on the condition of these systems is required.

Performance of a comprehensive building, fire or zoning code review is outside of the scope of work for this report. Information provided within this report is based on readily-available information or interview of municipal officials.

This report presents an evaluation of the accessibility of the subject property as specified in the engagement agreement. This report does not present an audit of all components specified in federal, state or local accessibility regulations. Instead, this review observed general design components such as routes of travel, door hardware, plumbing amenities, elevator controls and signals, basic emergency alarm components and signage. This report is not a comprehensive Americans with Disabilities Act review.

Acceptance and use of this report infers acknowledgment that the condition of the property may have changed and that Partner, its officers, employees, vendors, successors or assigns, are not liable for changes in the condition of the property, failures in property components or systems, and damages that may occur as a result of the changes or failures.

FIGURES

- 1. SITE LOCATION MAP**
- 2. SITE PLAN**



PARTNER



KEY:
Subject Property 

FIGURE 1: SITE LOCATION MAP
Project No. 18-209196.1

PARTNER

APPENDIX A: SITE PHOTOGRAPHS



1. View of property from Montgomery Street



2. Driveway approach



3. Concrete-paved parking area



4. On-site drainage inlet



5. Building 1 exterior facade



6. Building 1 exterior facade



7. Building 1 exterior facade



8. Building 2 exterior facade



9. Building 2 exterior facade



10. Building 1 roof area



11. Roof drains



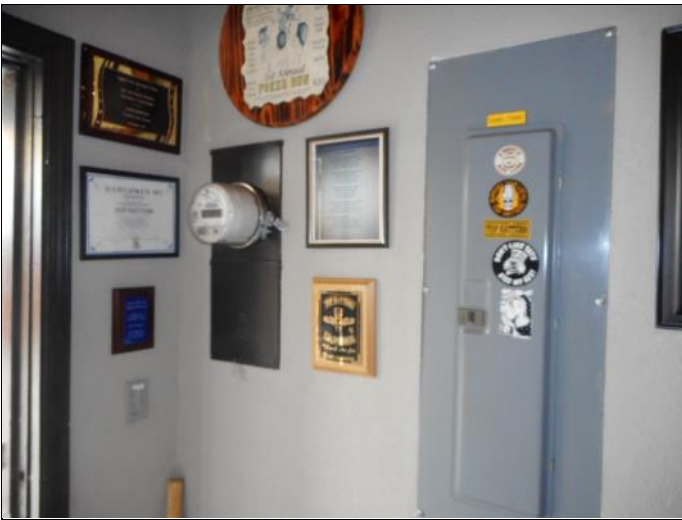
12. Building 2 roof area



13. Rooftop HVAC unit



14. Gas-fired ceiling-hung heater



15. Main electrical panel and meter



16. Electrical sub-panel



17. Electrical main breaker



18. Water backflow device



19. Gas meter



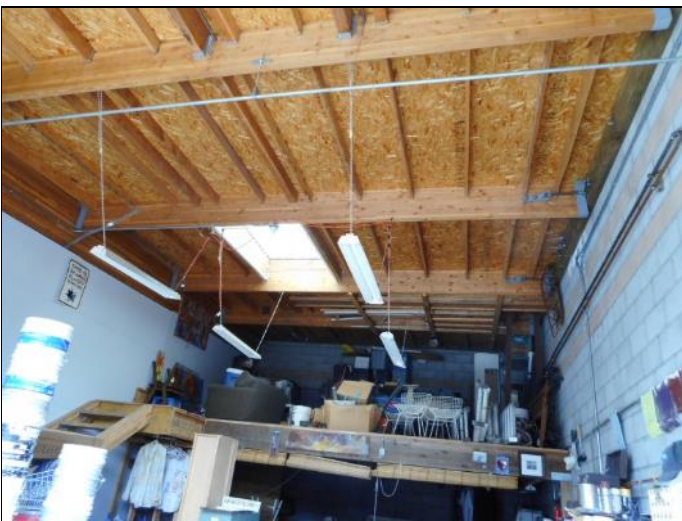
20. Building 1 tenant space interior



21. Building 1 tenant space interior



22. Building 2 tenant space interior



23. View of Building 1 roof framing



24. Building 2 tenant space restroom

APPENDIX B: SUPPORTING DOCUMENTATION

City Of San Jose Building Permit

Date: 12/13/04
APPL./PERMIT #: E-04-155255

(Please print clearly and fill in all that apply)

PROJECT ADDRESS: 250 N. MONTGOMERY ST. SAN JOSE 95110

ASSESSOR PARCEL # _____ CITY: San Jose/Santa Clara County

APPLICANTS NAME: FRANK JOSEPH
MAILING ADDRESS: 240 N. MONTGOMERY ST.
CITY/STATE/ZIP: SAN JOSE, CA 95110
PHONE #: (408) 294-1100 FAX #: () 294 6242
E-MAIL ADDRESS: FRANKHD@ADL.GOM
TENANT COMPANY NAME: _____
PROPERTY OWNER: FRANK JOSEPH
PHONE #: () 294-1100 FAX #: () 294-6242

(Jurisdictions may require written approval from the owner)

☐ ARCHITECT ☐ ENGINEER
LICENSE/REGISTRATION #: _____
NAME: _____
COMPANY NAME: _____
MAILING ADDRESS: _____
CITY/STATE/ZIP: _____
PHONE #: () FAX #: ()
E-MAIL ADDRESS: _____

PROJECT CONTACT PERSON: VON GOESLING PHONE #: (408) 219-7907 FAX #: () 294-6242

ADDRESS: 240 N. MONTGOMERY ST E-MAIL ADDRESS: Vgoesling@SJCglobal.net

LICENSE #: _____ LIC. CLASS(ES): CONTRACTOR PHONE #: ()
COMPANY NAME: _____ FAX #: ()
ADDRESS: _____ E-MAIL ADDRESS: _____
CITY/STATE/ZIP: _____ BUSINESS LIC #: _____

Licensed Contractors Declaration: I hereby affirm under penalty of perjury that I am licensed under provisions of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code, and my license is in full force and effect. Date: _____ Contractor Signature: _____

Owner-Builder Declaration: I hereby affirm under penalty of perjury that I am exempt from the Contractors License Law for the following reason (Sec. 7031.5 Business and Professions Code: Any city or county which requires a permit to construct, alter, improve, demolish, or repair any structure, prior to its issuance, also requires the applicant for the permit to file a signed statement that he or she is licensed pursuant to the provisions of the Contractors License Law (Chapter 9, (commencing with Section 7000) of Division 3 of the Business and Professions Code) or that he or she is exempt therefrom and the basis for the alleged exemption. Any violation of Section 7031.5 by any applicant for a permit subjects the applicant to a civil penalty of not more than five hundred dollars (\$500):

- ☐ I, as owner of the property, or my employees with wages as their sole compensation, will do the work, and the structure is not intended or offered for sale (Sec. 7044, Business and Professions Code: The Contractor License Law does not apply to an owner of property who builds or improves thereon, and who does such work himself or herself or through his or her own employees, provided that the improvements are not intended or offered for sale. If, however, the building or improvement is sold within one year of completion, the owner-builder will have the burden of proving that he or she did not build or improve for the purpose of sale).
- ☒ I, as owner of property, am exclusively contracting with licensed contractors to construct the project (Sec. 7044, Business and Professions Code: The Contractors License Law does not apply to an owner of property who builds or improves thereon, and who contracts for the project with a contractor(s) licensed pursuant to the Contractors License Law).
- ☐ I am exempt under Sec. _____, B & P.C. for this reason _____

Date: 12-13-04 Owner Signature: [Signature]

Workers' Compensation Declaration: I hereby affirm under penalty of perjury one of the following declarations:
☐ I have and will maintain a certificate of consent to self-insure for workers' compensation, as provided for by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued.
☐ I have and will maintain workers' compensation insurance, as required by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued. My workers' compensation insurance carrier and policy number are:

CARRIER: _____ POLICY NO. _____

(This section need not be completed if the permit is for one hundred dollars (\$100) or less.)

☒ I certify that, in the performance of the work for which this permit is issued, I shall not employ any person in any manner so as to become subject to the workers' compensation laws of California, and agree that if I should become subject to the workers' compensation provisions of Section 3700 of the Labor Code, I shall forthwith comply with those provisions.

Date: 12-13-04 Applicant Signature: [Signature]

WARNING: Failure to secure workers' compensation coverage is unlawful, and shall subject an employer to criminal penalties and civil fines up to one hundred thousand dollars (\$100,000), in addition to the cost of compensation, damages as provided for in Section 3706 of the Labor Code, interest, and attorney fees.

Construction Lending Agency Declaration: I hereby affirm under penalty of perjury that there is a construction lending agency for the performance of the work for which this permit is issued (Sec. 3097, Civ. C.).

Lender's Name: _____ Lender's Address: _____

I Certify that I have read this application and state that the above information is correct. I agree to comply with all city and county ordinances and state laws relating to building construction and hereby authorize representatives of this county to enter upon the above-mentioned property for inspection purposes.

Signature of Applicant/Agent: [Signature] Date: 12-13-04

Printed Name of Applicant/Agent: _____

THE FOLLOWING FORM IS MANDATED BY SECTION 19831
OF THE HEALTH AND SAFETY CODE OF THE STATE OF CALIFORNIA

ATTENTION PROPERTY OWNER OF: 250 N. MONTGOMERY ST.
(Property Address)

An "owner-builder" building permit has been applied for in your name and bearing your signature.

Please complete and return this information at your earliest opportunity to avoid unnecessary delay in processing and issuing your building permit. No building permit will be issued until this verification is received.

1. I personally plan to provide the major labor and materials for construction of the proposed property improvement [yes () no (☒)].
2. I [have (☒) have not ()] signed an application for a building permit for the proposed work.
3. I have contracted with the following person (firm) to provide the proposed construction:

Name: _____

Address: _____

Phone: _____ Contractor's License No.: _____

4. I plan to provide portions of the work, but I have hired the following person to coordinate, supervise, and provide the major work.

Name: _____

Address: _____

Phone: _____ Contractor's License No: _____

5. I will provide some of the work, but I have contracted (hired) the following persons to provide the work indicated:

| Name | Address | Phone | Type of Work |
|------|---------|-------|--------------|
|------|---------|-------|--------------|

| | | | |
|-------|-------|-------|-------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

Signed: [Signature]

Print Name: FRANK JOSEPH

Date: 2-13-08

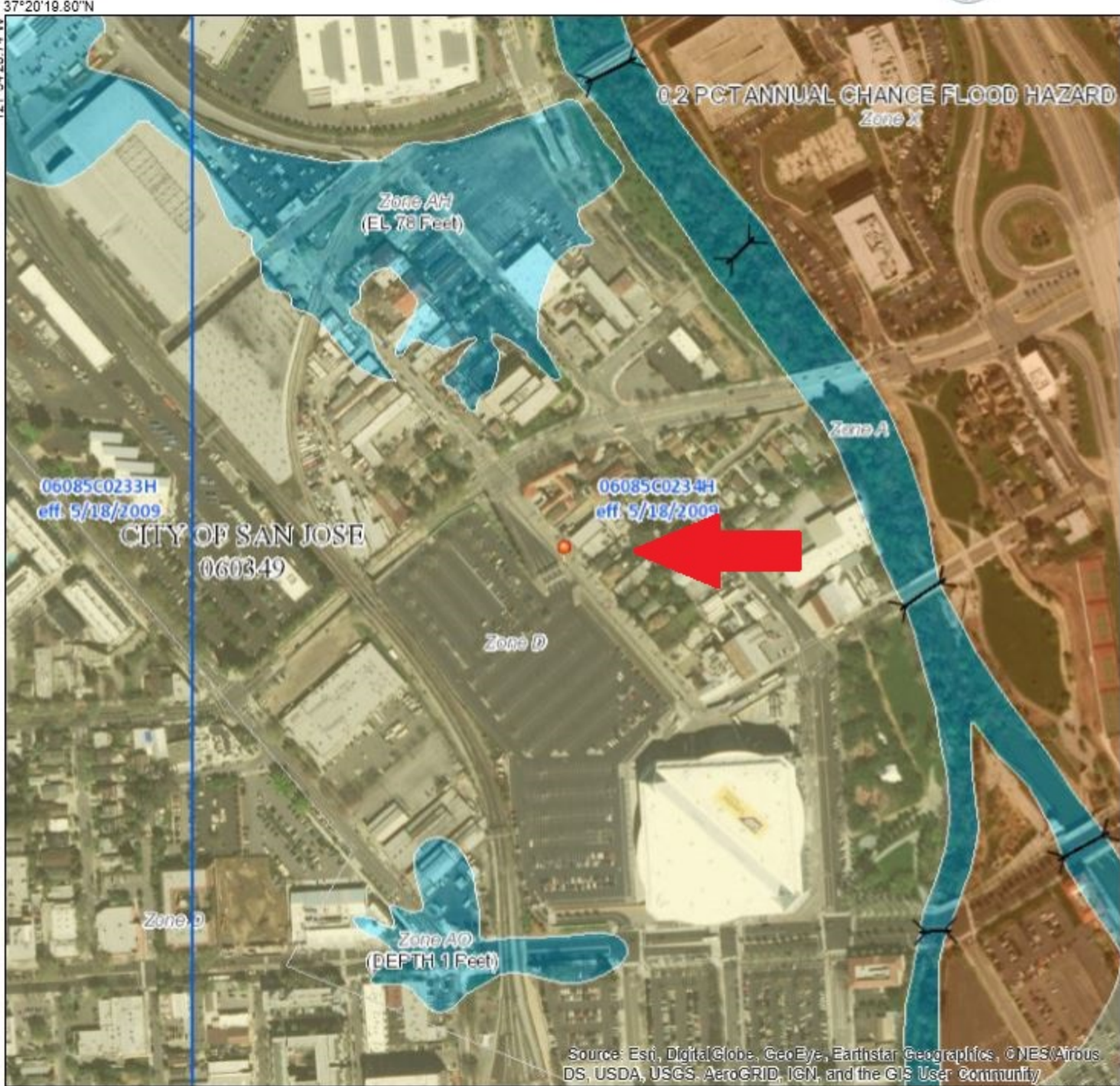
National Flood Hazard Layer FIRMette



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

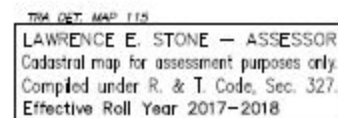
| | | |
|-----------------------------|--|---|
| SPECIAL FLOOD HAZARD AREAS | | Without Base Flood Elevation (BFE) Zone A, V, A99 |
| | | With BFE or Depth |
| | | Regulatory Floodway Zone AE, AO, AH, VE, AR |
| OTHER AREAS OF FLOOD HAZARD | | 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X |
| | | Future Conditions 1% Annual Chance Flood Hazard Zone X |
| | | Area with Reduced Flood Risk due to Levee. See Notes, Zone X |
| | | Area with Flood Risk due to Levee Zone D |
| OTHER AREAS | | Area of Minimal Flood Hazard Zone X |
| | | Effective LOMRs |
| GENERAL STRUCTURES | | Area of Undetermined Flood Hazard Zone D |
| | | Channel, Culvert, or Storm Sewer |
| | | Levee, Dike, or Floodwall |
| OTHER FEATURES | | Cross Sections with 1% Annual Chance Water Surface Elevation |
| | | Coastal Transect |
| | | Base Flood Elevation Line (BFE) |
| | | Limit of Study |
| | | Jurisdiction Boundary |
| | | Coastal Transect Baseline |
| MAP PANELS | | Digital Data Available |
| | | No Digital Data Available |
| MAP PANELS | | Unmapped |



This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The base map shown complies with FEMA's base map accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 3/5/2018 at 1:17:43 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: base map imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.



APPENDIX C: QUALIFICATIONS

Dean Andrews, AIA
Partner Associate



Education

LA Harbor College School of Architecture

Registrations

Registered Architect, California

US Office of Emergency Services Certified Post Earthquake Inspector

ASTM Property Condition Assessment Certification

Summary of Professional Experience

Mr. Andrews has over 34 years experience in the design and construction industry and 19 years of experience in the engineering service industry in both the private and public sectors. As an Architect, Mr. Andrews has worked on several historically significant projects gaining acceptance into Marquis Who's Who in American Architecture. In addition to his architectural accomplishments, Mr. Andrews has prepared construction claims support documentation and served as an expert witness in construction claims litigation in both the public and private sectors.

Mr. Andrews has significant experience in due diligence assessments for a variety of property types and the needs and requirements of varied number of reporting standards, including ASTM standards and customized client formats. Mr. Andrews has performed Property Condition Assessments (PCAs), Small Loan PCAs, Construction Progress Monitoring, Probable Maximum Loss Assessments (PMLs) and Regulatory Compliance Assessments throughout the United States, Canada and Europe.

Mr. Andrews entered the Commercial Real Estate Due Diligence industry in 1995. In 2001, he was promoted to Client Manager of National Assessment Corporation providing specific commercial lenders with complete due diligence services. When National Assessment Corporation joined LandAmerica, Mr. Andrews' client base expanded and his duties included quality control and the development of due diligence documents used throughout the company.

Through his client relationships, Mr. Andrews was commissioned in 2002 to investigate the condition of eight office buildings in Paris, France as one of the first American due diligence consultants in the European market. Recently, Mr. Andrews was commissioned to investigate the condition of 90 buildings within a decommissioned Air Force base for a potential private mixed use development.

Mr. Andrews has worked at all levels in the due diligence industry as a staff architect, project manager, or executive senior author on transactions. Mr. Andrews has personally conducted over 2,000 Physical Needs Assessments (Fannie Mae), Property Condition Assessments (Freddie Mac and CMBS), and Project Capital Needs Assessments (FHA) in support of financing.

Through his training and experience as a US Office of Emergency Services Certified Post Earthquake Inspector, Mr. Andrews has an in-depth background on the cause of structural failure during seismic events. Mr. Andrews is active in the development and review of Partner's Probable Maximum Loss Reports and personally performs site structural assessments and review of proposed structural upgrade construction documents.

Currently, Mr. Andrews supports a wide range of client types including: Fannie Mae DUS Lenders, Freddie Mac Lenders, FHA/HUD Lenders, CMBS Lenders, as well as a large and diverse equity clientele. Mr. Andrews is very active in refining the process of commercial building inspections as well as developing Property Condition Reports and Probable Maximum Loss Analysis' to fit the needs of a specific client type.

In addition to performing property condition investigation services, Mr. Andrews has provided the mortgage lending industry with presentations on the value and content of the Property Condition Report as well as current problematic building materials and systems. Mr. Andrews continues to pursue better means and methods of serving the commercial real estate market through identifying potential risk and establishing prudent actions of remedy. He has completed courses in ADA compliance and wood destroying pests.

Finally, Mr. Andrews' diversity across residential, industrial, municipal, and commercial environments is a major contribution to Partner Engineering and Science's Associate team in the West, region of the United States.

Education

B.S. Chemical Engineering, Illinois Institute of Technology

Training

HUD MAP Training Certification

Certificate of Completion for PCA/PNA 8-Hour Training and Final Exam

Highlights

34 years of experience in Engineering and Environmental Consulting

26 years of experience in Phase I Site Assessments

22 years of experience in Property Condition Assessments

ACM inspections and abatement

Portfolio Management

Experience Summary

Mr. Claveria serves as a Senior Project Manager for Partner Engineering and Science, Inc. (Partner), and is responsible for the oversight and management of engineering, seismic, and survey services in support of real estate transactions. He also performs quality assurance/quality control report reviews, Property Condition Assessments in conformance with the scope and limitations as set forth by ASTM E2018-15 "Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process", and Phase I Environmental Site Assessments in accordance with EPA's All Appropriate Inquiry (AAI), as well as customized client formats. Specifically, Mr. Claveria has performed PCAs, Phase I ESAs, Environmental Transaction Screens, Phase II Subsurface Investigations, Small loan PCAs, Asbestos Surveys, Lead-based Paint Surveys, Radon Studies, Mold Assessments, and Lead-in-water sampling and analysis. He has extensive portfolio management experience throughout the United States, and has worked with numerous property types including large-scale manufacturing and distribution facilities, food processing and distribution facilities, student housing developments, high-rise office buildings, regional retail centers, golf course developments, and multi-family residential properties.

Previously, Mr. Claveria was the manager of the quality assurance/quality control group for a former Fortune 500 company. He controlled and directed the activities of project managers and technical reviewers to provide the necessary review support to National Client Management (NCM) team(s) on over 3,000 assessments prepared by contracted field observers and peer professionals nationwide. Mr. Claveria conducted training to improve QA/QC efforts which helped reduce inaccurate or incomplete reporting. He was also responsible for managing projects from cradle to grave including project setup and assignment, monitoring the project and schedule compliance, technical review, and closing the project.

Mr. Claveria was also a principal of his own firm, located in northern Illinois, where he was responsible for the overall technical and business management of the firm. He managed Environmental Site Assessments, Property Condition Assessments, Characterization, and Asbestos Abatement and Monitoring.

For a national environmental consulting firm, Mr. Claveria served as a Director of Operations. He developed policies, procedures, guidelines and strategies for management of environmental restoration and construction projects. He planned and provided oversight for additional investigations required for

contaminated properties, as well as developed and implemented appropriate corrective action measures to mitigate environmental concerns identified.

Project Experience

Global Investment Management Client, Netherlands In support of Property Condition Assessments of a 10-site office building portfolio, Mr. Claveria was responsible for performing report reviews ensuring the reports reflect the European Market.

Global Investment Management Client, Atlanta Metropolitan Area. Property Condition Assessment of a five-building, 1.0 million square foot Class A office property.

Private Investor, Chicago Metropolitan Area. Property Condition Assessment of four interconnected buildings, with 707,302 total rentable square feet prominently situated along Interstate 90.

National Nonprofit Affordable Housing Developer. Managed Property Condition Assessments of a 58-site multi-family portfolio nationwide.

National Lenders, Various Locations. Equity-level Property Condition Assessments and Environmental Site Assessments of a variety of property types including: a 65-story, 1,281,000 net rentable SF office tower with 27,163 SF of retail space; healthcare facilities with a total of 333 licensed beds, as well as a 221-unit, 226,524 square-foot senior living facility; a 775-acre resort complex consisting of a hotel lodge and three 18-hole golf courses each featuring a one-story clubhouse; three multi-tenant office and light industrial buildings with a combined rentable area of 155,030 SF; a 104,196 SF big box retail building; a 474,029 SF industrial manufacturing and distribution facility; a 136,441 SF food processing and distribution facility; student housing development with 25, 3-story apartment buildings that contain 312 units and 355,062 rentable SF; a 1,261-unit, 1,008,904 SF multi-family residential development; and a mixed-use development comprised of loft apartments and ground level retail, service and restaurant establishments.

Portfolio Review Support. Currently performing QA/QC of PCAs, ESAs, and Probable Maximum Loss Evaluations for Earthquake Due-Diligence Assessments to support pooled collateral property undergoing securitization.

Contact

aclaveria@partneresi.com

Education

Bachelor of Arts, Public Administration & Economics, San Diego State University
Executive MBA Program, 2000-2003

Highlights

Over 20 years of experience in the environmental and engineering consulting industry
Property Condition Assessments (PCAs)
Fannie Mae, Freddie Mac, and HUD due diligence

Experience Summary

Mr. Lambson is a true veteran of the commercial real estate services industry. He has over 20 years of experience managing and performing environmental and engineering consulting projects on a national level. Mr. Lambson serves as a Principal for Partner and is located in Partner's San Diego County office. Mr. Lambson currently provides client management and consulting to a nationwide client base and specializes in advising "equity" clients during the acquisition phase of commercial property transactions in the U.S., Mexico, and Canada.

Mr. Lambson has assisted clients on over 10,000 commercial real estate transactions throughout his career. His due diligence resume includes experience at all levels, and includes advising REITs, developers, property managers, retail companies, commercial real estate brokers, mortgage brokers, attorneys, lenders, universities, and real estate investment groups with the following nationwide services:

- Property Condition Assessments (PCAs)
- Individual Building System Inspections for Roof, Mechanical Electrical Plumbing (MEP), Elevator, Structure, Façade, and ADA/Accessibility
- Phase I Environmental Site Assessments (ESAs)
- Phase II Subsurface Investigations (Soil and groundwater sampling and analysis)
- Phase III Environmental Remediation Services
- Asbestos, Lead, Radon, Mold Sampling
- Seismic and Structural Assessments (PMLs)
- Energy Audits, Benchmarking, AB1103 Energy Disclosure, and LEED-related services
- Hydrology, Water Conservation and Efficiency
- Fannie Mae / Freddie Mac / HUD Due Diligence
- Geotechnical and Soils Reports
- Zoning Reports
- ALTA Surveys

Building Sciences

Property Condition Assessment, MEP Report, Roof Report, Elevator Report, Structural and Seismic Assessment for a high-profile Class A office campus acquisition in the San Francisco Bay Area

ADA Compliance and Accessibility Reviews for a national bank branch portfolio

Fannie Mae Property Condition / Physical Needs Assessment services for a 5400-unit multifamily portfolio in Nevada

Environmental Assessments

Phase I and Phase II Environmental Assessments for a 75-acre aerospace facility in the Northwest United States

Over 500 Phase I Environmental Site Assessments for a national fast-food chain

Environmental consulting for over 1 million acres of desert land in California, Nevada, and Arizona

Land Surveys

ALTA Surveys for 2400-unit apartment portfolio in the Midwest

Multi-Site Portfolios

113-site office portfolio acquisition for a national REIT

122-site hotel portfolio for a national lending institution

55-site hotel portfolio acquisition for a private investment group

68-site healthcare portfolio acquisition for a national REIT

50-site country club/golf course acquisition for a private investment group

Energy and Water Efficiency

Energy & Water consulting for a national property owner that operates and manages 30 retail and office centers on the West Coast and Texas

Affiliations

National Association of Real Estate Investment Trusts (NAREIT)

International Council of Shopping Centers (ICSC)

U.S Green Building Council (USGBC)

Society of Industrial and Office Realtors, San Diego County (SIOR)

National Association of Industrial & Office Parks, Southern California (NAIOP)

San Diego Habitat Conservancy, Board of Directors. 2010 - 2014

Speaking

Bisnow Conference, Panel Moderator, La Jolla, CA, October 2014. Moderated panel on Southern California Real Estate Trends.

Globestreet, ICSC Western States Conference, San Diego, CA May 2013. Video interview regarding retail real estate trends and due diligence.

Publications

Shopping Centers Today, 2010. Authored article on LEED applications for shopping centers and retail assets.

Contact

mlambson@partneresi.com

PROPERTY CONDITION REPORT

Commercial Building - APN 259-29-012 and 259-29-020
260 N Montgomery Street and 255 N Autumn Street
San Jose, California 95110

September 18, 2018
Partner Project Number: 18-225703.1

Prepared for:

Trammell Crow Company
San Francisco, California 94105



September 18, 2018

Mr. Tom Jodry
Trammell Crow Company
415 Mission Street, 45th Floor
San Francisco, California 94105

Subject: Property Condition Report
Commercial Building - APN 259-29-012 and 259-29-020
260 N Montgomery Street and 255 N Autumn Street
San Jose, California 95110
Partner Project No. 18-225703.1

Dear Mr. Jodry:

Partner Engineering and Science, Inc. is pleased to provide the results of the assessment performed on the above-referenced property. At a minimum, this assessment was performed in conformance with the scope and limitations as set forth by ASTM E2018-15 "Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process" and as specified in the engagement agreement that initiated this work.

The purpose of this assessment is to provide sufficient information to evaluate the condition of the real property in order to facilitate completion of due diligence as a secured lender. The findings of this report are intended to be used in support of securing the debt created through the prospective financing for which the subject property serves as collateral. This report may not be used for any other purpose, including, without limitation, use by owner, borrower or tenant for the purpose of evaluating specific building components and systems, or as an instrument in negotiations related to the acquisition or disposition of the property.

We appreciate the opportunity to provide these assessment services. If you have any questions concerning this report, or if we can assist you in any other matter, please contact Mark Lambson at (619) 925-9672 or mlambson@partneresi.com.

Sincerely,

Partner Engineering and Science, Inc.

DRAFT

DRAFT

Anthony S. Claveria
Sr. Reviewer

Mark Lambson
Principal

EXECUTIVE SUMMARY AND PROPERTY DESCRIPTION

Executive Summary

Partner Engineering and Science, Inc. (Partner) has performed a property condition assessment (PCA) of the parcel and improvements defined in the following table (the "subject property"). The assessment was performed in accordance with ASTM E2018-15 "Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process". The purpose of this Property Condition Assessment was to observe and document readily-visible materials and building system defects that might significantly affect the value of the subject property, and determine if conditions exist which may have a significant impact on the continued operation of the facility during the evaluation period.

| Property Data | |
|-------------------------------------|--|
| Name | Commercial Building - APN 259-29-012 and 259-29-020 |
| Address | 260 N Montgomery Street and 255 N Autumn Street |
| City, State and Zip Code | San Jose, California 95110 |
| Property use | Industrial |
| Land acreage (acres) | 0.46Acres |
| Number of buildings | One |
| Number of floors | One |
| Year built | 1946 |
| Gross building area (sf) | 4,400 SF |
| Net rentable area (sf) | 4,400 SF |
| Number of tenant spaces | One |
| Foundation / Substructure | Concrete slab-on-grade with perimeter footings |
| Superstructure | Steel frame |
| Façade | Unpainted metal siding |
| Roof type | Unpainted metal siding |
| Parking area | Gravel-surfaced open lot |
| Parking space count | Eight open parking spaces |
| ADA-designated parking count | None |
| HVAC system | Through-wall AC unit, Gas-fired wall heater and ceiling-hung gas-fired heaters |
| Water supply piping | Copper |
| Electrical branch wiring | Copper |
| Number of elevators | None |
| Fire suppression | None |
| Fire alarm | None |

Overall Condition

Based on the systems and components observed during the site visit, the subject property appeared to be in fair condition. The overall level of preventative maintenance appeared to be fair. The detailed observations of reviewed systems are presented in the following Sections of this report, with tabulated opinions of cost presented in the Appendices.

Reported Capital Expenditures

According to property management, no recent or planned capital improvements were performed

Immediate and Short-Term Repair Items

This report presents opinions of costs for items or conditions that require immediate action as a result of the following: Material existing or potentially unsafe conditions, material code violations, or any other physical deficiencies that if left uncorrected would be expected to result in or contribute to the failure of critical elements or systems within one year or may result in a significant increase in remedial costs. These items should be addressed at the first practical opportunity.

In addition, this report presents opinions of costs for items or conditions that may not require immediate action, but should be conducted on a priority basis above and beyond routine maintenance. Generally, the recommended time frame for addressing these items is two years.

Deferred maintenance items and/or physical deficiencies that are considered significant are also identified in Table 1 - Immediate Repair and Deferred Maintenance Cost Opinion.

Replacement Reserve Items

In accordance with the terms under which this assessment was performed, this report includes opinions of costs for capital replacement reserve items that are anticipated to occur during a specified evaluation period. These items are identified in Table 2 – Long-Term Cost Opinion. Systems or components that are present at the subject property, but not listed in Table 2, are expected to realize a useful life that exceeds the evaluation period.

Cost Exclusions

This report excludes costs for systems or components that are reported to be a tenant responsibility to maintain and replace, that are generally associated with the normal operation of the subject property, that are part and parcel of a building renovation program, for enhancements to reposition the subject property within the marketplace, for work that is cosmetic or decorative, for work that is being conducted for warranty transfer purposes, and routine maintenance activities. This report also excludes costs that are below the reporting threshold established by the engagement agreement.

Deviation from ASTM E2018

The deviations listed below are part of the Partner standard operating procedures or were specified in the Client's scope of work.

- This report includes seismic zone information that is not required by the Standard.
- This report includes an opinion of costs for anticipated capital expenditures for an evaluation period defined by the Addressee. The costs are presented in Table 2.
- This report includes an evaluation of the condition of the observed components and systems.
- This report combines the opinions of immediate and short-term costs included in Table 1.

Recommendations for Additional Investigations

No current conditions were determined to warrant further investigation at the time of Partner's site assessment.

TABLE 1 - IMMEDIATE REPAIRS & DEFERRED MAINTENANCE COST OPINION

Commercial Building - APN 259-29-020

260 N Montgomery Street and 255 N Autumn Street

San Jose, CA

Partner Project No. 18-225703.1

September 18, 2018

| Sect. No. | Deficiency or Repair Item | Quantity | Unit | Unit Cost | Total Cost |
|---|--|----------|------|-----------|------------|
| 2.0 Regulatory Compliance | | | | | |
| | None Noted | | | | |
| 3.0 Site Improvements | | | | | |
| | None Noted | | | | |
| 4.0 Structural Frame and Building Envelope | | | | | |
| 4.3.1 | Building exterior repairs - The metal panels were observed with isolated areas of damage. The damaged panels should be replaced. | 1 | LS | \$3,500 | \$3,500 |
| 4.3.1 | Building exterior repairs - The metal panels were observed with widespread rust. All rust should be cleaned and removed, and all panels should be painted. | 5,300 | SF | \$1.50 | \$7,950 |
| 5.0 Mechanical and Electrical Systems | | | | | |
| | None Noted | | | | |
| 6.0 Interior Elements | | | | | |
| | None Noted | | | | |
| 7.0 Accessibility | | | | | |
| 7.0 | ADA Compliance - The property has no ADA designated parking stall and access aisle to the building entrance. An ADA van accessible parking stall should be paved, striped and fitted with signage. | 1 | LS | \$8,000 | \$8,000 |
| 8.0 Water Intrusion and Microbial Growth | | | | | |
| | None Noted | | | | |

TOTAL \$ 19,450

TABLE 2 - LONG-TERM COST OPINION

Commercial Building - APN 259-29-020

260 N Montgomery Street and 255 N Autumn

Street

San Jose, CA

Partner Project No. 18-225703.1

September 18, 2018

Rentable area (sf): 4,400

Site effective age (years): 72

Inflation rate: 2.5%

Evaluation period (years): 12

| Sect. No. | Description | Avg EUL (YR) | Est Age (YR) | RUL (YR) | On Site Qty | Qty in Eval Period | Unit | Unit Cost | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | YR 6 | YR 7 | YR 8 | YR 9 | YR 10 | YR 11 | YR 12 | Total Cost |
|---|--|--------------|--------------|----------|-------------|--------------------|------|-----------|------|------|------|------|------|------|------|----------|------|-------|-------|-------|------------|
| 3.0 Site Improvements | | | | | | | | | | | | | | | | | | | | | |
| | None anticipated | | | | | | | | | | | | | | | | | | | | |
| 4.0 Structural Frame and Building Envelope | | | | | | | | | | | | | | | | | | | | | |
| 4.3.1 | Exterior cleaning, painting, sealing | 8 | 0 | 8 | 5,300 | 5,300 | SF | \$1.50 | | | | | | | | \$ 7,950 | | | | | \$ 7,950 |
| 5.0 Mechanical and Electrical Systems | | | | | | | | | | | | | | | | | | | | | |
| | None anticipated-tenant responsibility | | | | | | | | | | | | | | | | | | | | |
| 6.0 Interior Elements | | | | | | | | | | | | | | | | | | | | | |
| | None anticipated-tenant responsibility | | | | | | | | | | | | | | | | | | | | |
| Uninflated Totals: \$ | | | | | | | | | - \$ | - \$ | - \$ | - \$ | - \$ | - \$ | - \$ | 7,950 \$ | - \$ | - \$ | - \$ | - \$ | 7,950 \$ |
| Inflated Totals: \$ | | | | | | | | | - \$ | - \$ | - \$ | - \$ | - \$ | - \$ | - \$ | 9,450 \$ | - \$ | - \$ | - \$ | - \$ | 9,450 \$ |

Uninflated cost per unit per year: \$0.15

Inflated cost per unit per year: \$0.18

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FIGURES AND APPENDICES

The following report Figures and Appendices are attached at the end of this report.

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| | Appendix B: Supporting Documentation |
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1.0 INTRODUCTION

1.1 Purpose

The purpose of this assessment is to provide information to evaluate the condition of the subject property in order to facilitate completion of due diligence by the addressee. The purpose is accomplished by describing the primary systems and components of the subject property, identifying conspicuous defects or material deferred maintenance, and presenting an opinion of cost to remedy the observed conditions. In addition, this report identifies systems or components that are anticipated to reach the end of their expected useful life during the specified evaluation period and includes an opinion of cost for future capital replacements.

The findings of this report are intended to be used in support of securing the debt created through the prospective financing for which the subject property serves as collateral. This report may not be used for any other purpose, including, without limitation, use by owner, borrower or tenant for the purpose of evaluating specific building components and systems, or as an instrument in negotiations related to the acquisition or disposition of the property.

1.2 Scope of Work

This assessment was performed in conformance with the scope and limitations as set forth by ASTM E2018-15 "Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process" (the Standard) and as specified in the engagement agreement that initiated this work. Specific requirements or deviations from the minimum ASTM standard are described herein.

This assessment was performed utilizing methods and procedures consistent with good commercial or customary practices designed to conform to acceptable industry standards. The independent conclusions represent Partner's best professional judgment based upon existing conditions and the information and data available to us during the course of this assignment.

1.3 Cost Evaluation Methodology

Opinions of costs presented within this report are based on construction costs developed by construction resources such as Marshall & Swift, RS Means, Partner's experience with past costs for similar projects, city cost indexes, consultations with local specialty contractors, client-provided information, and assumptions regarding future economic conditions. Actual cost estimates are determined by many factors including but not limited to: choice and availability of materials, choice and availability of a qualified contractor, regional climate zone, quality of existing materials, site compatibility, and access to the subject property and buildings. In addition, opinions of costs are based solely on material replacement and do not account for soft costs.

Items included in the replacement reserve table are determined based upon the estimated useful life (EUL) of a system or component, the apparent effective age (EA) of the system, and the remaining useful life (RUL) of that system. Factors that may affect the age and condition of a system include, but are not limited to, the frequency of use, exposure to environmental elements, quality of construction and installation, and amount

of maintenance provided. Based on these factors, a system may have an effective age that is greater or less than its actual chronological age.

1.4 Descriptive Qualifiers

The following definitions and terminology are used in this report regarding the physical condition of the project, and the estimated life expectancies/age of the components and systems.

| | |
|------|---|
| Good | In working condition and does not require immediate or short-term repairs above an agreed threshold. |
| Fair | In working condition, but may require immediate or short-term repairs above an agreed threshold. |
| Poor | Not in working condition or requires immediate or short-term repairs substantially above an agreed threshold. |

The agreed threshold is presumed to be the de minimis reporting threshold, unless otherwise specified in this report.

Unless stated otherwise in this report, the systems reviewed are considered to be in good condition and their performance appeared to be satisfactory.

1.5 User Reliance

Partner was engaged by the Addressee, or their authorized representative, to perform this assessment. The engagement agreement specifically states the scope and purpose of the assessment, as well as the contractual obligations and limitations of both parties. This report and the information therein, are for the exclusive use of the Addressee. This report has no other purpose and may not be relied upon, or used, by any other person or entity without the written consent of Partner. Third parties that obtain this report, or the information therein, shall have no rights of recourse or recovery against Partner, its officers, employees, vendors, successors or assigns. Any such unauthorized user shall be responsible to protect, indemnify and hold Partner, the Addressee and their respective officers, employees, vendors, successors and assigns harmless from any and all claims, damages, losses, liabilities, expenses (including reasonable attorneys' fees) and costs attributable to such use. Unauthorized use of this report shall constitute acceptance of, and commitment to, these responsibilities, which shall be irrevocable and shall apply regardless of the cause of action or legal theory pled or asserted.

This report has been completed under specific Terms and Conditions relating to scope, relying parties, limitations of liability, indemnification, dispute resolution, and other factors relevant to any reliance on this report. Any parties relying on this report do so having accepted the Terms and Conditions for which this report was completed. A copy of Partner's standard Terms and Conditions can be found at <http://www.partneresi.com/terms-and-conditions.php>.

2.0 RECONNAISSANCE, REGULATORY AND DOCUMENT REVIEW

2.1 Site Reconnaissance

Date: September 6, 2018
Weather: Clear and cool
Field Assessor(s): Dean Andrews, AIA
Escort: Mr. Tom Jodry, Buyer representative, (650) 224-8707

Limiting Conditions

The performance of this assessment was limited by the following condition(s):

- A pre-survey questionnaire was not completed at the time of the assessment.

2.2 Property Personnel Interviewed/Contacted

The site escort was interviewed during the course of the survey. Additional site personnel were not available for interview.

2.3 Regulatory Compliance Inquiry

| | | | |
|----------------------------|--|------------|--------------|
| Building Codes | San Jose Development Services Building Division | | |
| Contact: | Records Clerk | Telephone: | 408 535-3555 |
| Findings: | <input checked="" type="checkbox"/> No Violations <input type="checkbox"/> Violations <input type="checkbox"/> Awaiting response No violations were reported. | | |
| Fire or Life Safety | San Jose Fire Department | | |
| Contact: | Fire Prevention Office | Telephone: | 408 794-7000 |
| Findings: | <input checked="" type="checkbox"/> No Violations <input type="checkbox"/> Violations <input type="checkbox"/> Awaiting response No violations were reported. | | |
| Zoning | San Jose Development Services Planning Division | | |
| Contact: | Ms. Cindy Clark | Telephone: | 408 535-3555 |
| Findings: | <input checked="" type="checkbox"/> No Violations <input type="checkbox"/> Violations <input type="checkbox"/> Awaiting response The subject property was reported to be not compliant with respect to on-site parking. According to a review of the zoning map obtained from city website, the subject property is zoned LI and Light Industrial. The permitted uses listed in the zoning regulations include retail, office and industrial use. Based on limited review, the subject property appeared to be compliant. | | |

This information does not constitute a detailed regulatory-compliance investigation and any code compliance issues noted in this report are based on information provided by the regulatory agencies noted above. If possible, the provided information was confirmed with on-site observations. Additional information that is received within 30 days of the site visit will be forwarded upon receipt.

2.4 Document Review

The following documents were readily available or provided to Partner for review as part of this assessment.

- Santa Clara County Tax Assessor property information;
- San Jose on-line building code violation database;
- Federal Emergency Management Agency (FEMA) flood hazard layer map; and
- Site Plan.

3.0 PROPERTY CHARACTERISTICS

3.1 Parcel Configuration

The subject property improvements are placed upon two parcels. The parcels are rectangular and comprise approximately 0.46 acres.

3.2 Site Improvements

3.2.1 Topography and Storm Water Drainage

The general vicinity is slightly sloped. The subject property slopes downward to the east.

Storm water from the roof of the subject building, and paved areas is removed primarily by sheet flow action towards the public right of way, and to on-site storm water drains. The subject property is connected to a storm sewer system that is owned and maintained by the municipality.

Survey Condition and Analysis

The topography appeared to be in good overall condition and appeared to adequately accommodate the built improvements. Routine maintenance is anticipated during the evaluation period.

Precipitation was not present during the walk-through survey; consequently, direct observation of the operation of the storm water drainage system was not possible. Evidence of improper operation was not readily apparent. Routine maintenance, including clearing of debris from inlets, channels, piping, and outlets, is anticipated throughout the evaluation period.

3.2.2 Vehicular Access, Paving

Vehicular access is provided by single driveway approaches leading from the adjacent public right-of-way to the side yard along the south side of the site. Signalization is not provided at the entrance points to the subject property.

Concrete pavement is provided at the right-of-way approaches. Gravel is provided throughout the site.

Survey Condition and Analysis

Gravel-surface drive lanes and parking areas appeared to be in good condition. Routine maintenance is anticipated throughout the evaluation period.

3.2.3 Walkways, Grade-Level Steps and Ramps

There are no walkways or flatwork.

3.2.4 Landscaping and Irrigation

Isolated shrubs are provided along the north property boundary. An underground automatic irrigation system is not provided.

Survey Condition and Analysis

Vegetative materials were observed to be in good overall condition. Routine maintenance, including as-needed replacement of vegetation, is anticipated throughout the evaluation period.

3.2.5 Retaining Walls

Retaining walls are not present.

3.2.6 Site and Building Signage

Building address identification is primarily provided by painted numerals on the exterior facades. A limited quantity of façade-mounted, tenant-specific signage is also present.

Survey Condition and Analysis

The signage appeared to be sufficient and in good condition. Sign painting or replacement can be conducted on an as-needed basis during the evaluation period as part of routine maintenance.

3.2.7 Perimeter Walls, Gates, and Fences

Concrete masonry unit (CMU) walls, chain link security fencing and access gates are provided along the perimeters of the subject property. The driveway approaches are secured with a rolling chain link gates.

Survey Condition and Analysis

The perimeter fencing and gates, including associated gate mechanisms, appeared to be in good condition. Routine maintenance is anticipated during the evaluation period.

3.2.8 Exterior Lights

Outdoor lighting is provided by building-mounted light fixtures. The fixtures are equipped with high-intensity discharge lamps.

Survey Condition and Analysis

The walk-through survey was conducted during daylight hours and lighting operation could not be verified. Based on the number of lights provided and the spacing, the lighting appeared to be adequate and was reported to be sufficient for the subject property.

The light fixtures were reported and appeared to be in good overall condition. The light fixtures are anticipated to require minimal repairs and replacements that can be addressed as part of routine maintenance during the evaluation period.

3.2.9 Site Amenities

Recreational facilities and additional site amenities are not present.

3.2.10 Special Utility Systems

Special utility systems are not present.

3.2.11 Utility Service Providers

| Utility | Provider | Meter configuration and location |
|----------------|--------------------------|--|
| Storm Water | City of San Jose | |
| Electric | Pacific Gas and Electric | Pole-mounted transformers serving the main electrical panels |
| Gas | Pacific Gas and Electric | Main meter at the base of the building |
| Water | San Jose Water Company | Vault meters along the parkways |
| Sanitary Sewer | City of San Jose | |

Survey Condition and Analysis

No issues or service deficiencies were reported. Routine maintenance is anticipated during the evaluation period.

4.0 STRUCTURAL FRAME AND BUILDING ENVELOPE

4.1 Foundation/Substructure

The single-story building is a steel Quonset hut. Based on experience with similar structures in this geographic region, foundations are likely to consist of a reinforced-concrete slab-on-grade with continuous strip footings at the perimeter.

Survey Condition and Analysis

Evidence of structural distress indicative of foundation settlement was not observed. Foundations appeared to be in functional condition. Normal monitoring of the foundation is anticipated during the evaluation period.

4.2 Building Frame

The building is a steel framed Quonset hut. The structural elements consist of steel ribs spanning the width of the building. There are no interior supports. An upper floor storage mezzanine is wood-framed.

Survey Condition and Analysis

The framing appeared to be in functional condition. Normal monitoring of the framing is anticipated during the evaluation period.

4.3 Facades or Curtain Walls

4.3.1 Exterior Walls

The exterior walls of the building consist of unpainted metal siding.

Survey Condition and Analysis

The exterior walls appeared to be in fair condition. The metal panels were observed with isolated areas of damage. The damaged panels should be replaced. The metal panels were observed with widespread rust. All rust should be cleaned and removed, and all panels should be painted. An opinion of cost is included in Table 1.

Based on the observed condition of the paint finish and the average effective useful life of paint coatings, reapplication of exterior paint is anticipated during the evaluation period. Additional work consisting of reapplying sealants is anticipated on an as-needed basis. An opinion of cost for this work is included in Table 2.

4.3.2 Windows

Windows appeared to be single-pane, fixed and operable units. Window framing appeared to be steel.

Survey Condition and Analysis

Windows were reported and appeared to be in good overall condition. No signs of window leaks or condensation were evident during the observation. Window sealants appeared to be intact, with no signs of deterioration. Routine maintenance is anticipated during the evaluation period.

4.3.3 Doors

The Building main entrance consists of two steel-framed rolling doors. Doors are manually-operated.

Survey Condition and Analysis

Doors were reported and appeared to be in good overall condition. Routine maintenance is anticipated during the evaluation period.

4.3.4 Parapets

There are no parapets.

4.4 Roof

4.4.1 Roofing Materials

The building is a Quonset hut with corrugated metal panels covering the entire building exterior. There is no roofing system.

4.4.2 Roof Drainage

Storm water runoff sheet flows directly to the grade below.

4.5 Fire Escapes, Stairs or Balconies

Interior stairs providing access to the mezzanine level are constructed of wood stringers and open risers with wooden treads. Open sides are protected by wooden guardrails, and wooden handrails are located on walls at closed sides.

Survey Condition and Analysis

Stairs appeared to be in good condition. Routine maintenance is anticipated throughout the evaluation period.

5.0 MECHANICAL AND ELECTRICAL SYSTEMS

5.1 Plumbing, Domestic Hot Water, and Sewer Systems

Domestic water piping was observed to be copper. Sanitary drainage and vent piping is reported to be cast iron. Observation of visible vent piping indicates that the piping is cast iron.

Domestic hot water is provided by an electric water heater installed by the tenant.

Survey Condition and Analysis

The plumbing systems were reported to be in good overall condition. Evidence of leaks or faulty piping was not observed. Routine maintenance is anticipated during the evaluation period.

The sanitary drainage and vent system was reported to be in good overall condition. Evidence of leaks or faulty piping was not observed. Routine maintenance is anticipated during the evaluation period.

The water heater appeared to be in good overall condition. Maintenance and replacement of water heater is reported to be a tenant responsibility under current lease agreements; consequently, an opinion of cost for repairs or replacements during the evaluation period have not been included in this report.

5.2 Heating, Air Conditioning, and Ventilation

Interior heating is provided by a ceiling-hung electric heater and a gas-fired wall heater. This building has a through-wall AC unit located in the office area.

Survey Condition and Analysis

The HVAC equipment components are reported to be of various ages and generally in good. Replacement of the HVAC equipment is a tenant responsibility.

5.3 Electrical

Electrical service is delivered via a pole-mounted, utility-owned transformer located along Autumn Street. The main electrical service is rated at 200-amp, 240/120-volt, single phase service level provided to a main distribution panel. Breaker panels for lighting and power controls are located on an interior wall. Observed panels were manufactured by Square D. Electrical branch wiring was observed to be copper.

Survey Condition and Analysis

The electrical service was reported to be adequate for the current demands of the facility. The switchgear, circuit breaker panels, electrical meters, and wiring appeared to be in good condition. Routine maintenance is anticipated during the evaluation period.

5.4 Vertical Transportation

Vertical conveyances are not provided.

5.5 Life Safety and Fire Protection

5.5.1 Fire Suppression Systems

An automatic fire suppression is not provided.

5.5.2 Alarm Systems

Alarm systems are not provided.

5.5.3 Other Systems

Additional systems are not provided.

6.0 INTERIOR ELEMENTS

6.1 Common Areas

No interior common areas are present. Property tenant spaces are accessed directly from exterior doors.

6.2 Amenities and Special Features

Significant amenities are not provided.

6.3 Support Areas

No support areas are present.

6.4 Commercial Tenant Spaces

The building has one tenant space. Interior flooring consists of carpet, ceramic tile and bare concrete. Walls are painted gypsum board and unpainted metal panels. Ceilings are painted gypsum board and exposed structure.

Survey Condition and Analysis

The tenant finishes, and furnishings appeared to be in good condition. Maintenance, repair, and replacement of the tenant area finishes are generally tenant responsibilities, and as such, an opinion of cost for this work are not included in this report.

7.0 ACCESSIBILITY

Americans with Disabilities Act

As part of this assessment, a limited, visual, accessibility survey was conducted. The survey did not include taking measurements or counting accessibility elements. The scope of the survey was limited to determining the existence of architectural barriers or physical attributes of the subject property, which affect on-site parking, path of travel into and through public areas of the building, and elevators, as applicable. Furthermore, the scope of our survey includes only the federal requirements of the ADA; it is not intended to address state or local codes. Our observations were limited to the places of public accommodation on the subject property.

Survey Condition and Analysis

Based on current use, the subject property is a "Commercial facility".

Parking areas that provide self-parking for employees and visitors must provide ADA-compliant parking spaces. The subject property provides eight parking spaces, none of which are ADA-designated. The property has no ADA-designated parking stall and access aisle to the building entrance. An ADA-compliant van-accessible parking stall should be paved, striped and fitted with signage. An opinion of cost is included in Table 1.

8.0 SUSPECT WATER INTRUSION AND MICROBIAL GROWTH

As part of performing this PCA, visual observations for overt signs of suspect mold growth were also performed. These observations were not performed to discover all affected areas, nor were areas of the subject property observed specifically for the purpose of identifying areas of suspect mold growth. The subject property areas viewed were limited to those necessary to perform the primary scope of this PCA.

Survey Condition and Analysis

Visual or olfactory indications of significant suspect microbial growth were not observed.

9.0 NATURAL HAZARD INFORMATION

Partner reviewed readily-available materials to obtain the following information. Determination of site-specific conditions is not within the scope of this report and may require additional investigation.

9.1 Flood Zone

According to Flood Insurance Rate Map, Community Panel Number 06085C0234H dated May 18, 2009, the subject property appears to be located in:

Zone D; which are unstudied areas where flood hazards are undetermined, but flooding is possible. No mandatory flood insurance purchase requirements apply, but coverage is available in participating communities.

9.2 Seismic Zone

According to the seismic zone map, published in the Uniform Building Code 1997, Volume 2, Table 16.2, the subject property appears to be located in Seismic Zone 4.

10.0 OUT OF SCOPE CONSIDERATIONS

These following items are categorically excluded from the scope of work.

- Utilities: Operating conditions of any systems or accessing manholes or utility pits.
- Structural Frame and Building Envelope: Entering of crawl or confined space areas (however, the field observer will observe conditions to the extent easily visible from the point of access to the crawl or confined space areas), determination of previous substructure flooding or water penetration unless easily visible or if such information is provided.
- Roofs: Walking on pitched roofs, or any roof areas that appear to be unsafe, or roofs with no built-in access, or determining any roofing design criteria.
- Plumbing: Determining adequate pressure and flow rate, fixture unit values and counts, verifying pipe sizes, or verifying the point of discharge for underground systems.
- Heating: Observation of flue connections, interiors of chimneys, flues or boiler stacks, or tenant owned or maintained equipment. Entering of plenum or confined space areas.
- Air conditioning & Ventilation: Process-related equipment or condition of tenant owned or maintained equipment. Entering of plenum or confined space areas. Testing or measurements of equipment or air flow.
- Electrical: Removing of electrical panel and device covers, except if removed by building staff, EMF issues, electrical testing, or operating any electrical devices. Opining on process related equipment or tenant-owned equipment.
- Vertical Transportation: Examining of cables, sheaves, controllers, motors, inspection tags, or entering elevator/ escalator pits or shafts.
- Life Safety/ Fire Protection: Determining NFPA hazard classifications, classifying, or testing fire rating of assemblies. Determination of the necessity for or the presence of fire areas, fire walls, fire barriers, paths of travel, construction groups or types, or use classifications.
- Interior Elements: Operating appliances or fixtures, determining or reporting STC (Sound Transmission Class) ratings, and flammability issues/regulations.

Activity Exclusions- These activities listed below generally are excluded from or otherwise represent limitations to the scope of a PCA prepared in accordance with this guide (ASTM 2018-15). These should not be construed as all-inclusive or imply that any exclusion not specifically identified is a PCA requirement under this guide.

- Providing opinions of costs that are either individually or in the aggregate less than a threshold amount of \$3,000 for like items unless specifically requested by the addressee.
- Identifying capital improvements, enhancements, or upgrades to building components, systems, or finishes;
- Removing, relocating, or repositioning of materials, ceiling, wall, or equipment panels, furniture, storage containers, personal effects, debris material or finishes; conducting exploratory probing or testing; dismantling or operating of equipment or appliances; or disturbing personal items or property, that obstruct access or visibility;
- Determining adequate pressure and flow rate, fixture-unit values and counts, verifying pipe sizes, or verifying the point of discharge for underground drains;

- Determining NFPA hazard classifications, identifying, classifying, or testing fire rating of assemblies. Determination of the necessity for or the presence of fire areas, fire walls, fire barriers, accessible routes, construction groups or types, or use classifications;
- Preparing engineering calculations to determine any system's, component's or equipment's adequacy or compliance with any specific or commonly accepted design requirements or building codes, or preparing designs or specifications to remedy any physical deficiencies;
- Identification of code or OSHA compliance beyond what has been reported through communication with local regulatory offices.
- Taking measurements or quantities to establish or confirm any information provided by the owner or user;
- Reporting on the presence or absence of pests or insects;
- Reporting on the condition of subterranean or concealed conditions as well as items or systems that are not permanently installed or are tenant-owned and maintained;
- Entering or accessing any area deemed to potentially pose a threat of dangerous or adverse conditions with respect to the field observer's health or safety;
- Performing any procedure, that may damage or impair the physical integrity of the property, any system, or component;
- Providing an opinion on the operation of any system or component that is shut down;
- Evaluating the Sound Transmission Class or acoustical or insulating characteristics of systems or components;
- Providing an opinion on matters regarding security and protection of occupants or users from unauthorized access;
- Evaluating the flammability of materials and related regulations;
- Providing an opinion on matters regarding security of the subject property and protection of its occupants or users from unauthorized access;
- Operating or witnessing the operation of lighting or any other system controlled by a timer, operated by the maintenance staff, or operated by service companies;
- Providing an environmental assessment or opinion on the presence of any environmental issues such as potable water quality, asbestos, hazardous wastes, toxic materials, the location and presence of designated wetlands, IAQ, etc. unless specifically defined within the agreed scope;
- Evaluating systems or components that require specialized knowledge or equipment;
- Entering of plenum or confined space areas.

11.0 LIMITATIONS

This assessment is based upon the guidelines set forth by the ASTM Standard current to the issuance of this report and subject to the limitations stated therein. Our review of the subject property consisted of a visual assessment of the site, the structure(s) and the accessible interior spaces. Any technical analyses made are based on the appearance of the improvements at the time of this assessment and the evaluator's judgment of the physical condition of the subject property components, their ages and their EUL. Consequently, this report represents the condition of the subject property at the time of observation. Acceptance and use of this report infers acknowledgment that the condition of the property may have changed subsequent to site observations and/or that additional information may have been discovered, and that Partner, its officers, employees, vendors, successors or assigns, are not liable for changes in the condition of the property, failures in property components or systems, and damages that may occur as a result of the changes or failures.

Information regarding the subject property is obtained from a site walk-through survey, local government agency records review, interviews and client-, tenant- or property owner-provided documents. No material sampling, invasive or destructive investigations, equipment or system testing was performed. The observations and related comments within this report are limited in nature and should not be inferred as a full and comprehensive survey of the building components and systems.

Information regarding operations, conditions, and test data provided by the Addressee, property owner, or their respective representatives has been assumed to be factual and complete. Information obtained from readily-available sources, including internet research and interview of municipal officials or representatives is assumed to be factual and complete. No warranty is expressed or implied, except that the services rendered have been performed in accordance with generally-accepted practices applicable at the time and location of the study.

The actual performance of systems and components may vary from a reasonably expected standard and will be affected by circumstances that occur after the date of the evaluation. This assessment, analyses and opinions expressed within this report are not representations regarding either the design integrity or the structural soundness of the project.

The report does not identify minor, inexpensive repairs or maintenance items, which should be part of the subject property owner's current operating budget so long as these items appear to be addressed on a regular basis. The report does identify infrequently occurring maintenance items of significant cost, such as exterior painting, roofing, deferred maintenance and repairs and replacements that normally involve major expense or outside contracting.

The assessment of the roof, façade and substructure contained herein cannot specifically state that these items are free of leaks and/or water intrusion and should not be interpreted as such. Comments made with respect to the condition of the systems are limited to visual observation and information provided by the designated site contacts and/or on-site representatives and their contractors/vendors. The evaluation of these systems did not include any sampling and/or testing. A more extensive evaluation may be required if a comprehensive report on the condition of these systems is required.

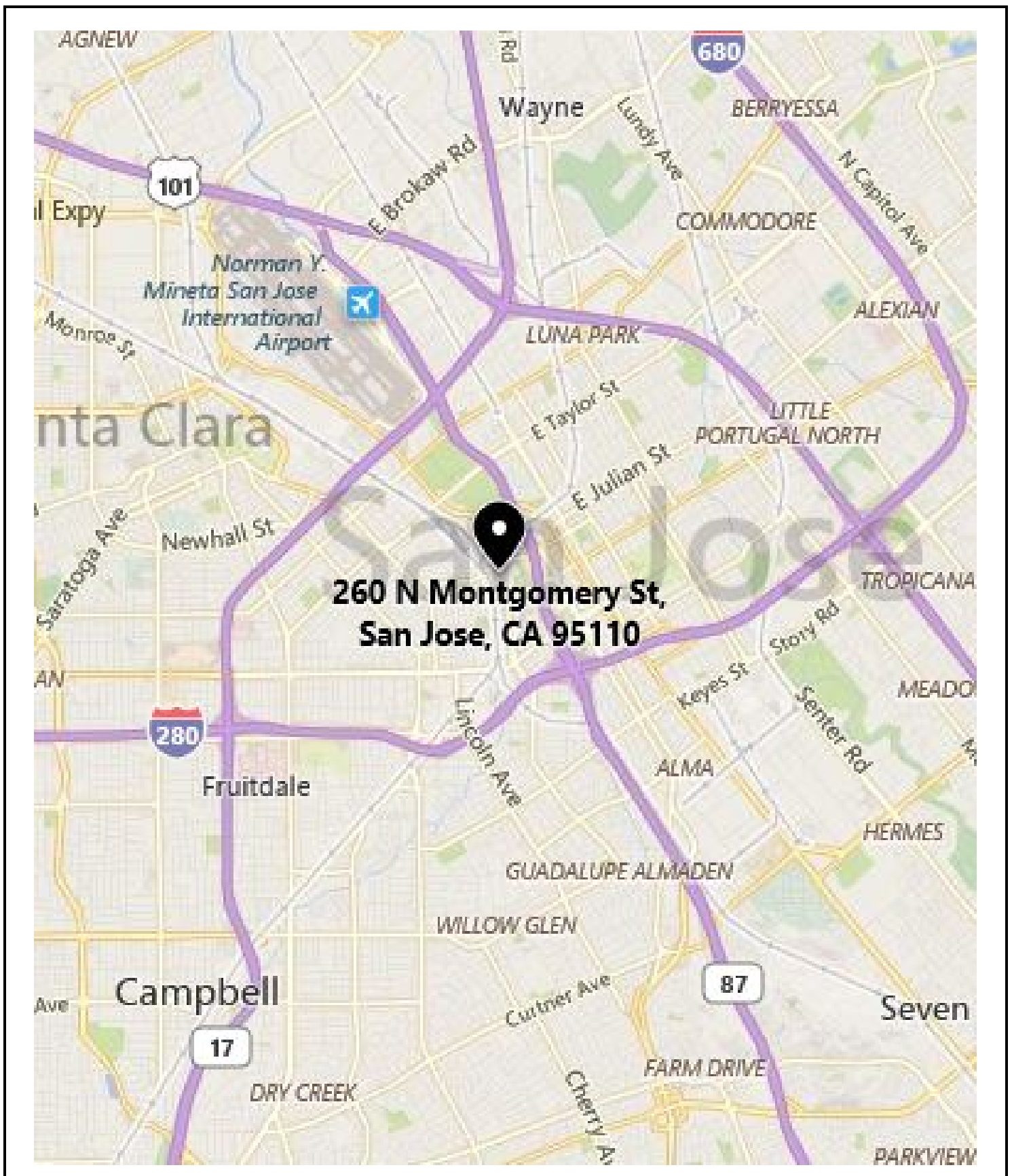
Performance of a comprehensive building, fire or zoning code review is outside of the scope of work for this report. Information provided within this report is based on readily-available information or interview of municipal officials.

This report presents an evaluation of the accessibility of the subject property as specified in the engagement agreement. This report does not present an audit of all components specified in federal, state or local accessibility regulations. Instead, this review observed general design components such as routes of travel, door hardware, plumbing amenities, elevator controls and signals, basic emergency alarm components and signage. This report is not a comprehensive Americans with Disabilities Act review.

Acceptance and use of this report infers acknowledgment that the condition of the property may have changed and that Partner, its officers, employees, vendors, successors or assigns, are not liable for changes in the condition of the property, failures in property components or systems, and damages that may occur as a result of the changes or failures.

FIGURES

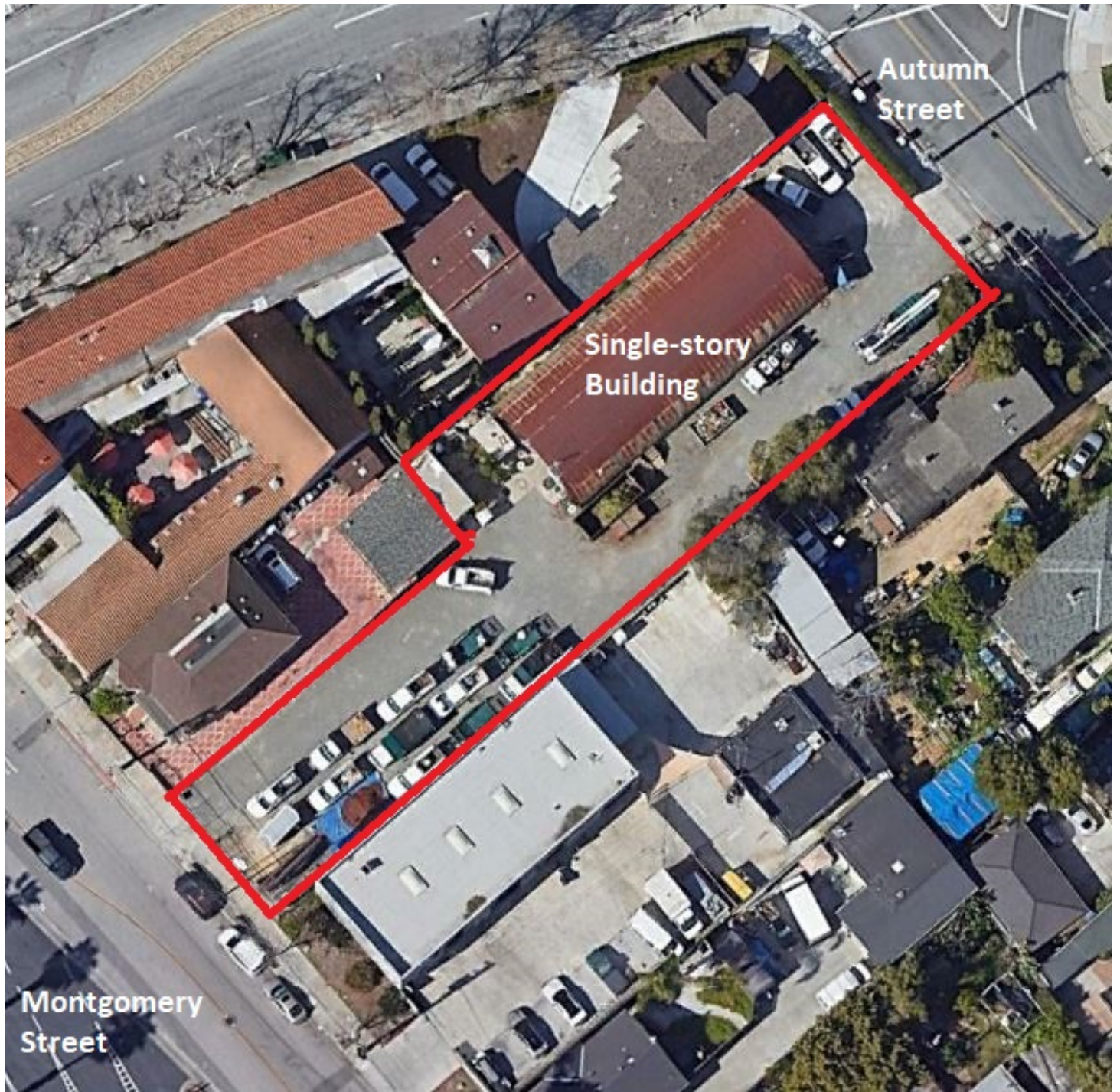
- 1. SITE LOCATION MAP**
- 2. SITE PLAN**



KEY:
Subject Property 

FIGURE 1: SITE LOCATION MAP
Project No. 18-225703.1

PARTNER



KEY:
Subject Property 

FIGURE 1: SITE LOCATION MAP
Project No. 18-225703.1

APPENDIX A: SITE PHOTOGRAPHS



1. View of property from Montgomery Street



2. Driveway approach



3. Gravel-surfaced parking area



4. View of site fencing



5. Site access driveway with the subject building in the background



6. Building exterior facade



7. Building exterior facade



8. Building exterior facade



9. Building exterior facade



10. Building exterior facade



11. Building exterior facade



12. View of steel windows



13. View of AC unit and wall heater



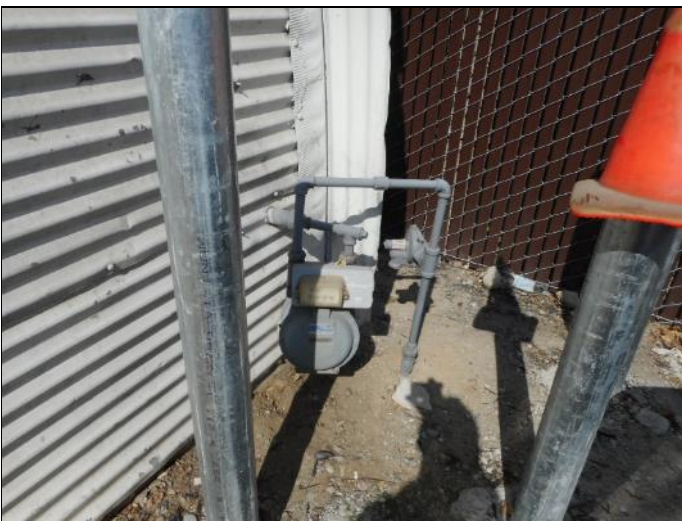
14. Electric ceiling-hung heater



15. Main electrical panel and meter



16. Electrical sub-panels



17. Gas meter



18. Water meter



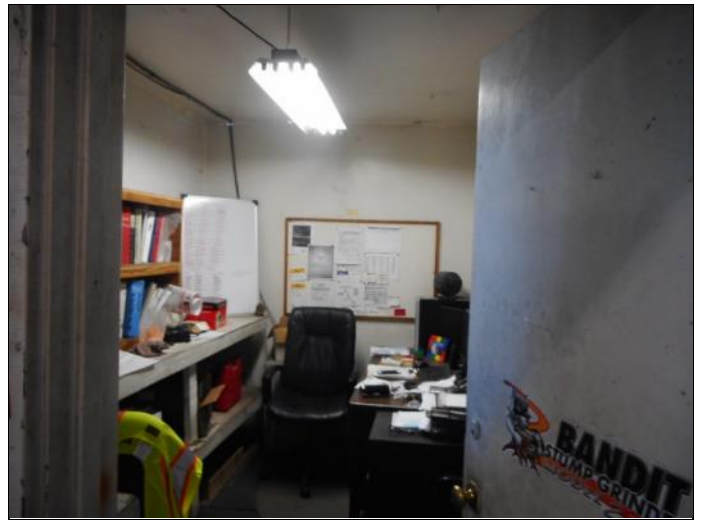
19. Tenant fire extinguisher



20. View of steel structure



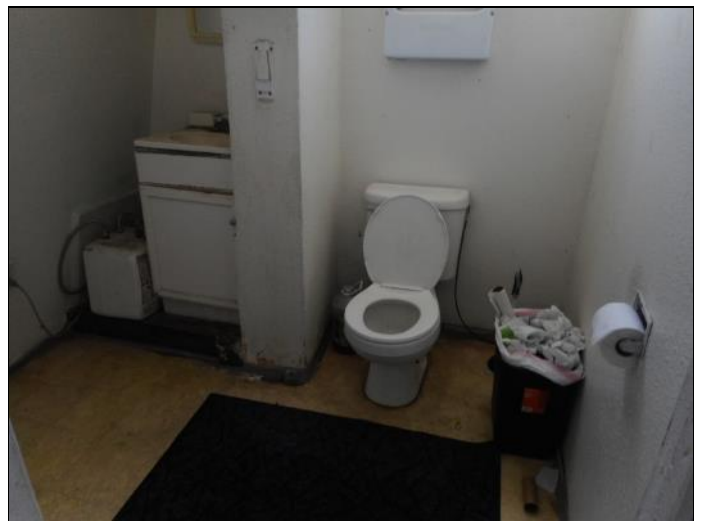
21. Tenant space interior



22. Tenant space interior



23. Tenant space interior



24. Tenant space interior

APPENDIX B: SUPPORTING DOCUMENTATION

National Flood Hazard Layer FIRMette



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

| | | |
|-----------------------------|--|---|
| SPECIAL FLOOD HAZARD AREAS | | Without Base Flood Elevation (BFE) Zone A, V, A99 |
| | | With BFE or Depth Zone AE, AO, AH, VE, AR |
| | | Regulatory Floodway |
| OTHER AREAS OF FLOOD HAZARD | | 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X |
| | | Future Conditions 1% Annual Chance Flood Hazard Zone X |
| | | Area with Reduced Flood Risk due to Levee. See Notes. Zone X |
| | | Area with Flood Risk due to Levee Zone D |
| OTHER AREAS | | NO SCREEN Area of Minimal Flood Hazard Zone X |
| | | Effective LOMRs |
| GENERAL STRUCTURES | | Area of Undetermined Flood Hazard Zone D |
| | | Channel, Culvert, or Storm Sewer |
| | | Levee, Dike, or Floodwall |
| OTHER FEATURES | | 20.2 Cross Sections with 1% Annual Chance Water Surface Elevation |
| | | 17.5 |
| | | Coastal Transect |
| | | Base Flood Elevation Line (BFE) |
| | | Limit of Study |
| | | Jurisdiction Boundary |
| MAP PANELS | | Coastal Transect Baseline |
| | | Profile Baseline |
| | | Hydrographic Feature |
| MAP PANELS | | Digital Data Available |
| | | No Digital Data Available |
| | | Unmapped |

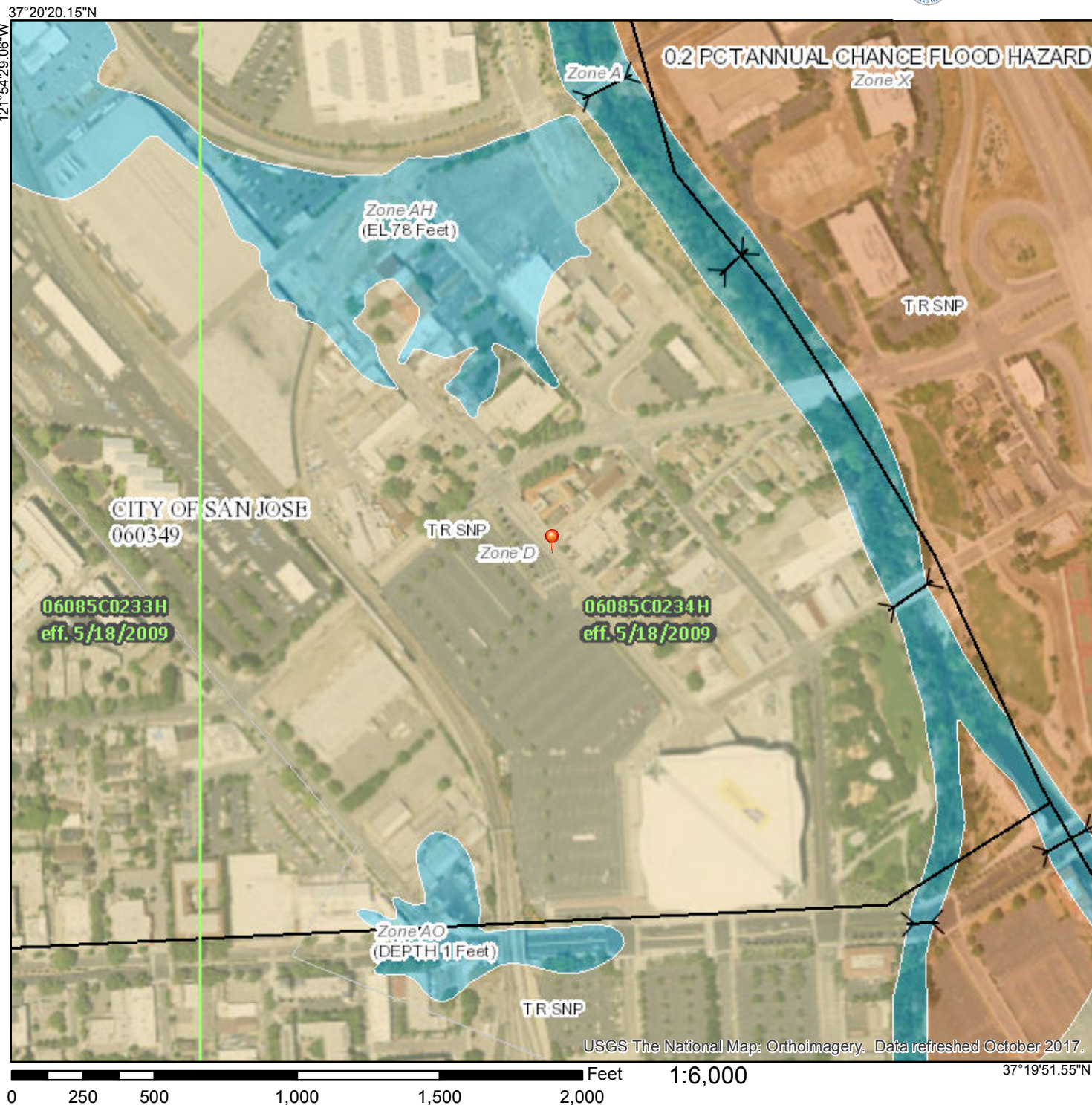


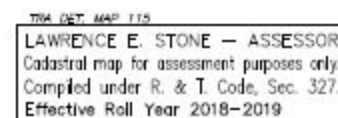
The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 9/15/2018 at 7:26:19 AM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

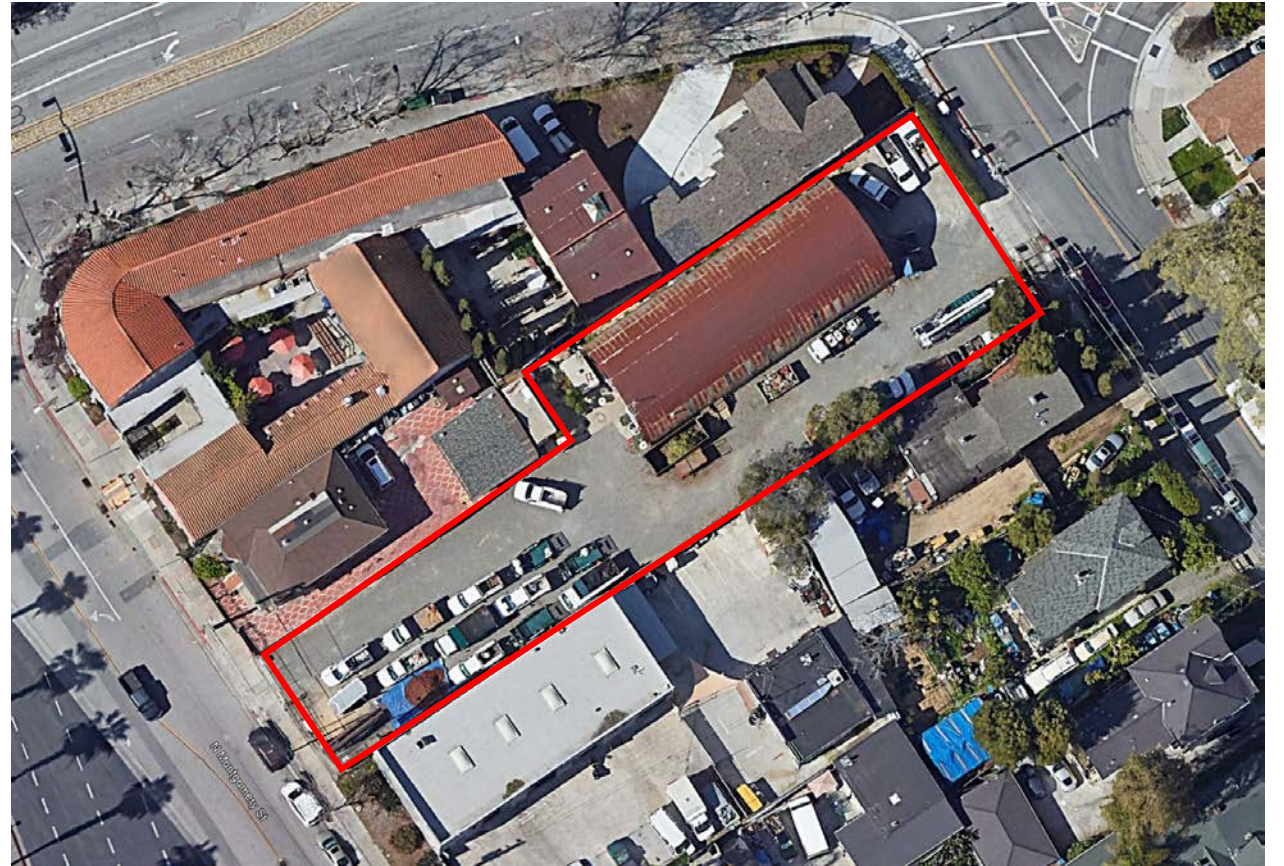
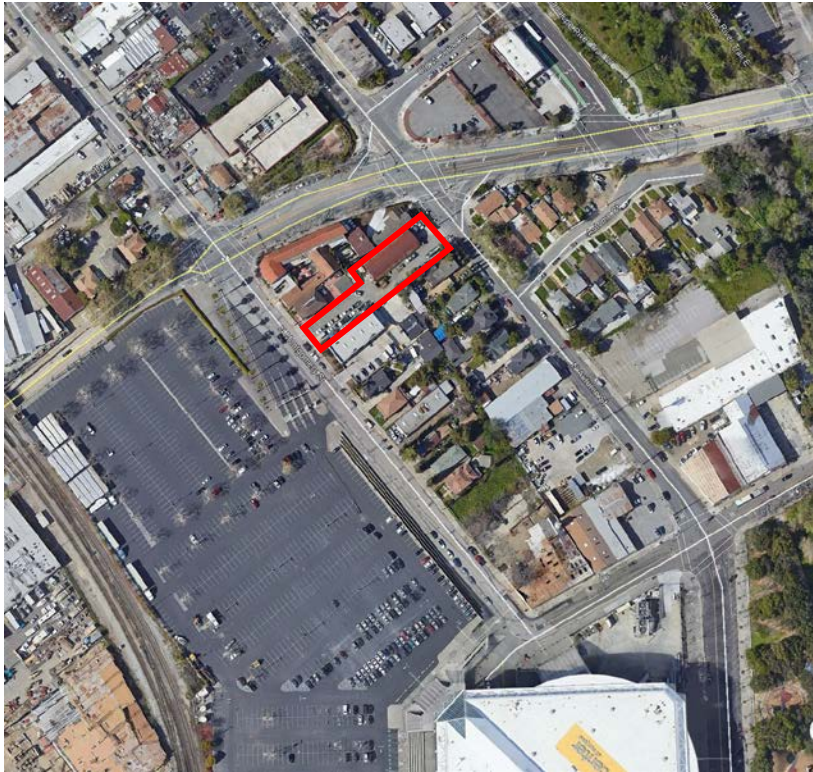
This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.





260 N. Montgomery & 255 N. Autumn

(APNs: 259-29-012, -020)



APPENDIX C: QUALIFICATIONS

Dean Andrews, AIA
Partner Associate



Education

LA Harbor College School of Architecture

Registrations

Registered Architect, California

US Office of Emergency Services Certified Post Earthquake Inspector

ASTM Property Condition Assessment Certification

Summary of Professional Experience

Mr. Andrews has over 34 years experience in the design and construction industry and 19 years of experience in the engineering service industry in both the private and public sectors. As an Architect, Mr. Andrews has worked on several historically significant projects gaining acceptance into Marquis Who's Who in American Architecture. In addition to his architectural accomplishments, Mr. Andrews has prepared construction claims support documentation and served as an expert witness in construction claims litigation in both the public and private sectors.

Mr. Andrews has significant experience in due diligence assessments for a variety of property types and the needs and requirements of varied number of reporting standards, including ASTM standards and customized client formats. Mr. Andrews has performed Property Condition Assessments (PCAs), Small Loan PCAs, Construction Progress Monitoring, Probable Maximum Loss Assessments (PMLs) and Regulatory Compliance Assessments throughout the United States, Canada and Europe.

Mr. Andrews entered the Commercial Real Estate Due Diligence industry in 1995. In 2001, he was promoted to Client Manager of National Assessment Corporation providing specific commercial lenders with complete due diligence services. When National Assessment Corporation joined LandAmerica, Mr. Andrews' client base expanded and his duties included quality control and the development of due diligence documents used throughout the company.

Through his client relationships, Mr. Andrews was commissioned in 2002 to investigate the condition of eight office buildings in Paris, France as one of the first American due diligence consultants in the European market. Recently, Mr. Andrews was commissioned to investigate the condition of 90 buildings within a decommissioned Air Force base for a potential private mixed use development.

Mr. Andrews has worked at all levels in the due diligence industry as a staff architect, project manager, or executive senior author on transactions. Mr. Andrews has personally conducted over 2,000 Physical Needs Assessments (Fannie Mae), Property Condition Assessments (Freddie Mac and CMBS), and Project Capital Needs Assessments (FHA) in support of financing.

Through his training and experience as a US Office of Emergency Services Certified Post Earthquake Inspector, Mr. Andrews has an in-depth background on the cause of structural failure during seismic events. Mr. Andrews is active in the development and review of Partner's Probable Maximum Loss Reports and personally performs site structural assessments and review of proposed structural upgrade construction documents.

Currently, Mr. Andrews supports a wide range of client types including: Fannie Mae DUS Lenders, Freddie Mac Lenders, FHA/HUD Lenders, CMBS Lenders, as well as a large and diverse equity clientele. Mr. Andrews is very active in refining the process of commercial building inspections as well as developing Property Condition Reports and Probable Maximum Loss Analysis' to fit the needs of a specific client type.

In addition to performing property condition investigation services, Mr. Andrews has provided the mortgage lending industry with presentations on the value and content of the Property Condition Report as well as current problematic building materials and systems. Mr. Andrews continues to pursue better means and methods of serving the commercial real estate market through identifying potential risk and establishing prudent actions of remedy. He has completed courses in ADA compliance and wood destroying pests.

Finally, Mr. Andrews' diversity across residential, industrial, municipal, and commercial environments is a major contribution to Partner Engineering and Science's Associate team in the West, region of the United States.

Education

B.S. Chemical Engineering, Illinois Institute of Technology

Training

HUD MAP Training Certification

Certificate of Completion for PCA/PNA 8-Hour Training and Final Exam

Highlights

34 years of experience in Engineering and Environmental Consulting

26 years of experience in Phase I Site Assessments

22 years of experience in Property Condition Assessments

ACM inspections and abatement

Portfolio Management

Experience Summary

Mr. Claveria serves as a Senior Project Manager for Partner Engineering and Science, Inc. (Partner), and is responsible for the oversight and management of engineering, seismic, and survey services in support of real estate transactions. He also performs quality assurance/quality control report reviews, Property Condition Assessments in conformance with the scope and limitations as set forth by ASTM E2018-15 "Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process", and Phase I Environmental Site Assessments in accordance with EPA's All Appropriate Inquiry (AAI), as well as customized client formats. Specifically, Mr. Claveria has performed PCAs, Phase I ESAs, Environmental Transaction Screens, Phase II Subsurface Investigations, Small loan PCAs, Asbestos Surveys, Lead-based Paint Surveys, Radon Studies, Mold Assessments, and Lead-in-water sampling and analysis. He has extensive portfolio management experience throughout the United States, and has worked with numerous property types including large-scale manufacturing and distribution facilities, food processing and distribution facilities, student housing developments, high-rise office buildings, regional retail centers, golf course developments, and multi-family residential properties.

Previously, Mr. Claveria was the manager of the quality assurance/quality control group for a former Fortune 500 company. He controlled and directed the activities of project managers and technical reviewers to provide the necessary review support to National Client Management (NCM) team(s) on over 3,000 assessments prepared by contracted field observers and peer professionals nationwide. Mr. Claveria conducted training to improve QA/QC efforts which helped reduce inaccurate or incomplete reporting. He was also responsible for managing projects from cradle to grave including project setup and assignment, monitoring the project and schedule compliance, technical review, and closing the project.

Mr. Claveria was also a principal of his own firm, located in northern Illinois, where he was responsible for the overall technical and business management of the firm. He managed Environmental Site Assessments, Property Condition Assessments, Characterization, and Asbestos Abatement and Monitoring.

For a national environmental consulting firm, Mr. Claveria served as a Director of Operations. He developed policies, procedures, guidelines and strategies for management of environmental restoration and construction projects. He planned and provided oversight for additional investigations required for

contaminated properties, as well as developed and implemented appropriate corrective action measures to mitigate environmental concerns identified.

Project Experience

Global Investment Management Client, Netherlands In support of Property Condition Assessments of a 10-site office building portfolio, Mr. Claveria was responsible for performing report reviews ensuring the reports reflect the European Market.

Global Investment Management Client, Atlanta Metropolitan Area. Property Condition Assessment of a five-building, 1.0 million square foot Class A office property.

Private Investor, Chicago Metropolitan Area. Property Condition Assessment of four interconnected buildings, with 707,302 total rentable square feet prominently situated along Interstate 90.

National Nonprofit Affordable Housing Developer. Managed Property Condition Assessments of a 58-site multi-family portfolio nationwide.

National Lenders, Various Locations. Equity-level Property Condition Assessments and Environmental Site Assessments of a variety of property types including: a 65-story, 1,281,000 net rentable SF office tower with 27,163 SF of retail space; healthcare facilities with a total of 333 licensed beds, as well as a 221-unit, 226,524 square-foot senior living facility; a 775-acre resort complex consisting of a hotel lodge and three 18-hole golf courses each featuring a one-story clubhouse; three multi-tenant office and light industrial buildings with a combined rentable area of 155,030 SF; a 104,196 SF big box retail building; a 474,029 SF industrial manufacturing and distribution facility; a 136,441 SF food processing and distribution facility; student housing development with 25, 3-story apartment buildings that contain 312 units and 355,062 rentable SF; a 1,261-unit, 1,008,904 SF multi-family residential development; and a mixed-use development comprised of loft apartments and ground level retail, service and restaurant establishments.

Portfolio Review Support. Currently performing QA/QC of PCAs, ESAs, and Probable Maximum Loss Evaluations for Earthquake Due-Diligence Assessments to support pooled collateral property undergoing securitization.

Contact

aclaveria@partneresi.com

Education

Bachelor of Arts, Public Administration & Economics, San Diego State University
Executive MBA Program, 2000-2003

Highlights

Over 20 years of experience in the environmental and engineering consulting industry
Property Condition Assessments (PCAs)
Fannie Mae, Freddie Mac, and HUD due diligence

Experience Summary

Mr. Lambson is a true veteran of the commercial real estate services industry. He has over 20 years of experience managing and performing environmental and engineering consulting projects on a national level. Mr. Lambson serves as a Principal for Partner and is located in Partner's San Diego County office. Mr. Lambson currently provides client management and consulting to a nationwide client base and specializes in advising "equity" clients during the acquisition phase of commercial property transactions in the U.S., Mexico, and Canada.

Mr. Lambson has assisted clients on over 10,000 commercial real estate transactions throughout his career. His due diligence resume includes experience at all levels, and includes advising REITs, developers, property managers, retail companies, commercial real estate brokers, mortgage brokers, attorneys, lenders, universities, and real estate investment groups with the following nationwide services:

- Property Condition Assessments (PCAs)
- Individual Building System Inspections for Roof, Mechanical Electrical Plumbing (MEP), Elevator, Structure, Façade, and ADA/Accessibility
- Phase I Environmental Site Assessments (ESAs)
- Phase II Subsurface Investigations (Soil and groundwater sampling and analysis)
- Phase III Environmental Remediation Services
- Asbestos, Lead, Radon, Mold Sampling
- Seismic and Structural Assessments (PMLs)
- Energy Audits, Benchmarking, AB1103 Energy Disclosure, and LEED-related services
- Hydrology, Water Conservation and Efficiency
- Fannie Mae / Freddie Mac / HUD Due Diligence
- Geotechnical and Soils Reports
- Zoning Reports
- ALTA Surveys

Building Sciences

Property Condition Assessment, MEP Report, Roof Report, Elevator Report, Structural and Seismic Assessment for a high-profile Class A office campus acquisition in the San Francisco Bay Area

ADA Compliance and Accessibility Reviews for a national bank branch portfolio

Fannie Mae Property Condition / Physical Needs Assessment services for a 5400-unit multifamily portfolio in Nevada

Environmental Assessments

Phase I and Phase II Environmental Assessments for a 75-acre aerospace facility in the Northwest United States

Over 500 Phase I Environmental Site Assessments for a national fast-food chain

Environmental consulting for over 1 million acres of desert land in California, Nevada, and Arizona

Land Surveys

ALTA Surveys for 2400-unit apartment portfolio in the Midwest

Multi-Site Portfolios

113-site office portfolio acquisition for a national REIT

122-site hotel portfolio for a national lending institution

55-site hotel portfolio acquisition for a private investment group

68-site healthcare portfolio acquisition for a national REIT

50-site country club/golf course acquisition for a private investment group

Energy and Water Efficiency

Energy & Water consulting for a national property owner that operates and manages 30 retail and office centers on the West Coast and Texas

Affiliations

National Association of Real Estate Investment Trusts (NAREIT)

International Council of Shopping Centers (ICSC)

U.S Green Building Council (USGBC)

Society of Industrial and Office Realtors, San Diego County (SIOR)

National Association of Industrial & Office Parks, Southern California (NAIOP)

San Diego Habitat Conservancy, Board of Directors. 2010 - 2014

Speaking

Bisnow Conference, Panel Moderator, La Jolla, CA, October 2014. Moderated panel on Southern California Real Estate Trends.

Globestreet, ICSC Western States Conference, San Diego, CA May 2013. Video interview regarding retail real estate trends and due diligence.

Publications

Shopping Centers Today, 2010. Authored article on LEED applications for shopping centers and retail assets.

Contact

mlambson@partneresi.com