

EXECUTIVE SUMMARY AND PROPERTY DESCRIPTION

Executive Summary

Partner Engineering and Science, Inc. (Partner) has prepared a property condition report (PCR) on the parcel and improvements defined in the following table (the "subject property"). The observation was performed in general accordance with ASTM E2018-15 "Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process" and the Freddie Mac Engineering and Property Condition Report Requirements. The purpose of this assessment was to observe and document readily-visible materials and building system defects that might significantly affect the value of the 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	Cypress Ridge
Address	2239 Meda Avenue
City, State and Zip Code	Santa Rosa, California 95404
Property use	Multi-family residential
Land acreage (acres)	6.34
Number of apartment buildings	63
Number of floors	One and two
Number of other buildings	Two
Year built	2004/2005
Number of residential units	122
Number of commercial tenant spaces	None present
Foundation / Substructure	Shallow concrete foundation systems
Superstructure	Conventional wood-framing
Façade	Painted stucco
Roof type	Pitched, asphalt shingles
Parking area	Asphalt pavement at grade
Parking space count	238
ADA-designated parking count	Eleven ADA-designated of which two are van-designated
HVAC system	Split system units
Water supply piping	Copper
Electrical branch wiring	Copper
Number of elevators	None present
Fire suppression	Fire extinguishers
Fire alarm	Smoke/CO Detectors
PGA, 10% in 50 years exceedance probability	0.6864 g

The apartment unit mix as reported/confirmed by the property manager/rent roll is as follows:

Type	Quantity	Average Area (SF)	Total Square Footage
Studio	6	540	3,241
1 Bed / 1 Bath	14	796	11,144
2 Bed / 1 Bath	40	834	33,376
3 Bed / 2 Bath	56	1,237	69,289
4 Bed / 2 Bath	6	1,314	7,886
Total	122		124,936

Overall Condition

The subject property appears to be in good condition for its age and usage.

Reported Planned or Recent Capital Expenditures

According to property management, the following capital improvements were completed within the last three years:

- Asphalt Shingle repairs/sectional replacement – 2016 (\$71,840)
- Unit Carpet replacement - 2016, 2017 & 2018 (\$40,390)
- Unit Dishwasher replacement – 2016, 2018 & 2018 (\$2,622)
- Unit HVAC repair/replacement – 2016, 2017 & 2018 (\$46,600)
- Unit Refrigerator replacement – 2016, 2017 & 2018 (\$4,180)
- Unit Vinyl Flooring replacement – 2016, 2017 & 2018 (\$25,175)
- Roof Leak repairs (Units 63, 64, 95 & 102) – 2016 & 2017 (\$26,704)
- Roof Leak repairs (Unit 85) – 2017 (\$24,810)

Critical Repairs

Critical repairs are defined as “repairs and replacements that significantly impact habitability, value, income or marketability and that must be corrected before Freddie Mac will proceed with the transaction.” Items or conditions that meet one or more of these conditions, and a corresponding opinion of cost, are listed on Form 1105, Section III: Repairs and Cost Estimates.

Priority – 90 Repairs

Priority – 90 repairs are defined as “corrective actions that must be completed within 90 days.” This definition includes imminent life safety hazards and on-going substantive damage to the property. Items or conditions that meet one or more of these conditions, and a corresponding opinion of cost, are listed on Form 1105, Section III: Repairs and Cost Estimates.

Priority Repairs

Priority repairs are defined as “repairs and replacements that are significant and must be addressed as soon as possible.” This definition includes non-imminent life safety hazards, code violations, material deficiencies

and significant deferred maintenance items. Items or conditions that meet one or more of these conditions, and a corresponding opinion of cost, are listed on Form 1105, Section III: Repairs and Cost Estimates.

Operational Repairs

Operational repairs are defined as “repairs or replacements that consist of minor deficiencies and minor deferred maintenance that are expected to be completed by the Borrower as part of a repairs and maintenance budget and that cannot be reasonably addressed by routine maintenance.” Items or conditions that meet one or more of these conditions are listed on Form 1105, Section III: Repairs and Cost Estimates.

Replacement Reserve Items

Replacement reserve items are defined as significant capital expenditures, replacements or repairs that are anticipated to occur within the loan term plus two years. Items included in the replacement reserve table are determined based upon the estimated useful life (EUL) of a system or component, the effective age (EA) of the system, and the remaining useful life (RUL) of that system. All other building systems and appurtenances are expected to exceed the evaluation period or are a tenant responsibility to maintain and replace.

Routine Repairs and Maintenance

Routine Repairs and Maintenance are defined as “repairs and maintenance that are expected to be completed by the Borrower in the normal course of business and are nominal in cost”. These repairs are: preventative in nature; accomplished within the Property’s normal operating budget; typically completed by on-site staff; focused on keeping the subject property fully functioning and serviceable; have a cost of \$3000 or less per repair item

Additional remedial work is anticipated to be limited in extent and may be characterized as that typically associated with general maintenance and repair when undertaken on a routine periodic basis and/or as part of the normal operational cost of the subject property.

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 required by Freddie Mac.
- This report includes an opinion of costs for anticipated capital expenditures for an evaluation period defined by the Addressee.