

**CONSTRUCTABILITY ANALYSIS
& REVIEW OF DOCUMENTS**

**JUANITA POINT CONDOMINIUMS
9119 JUANITA DRIVE
KIRKLAND, WASHINGTON 98033**

MARCH 28, 2006

PREPARED FOR

**RYAN SHARPE
VENTURE BANK
15801 NE 85TH STREET
REDMOND, WASHINGTON 98052**



1.0 EXECUTIVE SUMMARY

1.1 Introduction

This study was conducted at the request of Ryan Sharpe, Venture Bank, 15801 NE 85th Street, Redmond, Washington 98052. The purposes of this report are to determine whether the budget presented by the Borrower is reasonable to construct the project as designed, to determine if the documents prepared are consistent with industry standards, and to determine whether these documents provide enough information to construct the project as designed.

A property location map is located on the Table of Contents page and specific information about the property is located in *Section 3.0: Findings*.

This report is exclusively for the use and benefit of the Client identified on the first page of this report. Possession of this report does not carry with it the right of publication. This report may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of GMC-CMI LLC.

1.2 Summary

The **Borrower** is listed as Juanita Point Condominiums.

The **Scope of Work** for the **Project** includes the demolition and removal of existing structures and the construction of two multi-family buildings. One of the buildings will be a six-story, sixteen-unit building and the other will be a two-story, two-unit building. In addition to common areas, a total of eighteen units will be constructed and will range in size from 1,521 square feet to 3,836 square feet.

Where applicable, the **Architectural Design, Structural Engineering, Civil Engineering, Surveying, Mechanical Calculations, and Specifications** as well as design information, and related drawings provide the required information to construct the project as designed.

The **Contractor** is Creative Contracting and Investment LLC. Creative Contracting and Investment's principal owner/manager is Hollis Beebe. Creative Contracting and Investment was found to be well qualified to construct the project with a background of similar successful projects and the experience and equipment necessary to perform the work.

A **Phase I Environmental Site Assessment** was provided to GMC-CMI LLC for review. The report includes recommendations for the removal of existing

structures and underground storage tanks as well as all associated environmental testing.

Permitting was reviewed by the King County Department of Development and Environmental Services and permits have been issued.

Although the available information was limited, GMC-CMI LLC found that the reviewed documentation appeared reliable, was consistent with projects of this type, and provided enough information to allow the project to be constructed as designed.

1.3 Conclusion

After a review of the project documents, GMC-CMI LLC concludes that the budget is **adequate** to construct the building as designed, and the construction documents presented are typical for the industry, meeting industry standards.

The reviewed budget provides for *Contingency* in an amount adequate to provide funding for unknown or unforeseen items that may occur in the course of construction.

A *Washington State Sales Tax* line item was provided in the reviewed construction budget for tax liability should it become due and payable.

GMC-CMI LLC recommends/concludes the following:

- ▼ Venture Bank should request that the Borrower and/or Contractor provide an endorsement to name the Lender as an “*Additional Insured*” on the Course-of-Construction and General Liability Insurance policies;
- ▼ Venture Bank should request from the Borrower and/or Contractor signed lien releases stating that all project related current invoices, current taxes, and all Labor and Industries fees and obligations have been paid in full. Any item(s) or claim(s) that the Borrower and/or Contractor intend to dispute should be listed and attached to the lien release with the values of the claim(s) included;
- ▼ Venture Bank should request the Borrower and/or Contractor to include funding for general conditions provide funding for operational costs, including facilities, temporary utilities and consumables;
- ▼ Venture Bank should obtain a copy of the Contract and any written agreements between the Owner and Contractor/Developer for review by a licensed attorney and/or consultant.

This summary is intended for introductory purposes only and should be used in conjunction with the full text of this report.

2.0 SCOPE AND PROCESS

2.1 Scope of Work

The findings included in this study are a product of documents provided by the Lender, Borrower, Contractor, and information revealed by our review process.

This analysis, together with our professional experience and training, enables us to determine whether the plans and construction documents appear to be complete, and whether the Borrower and/or Contractor is reasonably likely to be able to construct the project as designed for the funds indicated in the provided line item budget.

2.2 Methodology and Sources of Information

In conducting this analysis, GMC-CMI LLC reviewed a variety of documents that are discussed in *Section 3.0: Findings* of this report.

A line item breakdown of each project cost was reviewed. These line items list the costs estimated by the Borrower and/or Contractor for each building component. These costs were compared with industry standards and GMC-CMI LLC Database© comparisons.

The percentage that each component represents of the total cost was calculated and compared with the above-named reference sources. These line items were also reflected as “costs per square foot” and “costs per unit” for each component.

Interviews were conducted with the Borrower and/or Contractor, the design review personnel at the **King County Department of Development and Environmental Services**, and the various engineers who have provided design information and surveys for the project.

2.3 Limitations on Report and Recommendations

Statements, representations, or conclusions offered by GMC-CMI LLC in the development of this report are based solely upon visual examination of the provided documents and an on-site visit.

Compliance with the Uniform Building Code (UBC), applicable jurisdictional codes, permit requirements, seismic considerations, and the Americans with Disabilities Act (ADA) are outside the scope of this report.

Any statements, representations, or conclusions offered in this report are considered the opinion of GMC-CMI LLC. These statements, representations, or conclusions do not constitute an express or implied warranty of any kind. **The sole remedy for material errors made in this report shall be the refund of the analysis fee paid.**

GMC-CMI LLC has reviewed available contracts relating to this project when applicable. We have made recommendations about the form and completeness of these documents, and have made comments about the relationship these documents have in meeting construction industry standards. Please note, we at GMC-CMI LLC are not licensed Attorneys and we do not practice law. GMC-CMI LLC recommends that should a legal question arise, a licensed Attorney be contacted for further review and consultation.

Documents reviewed and/or interviews conducted in this study include:

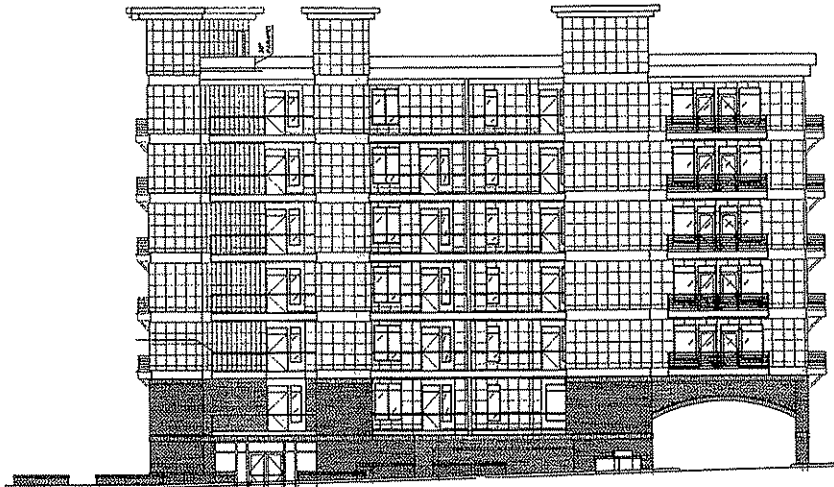
- King County Assessor Property Characteristics Report
- King County Department of Development and Environmental Services
Washington State Department of Labor and Industries (L&I)
- Washington State Department of Licensing
- Budget breakdown provided by Tracy Seibert of Venture Bank
- Complete Real Estate Appraisal produced by PGP Valuation, Incorporated
- Appraisal Revision provided by Tracy Seibert of Venture Bank
- Architectural plans produced by Daniel R. Baggen
- Structural engineering plans produced by C. Chevy Chase
- Civil engineering plans produced by Harold F. Peterson
- Landscape Architectural plans produced by Craig B. Esvelt
- Resume for Hollis Beebe, Contractor, produced by Hollis Beebe
- Phase I Environmental Site Assessment produced by Krazan & Associates, Inc.

3.0 FINDINGS

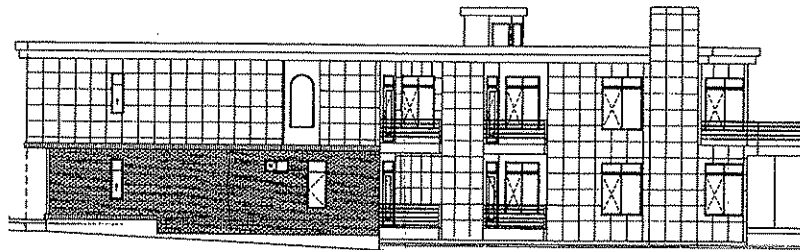
3.1 General Overview

The project reviewed herein includes the construction of improvements on property presently owned by Juanita Point Condominiums LLC, 1105 Porter Way, Milton, Washington. (King County Assessor)

The scope of work includes the demolition and removal of one residential building and several out-buildings, the clearing of overgrown vegetation, and the construction of two multi-family buildings with garages. An existing dock will remain on-site.



The first building, Building A, is to be a six-story condominium building comprised of sixteen units and will be located near the street entrance of the parcel. Each floor will contain two or three units and most units will contain two bedrooms and two and a half bathrooms with larger units containing an additional media room, three bedrooms and three bathrooms. The units will range in size from 1,521 square feet to 2,609 square feet. The building will also contain two levels of secured parking below the unit floors.



The second building, Building B, is to be a two unit townhouse located near the waterfront side of the parcel. The lower floor unit will have three bedrooms, three and a half bathrooms, and an attached garage. The second floor unit will also have three bedrooms and three and a half bathrooms and will include an elevator. This second

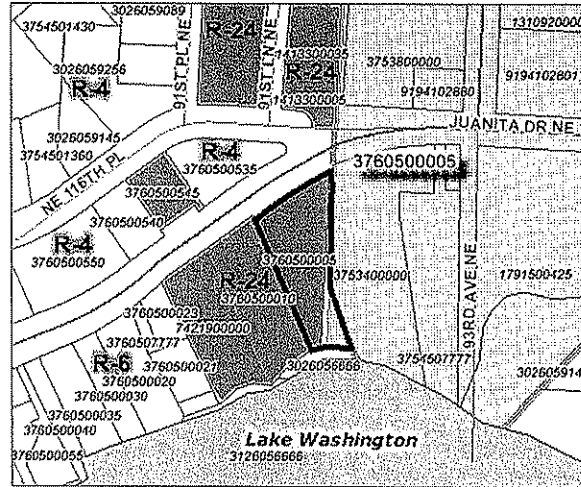
floor unit will have a detached garage. The units will range in size from 2,818 square feet to 3,836 square feet.

Legal Description

King County Assessors Parcel #376050-0005.

Legal Description is as follows:

1 JUANITA POINT A RESIDENCE PARK LESS BLK O LAKE WASH SH LDS TGW UND INT IN COMMUNITY BEACH FOR ASSESSMENT PURPOSES ONLY LESS POR FOR RD PER REC #20040709000554



3.2 Key Elements of Review

3.2.1 Engineering and Design Services

The plans were reviewed and the designed methods of construction were observed to be typical of the industry for this type of construction. The means and methods designed are within the standards being used on similar projects.

Architectural design work was conducted by Daniel R. Baggen of Daniel R. Baggen Associates, 9914 NE 134th Court, Kirkland, Washington 98034. Daniel R. Baggen was found to be a State of Washington Registered Architect (#3262) and has the experience and/or background to provide engineering on this project.

Structural engineering was conducted by C. Chevy Chase of CG Engineering, 250 - 4th Ave S, Suite 200, Edmonds, Washington 98020. C. Chevy Chase was found to be a State of Washington Registered Engineer (#23725) and has the experience and/or background to provide engineering on this project.

Civil engineering was conducted by Harold F. Peterson of Peterson Consulting Engineers, 4030 Lake Washington Boulevard NE, Suite 200, Kirkland, Washington 98033. Harold F. Peterson was found to be a State of Washington Registered Engineer (#20804) and has the experience and/or background to provide engineering on this project.

Mechanical engineering was not provided to GMC-CMI LLC for review, nor was a property survey.

Landscaping design work was conducted by Craig B. Esvelt. Craig B. Esvelt was found to be a State of Washington Registered Landscape Architect (#235)

and has the experience and/or background to provide professional design for this project.

The King County Department of Development and Environmental Services has reviewed the project plans. According to department information, a permit has been issued for the construction of “two multifamily buildings with parking” (Permit #B03L0339). Other permits have been issued for Landscaping Maintenance (Permit #B0410001) and for Inspection (L04SI106). No unusual or extenuating circumstances were noted.

3.2.2 Specifications

<i>Item</i>	<i>Description</i>
Foundation	Reinforced Concrete
Framing	Steel frame with concrete tilt up wall construction
Siding/Veneer	Stucco siding with stone veneer, painted in “Tuscan” colors
Roof/Gutters	Tile
Windows	Double glazed panes in metal or vinyl frames
Heating	Individual Thane gas furnaces and air conditioning
Insulation	To code
Fireplaces	Direct vent gas fireplaces in living rooms and master bedrooms
Garage Doors	Wood garage doors in duplexes and metal roll-up door in main building
Interior Doors	Solid wood doors
Millwork	Extensive stained millwork and built-ins
Cabinets	Canyon Creek, maple or oak kitchen, vanity, and pantry with upgrades available to buyer
Counter Surfaces	Slab granite or soapstone kitchen and bathroom vanity counters and kitchen backsplash
Kitchen Appliances	G.E. Monogram Series range, dishwasher, and professional good. G.E. Avantium wall oven and microwave
Bathroom Fixtures	Kohler whirlpool tub, toilet, and tiled walk-in shower
Flooring	Oak or maple flooring in entries, hallways, and kitchen; 100% wool carpeting in bedrooms and den; vinyl in laundry room; and tile flooring in bathrooms
Other	Smart panels with CAT-5 cable wiring, DSL, Cable TV and sound system pre-wiring, central vacuuming. Buyers will have HAI electrical control system that will allow remote control of electrical systems
Elevators	One elevator
Amenities	Recreational dock
Ceiling Height	Nine to ten feet high
Decks/Terraces	Tile enclosed waterproof membrane
Landscaping	The perimeter of the building and ground will be extensively landscaped and the beach will be improved with lawn and shrubs

3.2.3 Environmental

A Phase I Environmental Site Assessment was provided to GMC-CMI LLC for review. Conclusions identified in the report were as follows: "There is one heating oil UST (Underground Storage Tank) in use and another that was apparently closed-in-place; and there is not evidence of contamination on adjacent properties to the site." The report recommended the following: "An asbestos survey and sampling of on-site structures should be conducted before any demolition takes place; and the heating oil USTs on-site should be removed and if any petroleum-contaminated soil exists, it may also require removal. The tanks should be removed according to all applicable Federal and State regulations regarding tank decommissioning, removal, and confirmation soil sampling."

3.2.4 Wetlands

Review of the PGP Valuation, Incorporated Complete Appraisal indicated that wetland areas are not located at the Project or adjacent properties.

3.2.5 Contract Review

GMC-CMI LLC was not provided with any written agreements between the Borrower and the Contractor/Developer. These agreements, including the specific information that defines the scope of work, the cost of the project, the expectations relating to completion of the work, and the methods used to resolve differences of opinion between the parties, are of great importance to the Lender. These agreements should be made assignable to **Venture Bank**, to provide the Lender with a method for completion of the project with the existing Contractor/Developer, in the unlikely event that **Venture Bank** should become the property owner.

3.2.6 Site Review



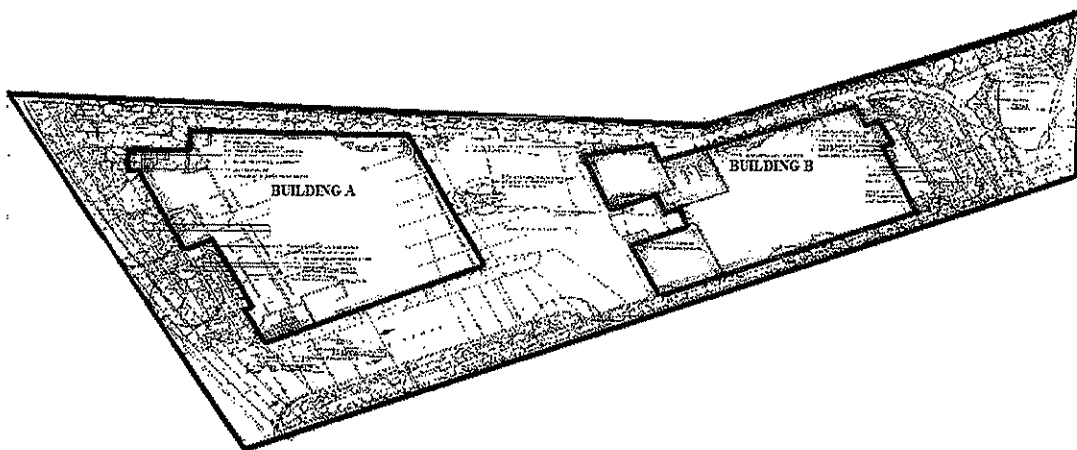
The building site, located south of Juanita Drive NE and three parcels west of 93rd Avenue NE in Kirkland, Washington, was observed to be heavily vegetated with overgrown bushes and trees and a fallen sign that is blocking the driveway. A residence and a couple of out-buildings were observed on-site and will be demolished as part of the scope of work.

3.2.7 Utilities

Utilities to the project site include water and sanitary sewer provided by Northshore Utility District, electrical power and natural gas provided by Puget Sound Energy, telephone service provided by Qwest Communications, and cable television and internet provided by Comcast Cable.

3.3 Construction Means and Methods

Building A will include a concrete pedestal with one slab-on-grade and two above grade post-tensioned slabs for the garage area. The upper five additional floors will be constructed of a steel (channel) joisted system. Concrete floors will be insulated, and all floors will provide a 2-hour fire separation.



The roof will be constructed of 12" metal channel joists supporting metal decking and rigid insulation. A waterproof membrane roofing material will be applied to protect the roofing system and underlying building.

Exterior walls will be clad with "Carea" Cladding Systems, applied over "Densglass" structural gypsum sheathing on a metal stud wall system. Exterior walls will be insulated and all walls will be covered with gypsum wallboard and finished.

Building B will be constructed with similar materials as Building A, however, a residential concrete foundation system will be used with a steel channel joisting system, steel decking and concrete topping slab, providing a 2 hour fire separation between upper and lower units.

The roof will be constructed of 12" metal channel joists supporting a concrete slab over metal decking and protected by a waterproof membrane roofing material.

Exterior walls will be clad with a non-combustible system, applied over "Densglass" structural sheathing screwed directly to metal studs. The exterior walls will be insulated, and finished with gypsum wallboard on the interior side.

The type of construction and the materials used are typical for structures of this type. The internal infrastructure is also typical, and includes plumbing systems and trim;

electrical systems and trim; alarm and communications systems and trim; and interior finishes consistent with the specified finish schedule.

3.3.1 Contractor

The Contractor is Creative Contracting and Investment LLC, 4008 – 37th Avenue SW, Seattle, Washington 98126. Creative Contracting and Investment's principal owner/manager is Hollis Beebe. According to a resume produced by the Hollis Beebe and telephone interviews with him, Hollis Beebe has worked in the construction field for twenty-six years and has experience in developments of this type. Creative Contracting and Investment LLC operates under Washington State Contractors License Number **CREATCI981MW**. No summons or complaints have been registered for this contractor with the State of Washington Department of Labor and Industries (L & I).

Hollis Beebe has the experience and is fully equipped with both equipment and personnel to complete the project being reviewed.

3.3.2 Insurance

Insurance coverage documentation was not provided by the Contractor. According to Washington State Department of Labor and Industries, National Fire and Marine Insurance Company has provided an insurance policy (#72LPI68597) in the amount of \$1,000,000.00 effective August 27, 2005 until August 27, 2006.

GMC-CMI LLC recommends that **Venture Bank** request that the Borrower and/or Contractor provide an endorsement to name **Venture Bank** as an "Additional Insured" on the Course-of-Construction and General Liability Insurance policies.

Washington State Law requires all general contractors to maintain a \$12,000 surety bond or an equivalent savings amount held with L & I. Adequate bond coverage for this contractor was on file with L & I. The surety bond is covered by CBIC (Bond #SF7752) beginning September 12, 2004 and effective "until cancelled".

3.3.3 Project Budgets

A principal concern of this review is to determine whether there is adequate funding in Borrower's budget to construct the building as designed. GMC-CMI LLC has developed and included a spreadsheet with noted comparisons on a line item basis with similar type construction projects. Refer to *Section 2.0: Scope and Process* of this report for methods used and sources of reference databases.

We have reviewed and made comments on the "hard" construction costs only, as those costs have database comparisons.

3.3.4 Line Item Review

The components listed below reflect the budget items estimated by the Borrower/Contractor and reflect the total hard cost of the project work. These unit costs, which are indicated by line items, were reviewed using industry database comparisons for projects of similar types. Line item budget values were provided by **Venture Bank**.

Juanita Point Condominiums Construction Budget

Item	Description	Budget	\$ P/S.F.	\$ P/Unit	% of Total	Comments*
1	Land, Plans & Permit	\$ 1,950,000.00				
2	Bonds, Insurance	\$ 360,000.00				
3	Demo, grub & clear	\$ 18,000.00	\$ 0.34	\$ 1,000.00	0.18%	Adequate for scope of work
4	Surveyor	\$ 3,000.00				
5	Site Prep	\$ 25,000.00	\$ 0.47	\$ 1,388.89	0.25%	Typical for project type/scale
6	Temp Power, water & toilets	\$ 10,000.00	\$ 0.19	\$ 555.56	0.10%	Typical for project type/scale
7	Trailer, Silt fences, security fence	\$ 5,000.00	\$ 0.09	\$ 277.78	0.05%	Typical for project type/scale
8	Excavation, back-fill, rough grade	\$ 75,000.00	\$ 1.42	\$ 4,166.67	0.76%	Adequate for scope of work
9	Footing excavation	\$ 10,000.00	\$ 0.19	\$ 555.56	0.10%	Adequate for scope of work
10	Trenching & trenching backfill	\$ 35,000.00	\$ 0.66	\$ 1,944.44	0.35%	Adequate for scope of work
11	Drill Elevator shaft (jack hole)	\$ 15,000.00	\$ 0.28	\$ 833.33	0.15%	Adequate for scope of work
12	Detention Vault	\$ 34,000.00	\$ 0.65	\$ 1,888.89	0.34%	Reflects design considerations
13	Building A-Footings	\$ 30,500.00	\$ 0.58	\$ 1,694.44	0.31%	Adequate for scope of work
14	Column Pad	\$ 29,500.00	\$ 0.56	\$ 1,638.89	0.30%	Adequate for scope of work
15	Columns	\$ 26,400.00	\$ 0.50	\$ 1,466.67	0.27%	Adequate for scope of work
16	Walls	\$ 84,000.00	\$ 1.59	\$ 4,666.67	0.85%	Reflects design considerations
17	Slab on Grade	\$ 40,750.00	\$ 0.77	\$ 2,263.89	0.41%	Adequate for scope of work
18	Post Tension Slab(s) above Grade	\$ 223,200.00	\$ 4.23	\$ 12,400.00	2.26%	Slightly above industry average
19	1st Floor Slab on Grade	\$ 103,150.00	\$ 1.96	\$ 5,730.56	1.04%	Slightly above industry average
20	Pan Decks	\$ 70,800.00	\$ 1.34	\$ 3,933.33	0.72%	Reflects design considerations
21	Sack and Patch	\$ 4,500.00	\$ 0.09	\$ 250.00	0.05%	Typical for project type/scale
22	De-mobilize	\$ 4,750.00	\$ 0.09	\$ 263.89	0.05%	Typical for project type/scale
23	Building B-Footings	\$ 11,500.00	\$ 0.22	\$ 638.89	0.12%	Adequate for scope of work
24	Column Pad	\$ 11,750.00	\$ 0.22	\$ 652.78	0.12%	Adequate for scope of work
25	Walls	\$ 25,950.00	\$ 0.49	\$ 1,441.67	0.26%	Adequate for scope of work
26	Slab on Grade	\$ 7,500.00	\$ 0.14	\$ 416.67	0.08%	Adequate for scope of work
27	Pan Deck	\$ 23,250.00	\$ 0.44	\$ 1,291.67	0.23%	Reflects design considerations
28	Retaining Wall	\$ 18,500.00	\$ 0.35	\$ 1,027.78	0.19%	Adequate for scope of work
29	Foundation imbeds	\$ 10,000.00	\$ 0.19	\$ 555.56	0.10%	Typical for project type/scale
30	Foundation special inspections	\$ 10,000.00	\$ 0.19	\$ 555.56	0.10%	Typical for project type/scale
31	Foundation waterproofing	\$ 10,000.00	\$ 0.19	\$ 555.56	0.10%	Adequate for scope of work
32	Planters, sidewalks, fountain	\$ 65,000.00	\$ 1.23	\$ 3,611.11	0.66%	Reflects design considerations
33	Storm retention, sewer hook-up	\$ 95,000.00	\$ 1.80	\$ 5,277.78	0.96%	Typical for project type/scale
34	Water meters (fire and domestic)	\$ 35,000.00	\$ 0.66	\$ 1,944.44	0.35%	Typical for project type/scale

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35	Hydrant	\$ 25,000.00	\$ 0.47	\$ 1,388.89	0.25%	Typical for project type/scale
36	Underground electrical	\$ 10,000.00	\$ 0.19	\$ 555.56	0.10%	Adequate for scope of work
37	Gas, phone, cable	\$ 10,000.00	\$ 0.19	\$ 555.56	0.10%	Typical for project type/scale
38	Tower crane & Operator	\$ 95,000.00	\$ 1.80	\$ 5,277.78	0.96%	Adequate for ten months only
39	Forklift	\$ 5,000.00	\$ 0.09	\$ 277.78	0.05%	Typical for project type/scale
40	Structural Steel & fabrication	\$ 700,000.00	\$ 13.28	\$ 38,888.89	7.07%	Reflects design considerations
41	Structural Steel Installation	\$ 530,000.00	\$ 10.06	\$ 29,444.44	5.36%	Adequate for scope of work
42	Structural Steel special inspections	\$ 10,000.00	\$ 0.19	\$ 555.56	0.10%	Typical for project type/scale
43	Steel joisted floor system materials	\$ 90,000.00	\$ 1.71	\$ 5,000.00	0.91%	Adequate for scope of work
44	Steel joisted floor system installation	\$ 25,000.00	\$ 0.47	\$ 1,388.89	0.25%	Adequate for scope of work
45	Pan deck materials	\$ 100,000.00	\$ 1.90	\$ 5,555.56	1.01%	Reflects design considerations
46	Flashing and boots fabrication	\$ 50,000.00	\$ 0.95	\$ 2,777.78	0.51%	Typical for project type/scale
47	Wood backing in metal studs	\$ 30,000.00	\$ 0.57	\$ 1,666.67	0.30%	Typical for project type/scale
48	Windows	\$ 85,000.00	\$ 1.61	\$ 4,722.22	0.86%	Adequate for scope of work
49	Windows installation	\$ 22,500.00	\$ 0.43	\$ 1,250.00	0.23%	Adequate for scope of work
50	Exterior Gypsum Board Sheathing	\$ 25,000.00	\$ 0.47	\$ 1,388.89	0.25%	Adequate for scope of work
51	Exterior Gypsum Board Installation	\$ 38,000.00	\$ 0.72	\$ 2,111.11	0.38%	Adequate for scope of work
52	Exterior Sheer Walls	\$ 17,500.00	\$ 0.33	\$ 972.22	0.18%	Adequate for scope of work
53	Roofing (Materials & Labor)	\$ 125,000.00	\$ 2.37	\$ 6,944.44	1.26%	Adequate for scope of work
54	Exterior finish stucco	\$ 450,000.00	\$ 8.54	\$ 25,000.00	4.55%	Reflects design considerations
55	Deck coring	\$ 5,000.00	\$ 0.09	\$ 277.78	0.05%	Typical for project type/scale
56	Fireproofing (monokote)	\$ 120,000.00	\$ 2.28	\$ 6,666.67	1.21%	Adequate for scope of work
57	Firestop	\$ 5,000.00	\$ 0.09	\$ 277.78	0.05%	Typical for project type/scale
58	Flashing & Deckcoating	\$ 66,000.00	\$ 1.25	\$ 3,666.67	0.67%	Adequate for scope of work
59	Masonry	\$ 215,000.00	\$ 4.08	\$ 11,944.44	2.17%	Reflects design considerations
60	Deck pavers	\$ 90,000.00	\$ 1.71	\$ 5,000.00	0.91%	Adequate for scope of work
61	Celtik (Paver retaining) Wall	\$ 22,000.00	\$ 0.42	\$ 1,222.22	0.22%	Reflects design considerations
62	Deck Railings	\$ 125,000.00	\$ 2.37	\$ 6,944.44	1.26%	Adequate for scope of work
63	Plumbing "rough-in"	\$ 560,000.00	\$ 10.62	\$ 31,111.11	5.66%	Typical for project type/scale
64	Gas "rough-in"	\$ 30,000.00	\$ 0.57	\$ 1,666.67	0.30%	Typical for project type/scale
65	Radiant Heat	\$ 135,000.00	\$ 2.56	\$ 7,500.00	1.36%	Adequate for scope of work
66	Air conditioning	\$ 132,000.00	\$ 2.50	\$ 7,333.33	1.33%	Reflects design considerations
67	Heat common areas	\$ 1,000.00	\$ 0.02	\$ 55.56	0.01%	Adequate for Lobby area only
68	Electrical "rough-in"	\$ 415,000.00	\$ 7.87	\$ 23,055.56	4.19%	Typical for project type/scale
69	Fire Alarms	\$ 35,000.00	\$ 0.66	\$ 1,944.44	0.35%	Typical for project type/scale
70	Low volt package	\$ 30,000.00	\$ 0.57	\$ 1,666.67	0.30%	Slightly below industry average
71	Unit venting	\$ 30,000.00	\$ 0.57	\$ 1,666.67	0.30%	Typical for project type/scale
72	Elevator pressurization	\$ 50,000.00	\$ 0.95	\$ 2,777.78	0.51%	Typical for project type/scale
73	Fire sprinklers	\$ 157,000.00	\$ 2.98	\$ 8,722.22	1.59%	Reflects design considerations
74	Fire extinguishers	\$ 2,000.00	\$ 0.04	\$ 111.11	0.02%	Typical for project type/scale
75	Fireplaces	\$ 83,000.00	\$ 1.57	\$ 4,611.11	0.84%	Adequate for scope of work
76	Vacuum system	\$ 28,000.00	\$ 0.53	\$ 1,555.56	0.28%	Adequate for scope of work
77	Elevator (Buildings A & B)	\$ 75,000.00	\$ 1.42	\$ 4,166.67	0.76%	Typical for project type/scale
78	Garage Doors	\$ 25,000.00	\$ 0.47	\$ 1,388.89	0.25%	Adequate for scope of work
79	Fire Door	\$ 10,000.00	\$ 0.19	\$ 555.56	0.10%	Reflects design considerations
80	Lobby mailboxes, fireplace, furnishings	\$ 10,000.00	\$ 0.19	\$ 555.56	0.10%	Typical for project type/scale

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81	Exterior doors	\$ 50,000.00	\$ 0.95	\$ 2,777.78	0.51%	Adequate for scope of work
82	Lobby doors & electrical strike	\$ 5,000.00	\$ 0.09	\$ 277.78	0.05%	Typical for project type/scale
83	Insulation	\$ 70,000.00	\$ 1.33	\$ 3,888.89	0.71%	Typical for project type/scale
84	Light gauge metal studs - drywall	\$ 650,000.00	\$ 12.33	\$ 36,111.11	6.57%	Reflects design considerations
85	Temp heat and de-humidifying	\$ 3,000.00	\$ 0.06	\$ 166.67	0.03%	Typical for project type/scale
86	Interior Painting	\$ 145,000.00	\$ 2.75	\$ 8,055.56	1.47%	Reflects design considerations
87	Exterior Painting	\$ 30,000.00	\$ 0.57	\$ 1,666.67	0.30%	Reflects design considerations
88	Hardwood Floors	\$ 100,000.00	\$ 1.90	\$ 5,555.56	1.01%	Reflects design considerations
89	Carpet	\$ 55,000.00	\$ 1.04	\$ 3,055.56	0.56%	Reflects design considerations
90	Tile Floors	\$ 416,000.00	\$ 7.89	\$ 23,111.11	4.20%	Reflects design considerations
91	Cabinets	\$ 450,000.00	\$ 8.54	\$ 25,000.00	4.55%	Adequate for scope of work
92	Doors and Millwork	\$ 286,000.00	\$ 5.43	\$ 15,888.89	2.89%	Adequate for scope of work
93	Finish Hardware	\$ 18,000.00	\$ 0.34	\$ 1,000.00	0.18%	Adequate for scope of work
94	Closet Package	\$ 45,000.00	\$ 0.85	\$ 2,500.00	0.45%	Adequate for scope of work
95	Cabinet & Millwork Installation	\$ 175,000.00	\$ 3.32	\$ 9,722.22	1.77%	Reflects design considerations
96	Countertops	\$ 130,000.00	\$ 2.47	\$ 7,222.22	1.31%	Reflects design considerations
97	Light package	\$ 75,000.00	\$ 1.42	\$ 4,166.67	0.76%	Reflects design considerations
98	Appliances	\$ 200,000.00	\$ 3.79	\$ 11,111.11	2.02%	Adequate for scope of work
99	Appliances installation	\$ 5,000.00	\$ 0.09	\$ 277.78	0.05%	Typical for project type/scale
100	Mirrors & Shower Doors	\$ 72,000.00	\$ 1.37	\$ 4,000.00	0.73%	Adequate for scope of work
101	Blinds	\$ 36,000.00	\$ 0.68	\$ 2,000.00	0.36%	Reflects design considerations
102	Construction Cleaning	\$ 15,000.00	\$ 0.28	\$ 833.33	0.15%	Typical for project type/scale
103	Windows Cleaning	\$ 20,000.00	\$ 0.38	\$ 1,111.11	0.20%	Typical for project type/scale
104	Dumb Fees	\$ 10,000.00	\$ 0.19	\$ 555.56	0.10%	Typical for project type/scale
105	Landscaping, Irrigation	\$ 50,000.00	\$ 0.95	\$ 2,777.78	0.51%	Adequate for scope of work
106	Rockerries & Fences	\$ 2,500.00	\$ 0.05	\$ 138.89	0.03%	Reflects design considerations
107	Dock Improvements	\$ 25,000.00	\$ 0.47	\$ 1,388.89	0.25%	Adequate for scope of work
108	Traffic Control	\$ 3,000.00	\$ 0.06	\$ 166.67	0.03%	Typical for project type/scale
109	Street Improvements	\$ 50,000.00	\$ 0.95	\$ 2,777.78	0.51%	Typical for project type/scale
110	Move pole, curb & gutter, resurface	\$ 10,000.00	\$ 0.19	\$ 555.56	0.10%	Typical for project type/scale
111	Brick pavers	\$ 20,000.00	\$ 0.38	\$ 1,111.11	0.20%	Reflects design considerations
112	Asphalt	\$ 15,000.00	\$ 0.28	\$ 833.33	0.15%	Adequate for scope of work
113	Stripping	\$ 2,000.00	\$ 0.04	\$ 111.11	0.02%	Typical for project type/scale
114	Building Signs	\$ 3,000.00	\$ 0.06	\$ 166.67	0.03%	Typical for project type/scale
115	Rentals	\$ 20,000.00	\$ 0.38	\$ 1,111.11	0.20%	Typical for project type/scale
116	Contingency	\$ 500,000.00				
117	Construction Superintendent	\$ 200,000.00	\$ 3.79	\$ 11,111.11	2.02%	Typical for project type/scale
118	Safety	\$ 8,000.00	\$ 0.15	\$ 444.44	0.08%	Typical for project type/scale
119	Architect/Engineer	\$ 40,000.00				
120	WTRPRF Engineer	\$ 30,000.00				
121	Misc. Permit Fees	\$ 25,000.00				
122	Oper costs holding Tx's, Utilities	\$ 50,000.00				
123	FF&E	\$ 30,000.00				
124	Legal condo doc's; LLC Docs; Survey	\$ 25,000.00				
125	Loan Closing Costs	\$ 140,511.00				
126	Construction Interest	\$ 744,500.00				

127	Sales Tax	\$ 945,000.00				
128	Metal Joisting Systems	\$ 300,000.00	\$ 5.69	\$ 16,666.67	3.03%	Not defined in Plans
129	Shoring	\$ 60,000.00	\$ 1.14	\$ 3,333.33	0.61%	Reflects design considerations
130	Additional Owner Contribution	\$ (339,511.00)				
Total Costs		\$14,400,000.00	\$187.75	\$549,805.56	100.00%	Adequate for scope of work


*Comments reflect comparisons to the GMC-CMI LLC Database©

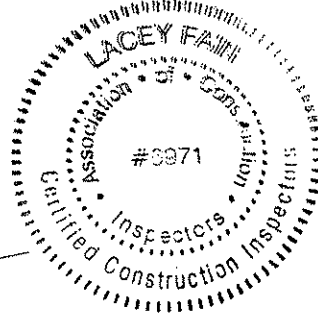
GMC-CMI LLC's observations indicate that the total hard construction costs of \$187.75 per-square-foot appear to be **adequate** for work of this type. The costs reflect the Contractor or Developer's best estimate or an actual Subcontractor bid for the work described. Generally, the costs fall within the range for work of this type when compared with industry database information, and reflect the economies-of-scale found in larger projects.

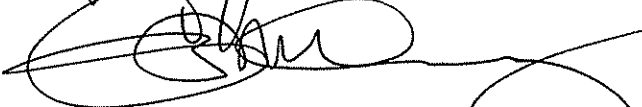
The reviewed budget does contain limited line items and funding related to general conditions; however a line item for "General Conditions" to provide funding operational costs, including facilities, temporary utilities and consumables, should be included in the final budget. In the unlikely event that the Lender should become the property owner and be accountable for project completion, it is essential that funds for general conditions are available.

The reviewed budget provides for *Contingency* in an amount adequate to provide funding for unknown or unforeseen items that may occur in the course of construction.

The percentages shown represent the significance of each line item in relation to the total budget estimate. These are typical for the industry.


 Lacey Mansell, CCI
 GMC-CMI LLC




 George M. Casady, Principal, CCI
 GMC-CMI LLC

