

FACILITY CONDITION ASSESSMENT



**BUREAU
VERITAS**

prepared for

Gilroy Unified School District
7810 Arroyo Circle
Gilroy, CA 95020



Preschool at Swanston Lane
245 Farrell Avenue
Gilroy, CA 95020

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ON SITE DATE:

July 8, 2025

Bureau Veritas

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1. Executive Summary

Campus Overview and Assessment Details

General Information	
Property Type	Preschool
Number of Buildings	2
Main Address	245 Farrell Avenue, Gilroy, CA 95020
Site Developed	1997 Renovated 2024
Outside Occupants / Leased Spaces	None
Date(s) of Visit	July 8, 2025
Management Point of Contact	AEDIS Architects Joe Vela, Associate Principal 4083005160 Jvela@aedisarchitects.com
On-site Point of Contact (POC)	Paul Nadeau
Assessment and Report Prepared By	Harley Davis
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AssetCalc Link	Full dataset for this assessment can be found at: https://www.assetcalc.net/

Campus Findings and Deficiencies

Historical Summary

Preschool at Swanson Lane was originally constructed in 1997 and is currently occupied by Gilroy School District. Since its construction, there's been renovations in 2024 to the original Building D. Recent renovations include updates to the facade, roof, interior spaces, and new site pavement with 2 electric car charging stations. The Main Office or Building E was recently constructed in 2024. ADA updates were done to the parking area in 2024.

Architectural

The campus consists of new administration offices and classrooms with a kitchen space in Building D. Building D has an exterior stucco facade with aluminum windows. Building E has painted wood siding with aluminum windows. Both buildings are wood framed on concrete slabs and have no reported structural or façade issues. Roofs are a flat metal construction. The interior floor consists of Faux wood flooring, and VCT flooring in the restrooms and utility areas. Walls throughout are done in wallpaper and FRP is in the kitchen space. Ceilings throughout are suspended ACT Tiles with updated LED lighting. Typical lifecycle interior and exterior finish replacements are budgeted and anticipated.

Mechanical, Electrical, Plumbing and Fire (MEPF)

The HVAC systems include exterior PTAC units. Electrical distribution panels are on the exterior of both buildings and were not reported as problematic. The plumbing system utilizes electric water heaters and copper piping throughout. Each building is protected by a fire alarm system; however, all buildings do not have a fire sprinkler system.

Site

The site consists of concrete sidewalks, asphalt pavement, rubber play surfaces, and a playground area with a canopy shade structure. There's an ancillary building to store equipment in the play area behind Building D. Newer asphalt parking lots serve both facilities. Secured perimeter chain link fencing is around the entire campus. Adequate exterior Lighting is provided throughout.

Recommended Additional Studies

No additional studies recommended at this time.

Facility Condition Index (FCI)

One of the major goals of the FCA is to calculate the Facility Condition Index (FCI), which provides a theoretical objective indication of a facility’s overall condition. The FCI is defined as the ratio of the cost of current needs divided by the current replacement value (CRV) of the facility. The chart below presents the industry standard ranges and cut-off points.

FCI Ranges and Description	
0 – 5%	In new or well-maintained condition, with little visual evidence of wear or deficiencies.
5 – 10%	Subjected to wear but is still in a serviceable and functioning condition.
10 – 30%	Subjected to hard or long-term wear. Nearing the end of its useful or serviceable life.
30% and above	Has reached the end of its useful or serviceable life. Renewal is now necessary.

The deficiencies and lifecycle needs identified in this assessment provide the basis for a portfolio-wide capital improvement funding strategy. In addition to the current FCI, extended FCI’s have been developed to provide owners the intelligence needed to plan and budget for the “keep-up costs” for their facilities. As such the 3-year, 5-year, and 10-year FCI’s are calculated by dividing the anticipated needs of those respective time periods by current replacement value. As a final point, the FCI’s ultimately provide more value when used to relatively compare facilities across a portfolio instead of being over-analyzed and scrutinized as stand-alone mathematical values. The table below presents the current, 3-year, 5-year, and 10-year FCI’s for this facility:

Facility	Cost/SF	Total SF	Replacement Value	Current	3-Year	5-Year	10-Year
Building D	\$550	5,500	\$3,025,000	0%	0%	0.6%	6.4%
Building E	\$550	3,000	\$1,650,000	0%	0%	0.7%	0.7%
Site	\$0	8,500	\$0	%	%	%	%
Preschool at Swanston Lane	\$0	8,500	\$0	%	%	%	%

Immediate Needs

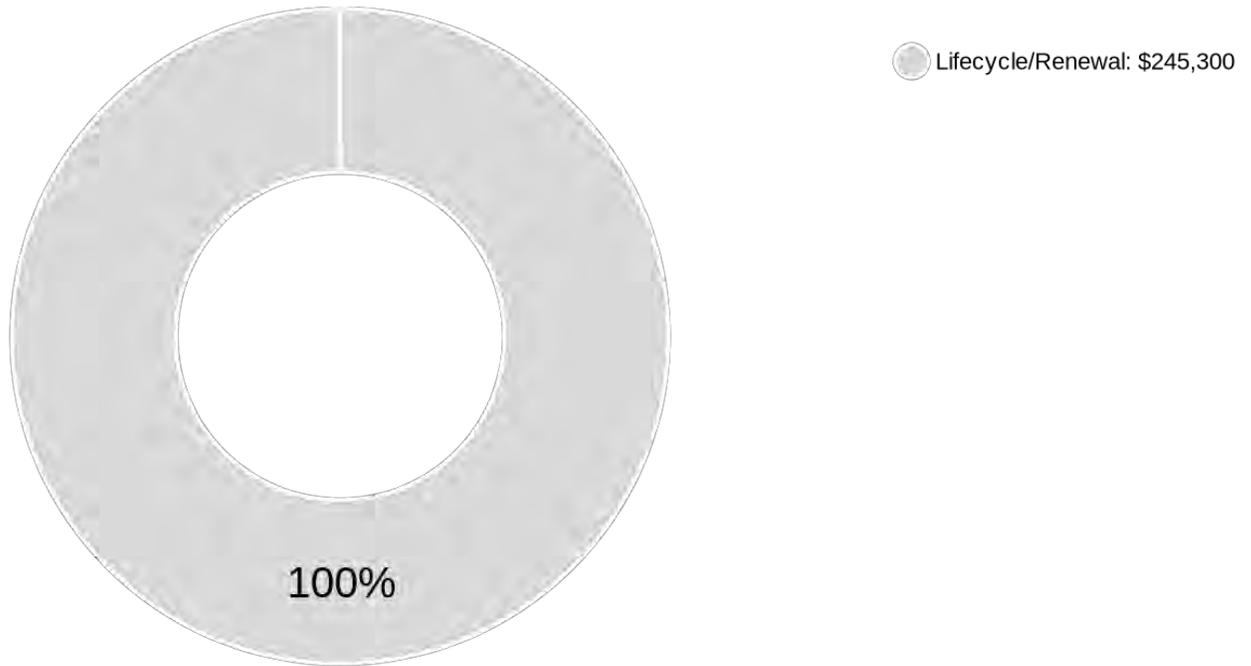
Facility/Building	Total Items	Total Cost
Preschool at Swanston Lane / Building D	1	\$11,300
TOTAL	1	\$11,300

Plan Types

Each line item in the cost database is assigned a Plan Type, which is the primary reason or rationale for the recommended replacement, repair, or other corrective action. This is the “why” part of the equation. A cost or line item may commonly have more than one applicable Plan Type; however, only one Plan Type will be assigned based on the “best” fit, typically the one with the greatest significance and highest on the list below.

Plan Type Descriptions and Distribution

Safety	■	An observed or reported unsafe condition that if left unaddressed could result in injury; a system or component that presents potential liability risk.
Performance/Integrity	■	Component or system has failed, is almost failing, performs unreliably, does not perform as intended, and/or poses risk to overall system stability.
Accessibility	■	Does not meet ADA, UFAS, and/or other accessibility requirements.
Environmental	■	Improvements to air or water quality, including removal of hazardous materials from the building or site.
Retrofit/Adaptation	■	Components, systems, or spaces recommended for upgrades in in order to meet current standards, facility usage, or client/occupant needs.
Aged But Functional	■	Any component or system that has aged past its industry-average expected useful life (EUL) but is not currently deficient or problematic.
Lifecycle/Renewal	■	Any component or system that is neither deficient nor aged past EUL but for which future replacement or repair is anticipated and budgeted.



10-Year Total: \$245,300

2. Building D



Building D: Building Systems Summary		
Address	245 Farrell Avenue, Gilroy, CA 95020	
GPS Coordinates	37.0016761, -121.5539034	
Constructed/Renovated	1997 Renovated 2024	
Building Area	5,500 SF	
Number of Stories	1 above grade	
<i>System</i>	<i>Description</i>	<i>Condition</i>
Structure	Conventional wood frame structure over concrete slab foundation	Fair
Facade	Primary Wall Finish: Stucco Windows: Aluminum	Fair
Roof	Primary: Flat metal finish	Fair
Interiors	Walls: Wallpaper, FRP Floors: VCT, faux wood plank LVT Ceilings: Painted gypsum board and ACT	Fair
Elevators	None	Fair
Plumbing	Distribution: Copper, PVC waste and venting Hot Water: Electric water heaters with integral tank Fixtures: Toilets, and sinks in restrooms	Fair

Building D: Building Systems Summary		
HVAC	Non-Central System: PTAC units	Fair
Fire Suppression	Fire extinguishers only	Fair
Electrical	Source and Distribution: Main switchboard panel with copper wiring Interior Lighting: LED Emergency Power: None	Fair
Fire Alarm	Smoke detectors, alarms, strobes, pull stations, back-up emergency lights, and exit signs	Fair
Equipment/Special	None	Fair
Accessibility	Presently it does not appear an accessibility study is needed for this building. See the appendix for associated photos and additional information.	
Additional Studies	No additional studies are currently recommended for the building.	
Areas Observed	The interior spaces were observed to gain a clear understanding of the facility's overall condition. Other areas accessed included the exterior equipment and assets directly serving the buildings, the exterior walls of the facility, and the roof.	
Key Spaces Not Observed	All key areas of the facility were accessible and observed.	

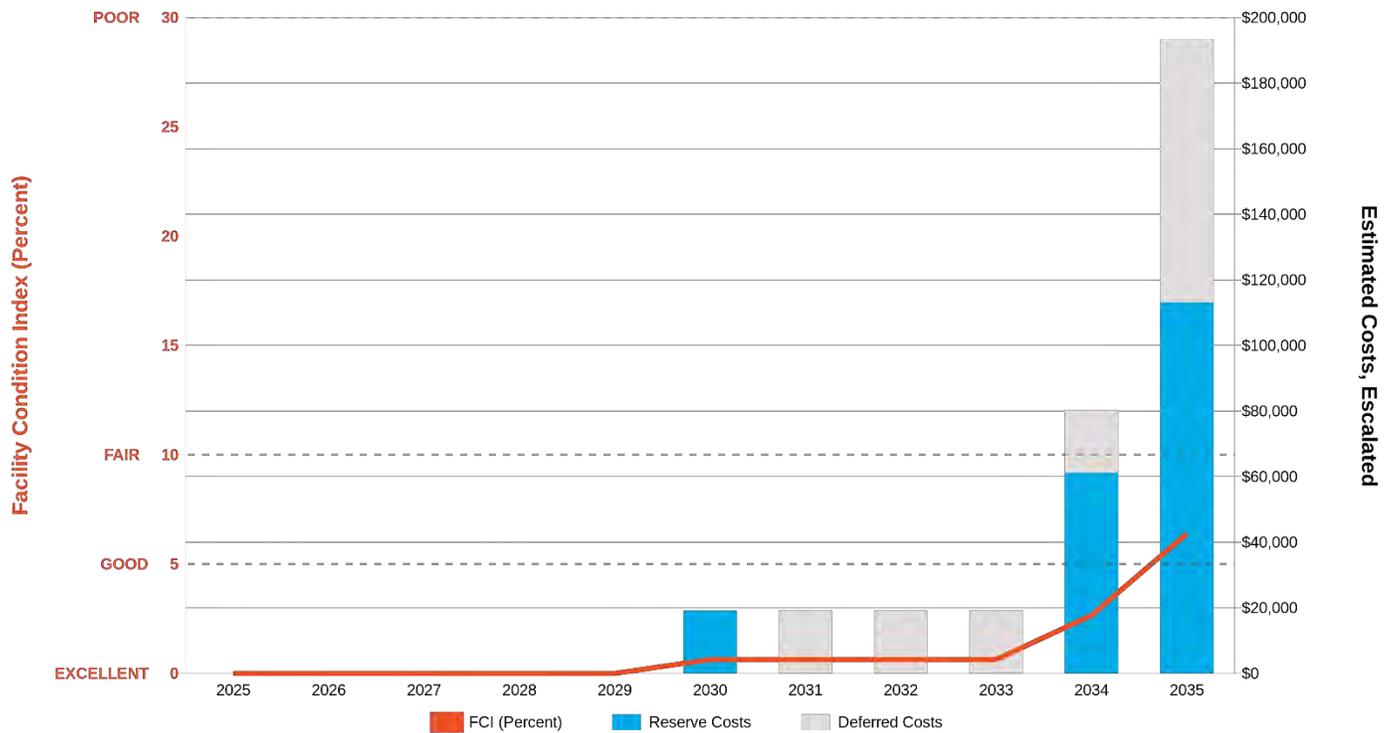
The table below shows the anticipated costs by trade or building system over the next 20 years.

Building D: System Expenditure Forecast						
System	Immediate	Short Term (1-2 yr)	Near Term (3-5 yr)	Med Term (6-10 yr)	Long Term (11-20 yr)	TOTAL
Facade	\$0	\$0	\$0	\$44,034	\$85,664	\$129,698
Roofing	\$0	\$0	\$0	\$0	\$0	\$0
Interiors	\$0	\$0	\$0	\$26,817	\$68,827	\$95,644
Plumbing	\$0	\$0	\$0	\$1,383	\$92,123	\$93,506
HVAC	\$0	\$0	\$19,118	\$17,414	\$29,786	\$66,318
Electrical	\$0	\$0	\$0	\$0	\$81,495	\$81,495
Fire Alarm and Electronic Systems	\$0	\$0	\$0	\$0	\$35,169	\$35,169
Equipment and Furnishings	\$0	\$0	\$0	\$84,617	\$2,891	\$87,508
TOTALS	\$0	\$0	\$19,200	\$174,300	\$396,000	\$589,500

NEEDS OVER TIME: The vertical blue bars in the graphic below represent the year-by-year needs identified for the facility. The orange line forecasts what would happen to the FCI (left Y axis) over time, assuming zero capital expenditures over the next ten years. The dollar amounts allocated for each year are associated with the values along the right Y axis.

Needs by Year with Unaddressed FCI Over Time

Replacement Value: \$3,025,000.00 Inflation Rate: 3% Average Needs (per year - over next 10 years): \$17,580.00



Immediate Needs

Location	UF Code	Description	Condition	Plan Type	Cost
Preschool at Swanston Lane / Building D	C2012	Wall Finishes, Laminated Paneling (FRP), Replace	Good	Lifecycle/Renewal	\$11,300
TOTAL (1 items)					\$11,300

Key Findings

There are no key findings to report.

Building D: Photographic Overview



1 – FRONT ELEVATION



2 – LEFT ELEVATION



3 – RIGHT ELEVATION



4 – REAR ELEVATION



5 – BUILDING FACADE



6 – BUILDING FACADE



7 – EXTERIOR DOOR



8 – FLOORING



9 – FLOORING



10 – CASEWORK



11 – SUSPENDED CEILINGS



12 – RESTROOM

3. Building E



Building E: Building Systems Summary		
Address	245 Farrell Avenue, Gilroy, CA 95020	
GPS Coordinates	37.0155909, -121.5692765	
Constructed/Renovated	2024	
Building Area	3,000 SF	
Number of Stories	1 above grade	
<i>System</i>	<i>Description</i>	<i>Condition</i>
Structure	Conventional wood frame structure over concrete slab foundation	Fair
Facade	Primary Wall Finish: Wood siding Windows: Aluminum	Fair
Roof	Primary: Flat construction with metal finish	Fair
Interiors	Walls: Wallpaper, FRP Floors: VCT, faux wood plank LVT Ceilings: ACT	Fair
Elevators	None	Fair
Plumbing	Distribution: Copper, PVC waste and venting Hot Water: Electric water heaters with integral tank Fixtures: Toilets, and sinks in restrooms	Fair

Building E: Building Systems Summary		
HVAC	Non-Central System: PTAC units	Fair
Fire Suppression	Fire extinguishers only	Fair
Electrical	Source and Distribution: Main switchboard panel with copper wiring Interior Lighting: LED Emergency Power: None	Fair
Fire Alarm	Smoke detectors, alarms, strobes, pull stations, back-up emergency lights, and exit signs	Fair
Equipment/Special	None	Fair
Accessibility	Presently it does not appear an accessibility study is needed for this building. See the appendix for associated photos and additional information.	
Additional Studies	No additional studies are currently recommended for the building.	
Areas Observed	The interior spaces were observed to gain a clear understanding of the facility's overall condition. Other areas accessed and assessed included the exterior equipment and assets directly serving the buildings, the exterior walls of the facility, and the roofs.	
Key Spaces Not Observed	All key areas of the facility were accessible and observed.	

The table below shows the anticipated costs by trade or building system over the next 20 years.

Building E: System Expenditure Forecast						
System	Immediate	Short Term (1-2 yr)	Near Term (3-5 yr)	Med Term (6-10 yr)	Long Term (11-20 yr)	TOTAL
Facade	\$0	\$0	\$0	\$0	\$0	\$0
Roofing	\$0	\$0	\$0	\$0	\$0	\$0
Interiors	\$0	\$0	\$0	\$0	\$39,129	\$39,129
Plumbing	\$0	\$0	\$0	\$0	\$1,575	\$1,575
HVAC	\$0	\$0	\$10,944	\$0	\$17,051	\$27,995
Electrical	\$0	\$0	\$0	\$0	\$31,336	\$31,336
Fire Alarm and Electronic Systems	\$0	\$0	\$0	\$0	\$27,938	\$27,938
Equipment and Furnishings	\$0	\$0	\$0	\$0	\$59,128	\$59,128
TOTALS	\$0	\$0	\$11,000	\$0	\$176,200	\$187,200

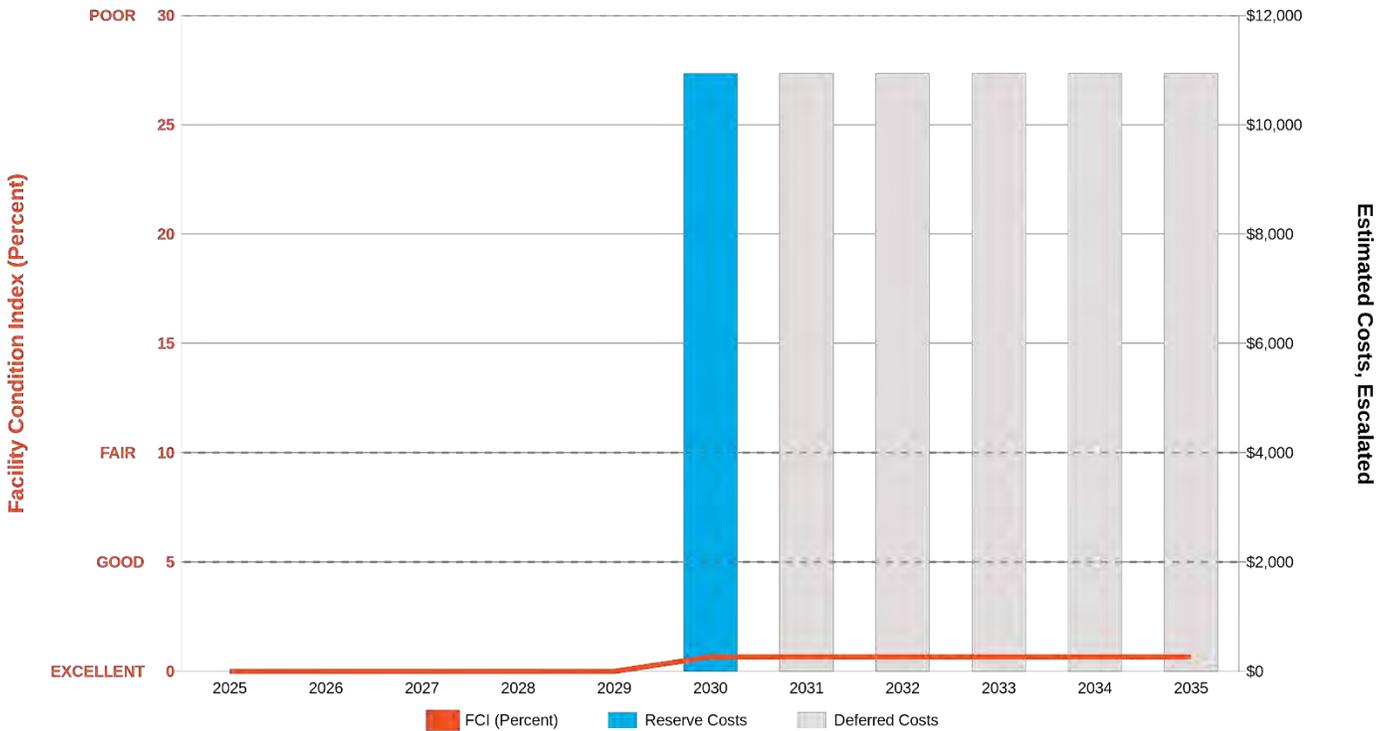
NEEDS OVER TIME: The vertical blue bars in the graphic below represent the year-by-year needs identified for the facility. The orange line forecasts what would happen to the FCI (left Y axis) over time, assuming zero capital expenditures over the next ten years. The dollar amounts allocated for each year are associated with the values along the right Y axis.

Needs by Year with Unaddressed FCI Over Time

Replacement Value: \$1,650,000.00

Inflation Rate: 3%

Average Needs (per year - over next 10 years): \$994.00



Immediate Needs

There are no immediate needs to report.

Key Findings

There are no key findings to report.

Building E: Photographic Overview



1 – FRONT ELEVATION



2 – LEFT ELEVATION



3 – RIGHT ELEVATION



4 – REAR ELEVATION



5 – INTERIOR PHOTO



6 – INTERIOR PHOTO



7 – INTERIOR PHOTO



8 – TYPICAL CLASSROOM



9 – RESTROOM



10 – TYPICAL CLASSROOM



11 – RESTROOM



12 – PLAY AREA

4. Site



Site: Site Information		
Site Area	acres	
Parking Spaces	15 total spaces all in open lots; 2 of which are accessible.	
<i>System</i>	<i>Description</i>	<i>Condition</i>
Site Pavement	Asphalt lots with limited areas of concrete aprons and pavement and adjacent concrete sidewalks, curbs, ramps, and stairs	Good
Site Development	Building-mounted signage; chain link, wrought iron fencing Playgrounds, fencing, and site pole lights, picnic tables	Fair
Landscaping and Topography	Limited landscaping features including trees, bushes, and planters Irrigation not present Low to moderate site slopes throughout	Good
Utilities	Municipal water and sewer Local utility-provided electric and natural gas	Fair
Site Lighting	Pole-mounted: LED Building-mounted: LED Pedestrian walkway	Good
Ancillary Structures	Storage shed, Shade Structure	Fair

Site: Site Information	
Site Accessibility	Presently it does not appear an accessibility study is needed for the exterior and site areas. See the appendix for associated photos and additional information.
Site Additional Studies	No additional studies are currently recommended for the site areas.
Site Areas Observed	The exterior areas within the property boundaries were observed to gain a clear understanding of the site's overall condition.
Site Key Spaces Not Observed	All key areas of the exterior site were accessible and observed.



The table below shows the anticipated costs by trade or building system over the next 20 years.

Site: System Expenditure Forecast						
System	Immediate	Short Term (1-2 yr)	Near Term (3-5 yr)	Med Term (6-10 yr)	Long Term (11-20 yr)	TOTAL
Plumbing	\$0	\$0	\$0	\$2,374	\$0	\$2,374
Electrical	\$0	\$0	\$0	\$0	\$11,011	\$11,011
Equipment and Furnishings	\$0	\$0	\$0	\$0	\$33,140	\$33,140
Special Construction and Demo	\$0	\$0	\$0	\$0	\$0	\$0
Sitework	\$0	\$0	\$17,898	\$20,749	\$1,030,760	\$1,069,407
TOTALS	\$0	\$0	\$17,900	\$23,200	\$1,075,000	\$1,116,100

Immediate Needs

There are no immediate needs to report.

Key Findings

There are no key findings to report.

Site: Photographic Overview



1 – FRONT ELEVATION



2 – LEFT ELEVATION



3 – RIGHT ELEVATION



4 – REAR ELEVATION



5 – PLAY STRUCTURE



6 – PLAY STRUCTURE



7 – FENCES AND GATES



8 – FENCES AND GATES



9 – ADA PARKING AND EV CHARGING



10 – LANDSCAPING



11 – LANDSCAPING AND ELECTRIC CAR C



12 – EXTERIOR DISTRIBUTION PANEL



13 – EXTERIOR DRINKING FOUNTAIN



14 – FENCES AND GATES



15 – PARKING LOTS



16 – SHADE STRUCTURE



17 – POLE LIGHT FIXTURE WITH LAMPS



18 – ANCILLARY BUILDING

5. ADA Accessibility

Generally, Title II of the Americans with Disabilities Act (ADA) prohibits discrimination by entities to access and use of “areas of public accommodations” and “public facilities” on the basis of disability. Regardless of their age, these areas and facilities must be maintained and operated to comply with the Americans with Disabilities Act Accessibility Guidelines (ADAAG).

A public entity (i.e. city governments) shall operate each service, program, or activity so that the service, program, or activity, when viewed in its entirety, is readily accessible to and usable by individuals with disabilities.

However, this does not:

1. Necessarily require a public entity to make each of its existing facilities accessible to and usable by individuals with disabilities;
2. Require a public entity to take any action that would threaten or destroy the historic significance of an historic property; or
3. Require a public entity to take any action that it can demonstrate would result in a fundamental alteration in the nature of a service, program, or activity or in undue financial and administrative burdens. In those circumstances where personnel of the public entity believe that the proposed action would fundamentally alter the service, program, or activity or would result in undue financial and administrative burdens, a public entity has the burden of proving that compliance with 35.150(a) of this part would result in such alteration or burdens. The decision that compliance would result in such alteration or burdens must be made by the head of a public entity or his or her designee after considering all resources available for use in the funding and operation of the service, program, or activity, and must be accompanied by a written statement of the reasons for reaching that conclusion. If an action would result in such an alteration or such burdens, a public entity shall take any other action that would not result in such an alteration or such burdens but would nevertheless ensure that individuals with disabilities receive the benefits or services provided by the public entity.

Removal of barriers to accessibility should be addressed from a liability standpoint in order to comply with federal law, but the barriers may or may not be building code violations. The Americans with Disabilities Act Accessibility Guidelines are part of the ADA federal civil rights law pertaining to the disabled and are not a construction code. State and local jurisdictions have adopted the ADA Guidelines or have adopted other standards for accessibility as part of their construction codes.

During the FCA, Bureau Veritas performed a limited high-level accessibility review of the facility non-specific to any local regulations or codes. The scope of the visual observation was limited to the same areas observed while performing the FCA and the categories set forth in the material included in the appendix. It is understood by the Client that the limited observations described herein do not comprise a full ADA Compliance Survey, and that such a survey is beyond the scope of this assessment. A full measured ADA survey would be required to identify more specific potential accessibility issues. Additional clarifications of this limited survey:

- This survey was visual in nature and actual measurements were not taken to verify compliance
- Only a representative sample of areas was observed
- Two overview photos were taken for each subsection regardless of perceived compliance or non-compliance
- Itemized costs for individual non-compliant items are included in the dataset
- For any “none” boxes checked or reference to “no issues” identified, that alone does not guarantee full compliance

The following table summarizes the accessibility conditions of the general site and each significant building included in this report:

Accessibility Summary			
<i>Facility</i>	<i>Year Built/ Renovated</i>	<i>Prior Study Provided?</i>	<i>Major/Moderate Issues Observed?</i>
General Site	1997 / 2024	No	No
Building D	1997 / 2024	No	No
Building E	2024	No	No
Preschool at Swanston Lane	1997 / 2024	No	No
Site	1997 / 2024	No	No

No detailed follow-up accessibility study is currently recommended since no major or moderate issues were identified at the subject site. Reference the appendix for specific data, photos, and tables or checklists associated with this limited accessibility survey.

6. Purpose and Scope

Purpose

Bureau Veritas was retained by the client to render an opinion as to the Property's current general physical condition on the day of the site visit.

Based on the observations, interviews and document review outlined below, this report identifies significant deferred maintenance issues, existing deficiencies, and material code violations of record, which affect the Property's use. Opinions are rendered as to its structural integrity, building system condition and the Property's overall condition. The report also notes building systems or components that have realized or exceeded their typical expected useful lives.

The physical condition of building systems and related components are typically defined as being in one of five condition ratings. For the purposes of this report, the following definitions are used:

Condition Ratings	
Excellent	New or very close to new; component or system typically has been installed within the past year, sound and performing its function. Eventual repair or replacement will be required when the component or system either reaches the end of its useful life or fails in service.
Good	Satisfactory as-is. Component or system is sound and performing its function, typically within the first third of its lifecycle. However, it may show minor signs of normal wear and tear. Repair or replacement will be required when the component or system either reaches the end of its useful life or fails in service.
Fair	Showing signs of wear and use but still satisfactory as-is, typically near the median of its estimated useful life. Component or system is performing adequately at this time but may exhibit some signs of wear, deferred maintenance, or evidence of previous repairs. Repair or replacement will be required due to the component or system's condition and/or its estimated remaining useful life.
Poor	Component or system is significantly aged, flawed, functioning intermittently or unreliably; displays obvious signs of deferred maintenance; shows evidence of previous repair or workmanship not in compliance with commonly accepted standards; has become obsolete; or exhibits an inherent deficiency. The present condition could contribute to or cause the deterioration of contiguous elements or systems. Either full component replacement is needed or repairs are required to restore to good condition, prevent premature failure, and/or prolong useful life.
Failed	Component or system has ceased functioning or performing as intended. Replacement, repair, or other significant corrective action is recommended or required.
Not Applicable	Assigning a condition does not apply or make logical sense, most commonly due to the item in question not being present.

Scope

The standard scope of the Facility Condition Assessment includes the following:

- Visit the Property to evaluate the general condition of the building and site improvements, review available construction documents in order to familiarize ourselves with, and be able to comment on, the in-place construction systems, life safety, mechanical, electrical, and plumbing systems, and the general built environment.
- Identify those components that are exhibiting deferred maintenance issues and provide cost estimates for Immediate Costs and Replacement Reserves based on observed conditions, maintenance history and industry standard useful life estimates. This will include the review of documented capital improvements completed within the last five-year period and work currently contracted for, if applicable.
- Provide a full description of the Property with descriptions of in-place systems and commentary on observed conditions.
- Provide a high-level categorical general statement regarding the subject Property's compliance to Title III of the Americans with Disabilities Act. This will not constitute a full ADA survey, but will help identify exposure to issues and the need for further review.
- Obtain background and historical information about the facility from a building engineer, property manager, maintenance staff, or other knowledgeable source. The preferred methodology is to have the client representative or building occupant complete a Pre-Survey Questionnaire (PSQ) in advance of the site visit. Common alternatives include a verbal interview just prior to or during the walk-through portion of the assessment.
- Review maintenance records and procedures with the in-place maintenance personnel.
- Observe a representative sample of the interior spaces/units, including vacant spaces/units, to gain a clear understanding of the property's overall condition. Other areas to be observed include the exterior of the property, the roofs, interior common areas, and the significant mechanical, electrical and elevator equipment rooms.
- Provide recommendations for additional studies, if required, with related budgetary information.
- Provide an Executive Summary at the beginning of this report, which highlights key findings and includes a Facility Condition Index as a basis for comparing the relative conditions of the buildings within the portfolio.

7. Opinions of Probable Costs

Cost estimates are embedded throughout this report, including the very detailed Replacement Reserves report in the appendix. The cost estimates are predominantly based on construction rehabilitation costs developed by the *RSMeans data from Gordian*. While the *RSMeans data from Gordian* is the primary reference source for the Bureau Veritas cost library, secondary and supporting sources include but are not limited to other industry experts work, such as *Marshall & Swift* and *CBRE Whitestone*. For improved accuracy, additional research integrated with Bureau Veritas's historical experience with past costs for similar properties, city cost indexes, and assumptions regarding future economic conditions also come into play when deemed necessary. Invoice or bid documents provided either by the owner or facility construction resources may be reviewed early in the process or for specific projects as warranted.

Opinions of probable costs should only be construed as preliminary, order of magnitude budgets. Actual costs most probably will vary from the consultant's opinions of probable costs depending on such matters as type and design of suggested remedy, quality of materials and installation, manufacturer and type of equipment or system selected, field conditions, whether a physical deficiency is repaired or replaced in whole, phasing or bundling of the work (if applicable), quality of contractor, quality of project management exercised, market conditions, use of subcontractors, and whether competitive pricing is solicited, etc. Certain opinions of probable costs cannot be developed within the scope of this guide without further study. Opinions of probable cost for further study should be included in the FCA.

Methodology

Based upon site observations, research, and judgment, along with referencing Expected Useful Life (EUL) tables from various industry sources, Bureau Veritas opines as to when a system or component will most probably necessitate replacement. Accurate historical replacement records, if provided, are typically the best source of information. Exposure to the elements, initial quality and installation, extent of use, the quality and amount of preventive maintenance exercised, etc., are all factors that impact the effective age of a system or component. As a result, a system or component may have an effective age that is greater or less than its actual chronological age. The Remaining Useful Life (RUL) of a component or system equals the EUL less its *effective age*, whether explicitly or implicitly stated. Projections of Remaining Useful Life (RUL) are based primarily on age and condition with the presumption of continued use and maintenance of the Property similar to the observed and reported past use and maintenance practices, in conjunction with the professional judgment of Bureau Veritas's assessors. Significant changes in occupants and/or usage may affect the service life of some systems or components.

Where quantities could not be or were not derived from an actual construction document take-off or facility walk-through, and/or where systemic costs are more applicable or provide more intrinsic value, budgetary square foot and gross square foot costs are used. Estimated costs are based on professional judgment and the probable or actual extent of the observed defect, inclusive of the cost to design, procure, construct and manage the corrections.

To account for differences in prices between locations, the base costs are modified by geographical location factors to adjust for to market conditions, transportation costs, or other local contributors. When requested by the client, the costs may be further adjusted by several additional factors including; labor rates (prevailing minimum wage), general contractor fees for profit and overhead, and insurance. If desired, costs for design and permits, and a contingency factor, may also be included in the calculations.

Definitions

Immediate Needs

Immediate Needs are line items that require immediate action as a result of: (1) material existing or potential unsafe conditions, (2) failed or imminent failure of mission critical building systems or components, or (3) conditions that, if not addressed, have the potential to result in, or contribute to, critical element or system failure within one year or will most probably result in a significant escalation of its remedial cost.

For database and reporting purposes the line items with RUL=0, and commonly associated with *Safety or Performance/Integrity* Plan Types, are considered Immediate Needs.

Replacement Reserves

Cost line items traditionally called Replacement Reserves (equivalently referred to as Lifecycle/Renewals) are for recurring probable renewals or expenditures, which are not classified as operation or maintenance expenses. The replacement reserves should be budgeted for in advance on an annual basis. Replacement Reserves are reasonably predictable both in terms of frequency and cost. However, Replacement Reserves may also include components or systems that have an indeterminable life but, nonetheless, have a potential for failure within an estimated time period.

Replacement Reserves generally exclude systems or components that are estimated to expire after the reserve term and are not considered material to the structural and mechanical integrity of the subject property. Furthermore, systems and components that are not deemed to have a material effect on the use of the Property are also excluded. Costs that are caused by acts of God, accidents, or other occurrences that are typically covered by insurance, rather than reserved for, are also excluded.

Replacement costs are solicited from ownership/property management, Bureau Veritas's discussions with service companies, manufacturers' representatives, and previous experience in preparing such schedules for other similar facilities. Costs for work performed by the ownership's or property management's maintenance staff are also considered.

Bureau Veritas's reserve methodology involves identification and quantification of those systems or components requiring capital reserve funds within the assessment period. The assessment period is defined as the effective age plus the reserve term. Additional information concerning system or component replacement costs (in today's dollars), typical expected useful lives, and remaining useful lives were estimated so that a funding schedule could be prepared. The Replacement Reserves Schedule presupposes that all required remedial work has been performed or that monies for remediation have been budgeted for items defined as Immediate Needs.

For the purposes of 'bucketizing' the System Expenditure Forecasts in this report, the Replacement Reserves have been subdivided and grouped as follows: Short Term (years 1-3), Near Term (years 4-5), Medium Term (years 6-10), and Long Term (years 11-20).

Key Findings

In an effort to highlight the most significant cost items and not be overwhelmed by the Replacement Reserves report in its totality, a subsection of Key Findings is included within the Executive Summary section of this report. Key Findings typically include repairs or replacements of deficient items within the first five-year window, as well as the most significant high-dollar line items that fall anywhere within the ten-year term. Note that while there is some subjectivity associated with identifying the Key Findings, the Immediate Needs are always included as a subset.

8. Certification

AEDIS Gilroy (the Client) retained Bureau Veritas to perform this Facility Condition Assessment in connection with its continued operation of Preschool at Swanston Lane, 245 Farrell Avenue, Gilroy, CA 95020, the "Property". It is our understanding that the primary interest of the Client is to locate and evaluate materials and building system defects that might significantly affect the value of the property and to determine if the present Property has conditions that will have a significant impact on its continued operations.

The conclusions and recommendations presented in this report are based on the brief review of the plans and records made available to our Project Manager during the site visit, interviews of available property management personnel and maintenance contractors familiar with the Property, appropriate inquiry of municipal authorities, our Project Manager's walk-through observations during the site visit, and our experience with similar properties.

No testing, exploratory probing, dismantling or operating of equipment or in-depth studies were performed unless specifically required under the *Purpose and Scope* section of this report. This assessment did not include engineering calculations to determine the adequacy of the Property's original design or existing systems. Although walk-through observations were performed, not all areas may have been observed (see Section 1 for specific details). There may be defects in the Property, which were in areas not observed or readily accessible, may not have been visible, or were not disclosed by management personnel when questioned. The report describes property conditions at the time that the observations and research were conducted.

This report has been prepared for and is exclusively for the use and benefit of the Client identified on the cover page of this report. The purpose for which this report shall be used shall be limited to the use as stated in the contract between the client and Bureau Veritas.

This report, or any of the information contained therein, is not for the use or benefit of, nor may it be relied upon by any other person or entity, for any purpose without the advance written consent of Bureau Veritas. Any reuse or distribution without such consent shall be at the client's or recipient's sole risk, without liability to Bureau Veritas.

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9. Appendices

Appendix A: Site Plan(s)

Appendix B: Pre-Survey Questionnaire(s)

Appendix C: Accessibility Review and Photos

Appendix D: Component Condition Report

Appendix E: Replacement Reserves



Appendix A: Site Plan(s)

Site Plan



	Project Number	Site Name	
	171004.25R000-018.017	Preschool at Swanston Lane	
	Source	On-Site Date	
	Google	July 8, 2025	

Appendix B:

Pre-Survey Questionnaire(s)

BV FACILITY CONDITION ASSESSMENT: PRE-SURVEY QUESTIONNAIRE

Building / Facility Name: Preschool at Swanston Lane

Name of person completing form: Paul Nadeau

Title / Association w/ property: Facilities Director

Length of time associated w/ property: 8.5 years

Date Completed: 7/8/2025

Phone Number: 4087261686

Method of Completion: INTERVIEW - verbally completed during interview

Directions: Please answer all questions to the best of your knowledge and in good faith. Please provide additional details in the Comments column, or backup documentation for any **Yes** responses.

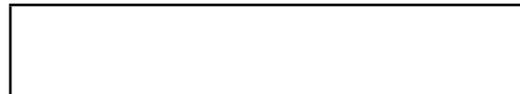
Data Overview		Response		
1	Year(s) constructed	Constructed 1997	Renovated 2024	Main Office was constructed in 2024. Building D was constructed in 1997.
2	Building size in SF	25,000 SF		
3	Major Renovation/Rehabilitation		Year	Additional Detail
		Facade	2024	
		Roof	2024	
		Interiors	2024	
		HVAC	1997	
		Electrical	1997	
		Site Pavement	2024	
		Accessibility	2024	
4	List other significant capital improvements (focus on recent years; provide approximate date).	Building D underwent a full renovation in 2024.		
5	List any major capital expenditures planned/requested for the next few years. Have they been budgeted?	NA		
6	Describe any on-going extremely problematic, historically chronic, or immediate facility needs.	NA		

Mark the column corresponding to the appropriate response. Please provide additional details in the Comments column, or backup documentation for any **Yes** responses. (**NA** indicates "Not Applicable", **Unk** indicates "Unknown")

Question		Response				Comments
		Yes	No	Unk	NA	
7	Are there any problems with foundations or structures, like excessive settlement?		X			
8	Are there any wall, window, basement or roof leaks?		X			
9	Has any part of the facility ever contained visible suspect mold growth, or have there been any indoor air quality complaints?	X				Building has been renovated since issue.
10	Are your elevators unreliable, with frequent service calls?				X	
11	Are there any plumbing leaks, water pressure, or clogging/backup issues?		X			
12	Have there been any leaks or pressure problems with natural gas, HVAC piping, or steam service?		X			
13	Are any areas of the facility inadequately heated, cooled or ventilated? Poorly insulated areas?		X			
14	Is the electrical service outdated, undersized, or problematic?		X			
15	Are there any problems or inadequacies with exterior lighting?		X			
16	Is site/parking drainage inadequate, with excessive ponding or other problems?		X			
17	Are there any other unresolved construction defects or significant issues/hazards at the property that have not yet been identified above?		X			
18	ADA: Has an accessibility study been previously performed? If so, when?	X				2024
19	ADA: Have any ADA improvements been made to the property since original construction? Describe.		X			
20	ADA: Has building management reported any accessibility-based complaints or litigation?		X			
21	Are any areas of the property leased to outside occupants?		X			



Signature of Assessor



Signature of POC

Appendix C:

Accessibility Review and Photos



Visual Survey - 2010 ADA Standards for Accessible Design

Property Name: Preschool at Swanston Lane

BV Project Number: 171004.25R000-018.017

Facility History & Interview					
Question		Yes	No	Unk	Comments
1	Has an accessibility study been previously performed? If so, when?	X			2024
2	Have any ADA improvements been made to the property since original construction? Describe.		X		
3	Has building management reported any accessibility-based complaints or litigation?		X		

Preschool at Swanston Lane: Accessibility Issues				
Category	Major Issues (ADA study recommended)	Moderate Issues (ADA study recommended)	Minor Issues	None*
Parking				X
Exterior Accessible Route				X
Building Entrances				X
Interior Accessible Route				X
Elevators	NA			
Public Restrooms				X
Kitchens/Kitchenettes				X
Playgrounds & Swimming Pools				X
Other	NA			

**be cognizant that if the "None" box is checked that does not guarantee full compliance; this study is limited in nature*

Preschool at Swanston Lane: Photographic Overview



OVERVIEW OF ACCESSIBLE PARKING AREA



CLOSE-UP OF STALL



ACCESSIBLE PATH



CURB CUT



ADDITIONAL ENTRANCE



MAIN ENTRANCE

Preschool at Swanston Lane: Photographic Overview



ACCESSIBLE INTERIOR PATH



DOOR HARDWARE



TOILET STALL OVERVIEW



SINK, FAUCET HANDLES AND ACCESSORIES



KITCHEN OVERVIEW



KITCHEN CABINETS

Preschool at Swanston Lane: Photographic Overview



ACCESSIBLE ROUTE TO PLAYGROUND



OVERVIEW OF PLAYGROUND

Appendix D:

Component Condition Report

Component Condition Report | Preschool at Swanston Lane / Building D

UF L3 Code	Location	Condition	Asset/Component/Repair	Quantity	RUL	ID
Facade						
B2010	Building Exterior	Good	Exterior Walls, Stucco Fog Coat, 1-2 Story Building, Prep & Fog Coat or Paint	7,500 SF	9	9503153
B2020	Throughout Building	Fair	Glazing, any type by SF	150 SF	20	9503154
B2050	Building Exterior	Fair	Exterior Door, Steel, Standard	7	20	9503161
Roofing						
B3010	Roof	Good	Roofing, Metal	5,500 SF	38	9503164
Interiors						
C1030	Classrooms General	Fair	Interior Door, Wood, Solid-Core	12	25	9503166
C1030	Throughout Building	Fair	Door Hardware, School, per Door	19	15	9503165
C1070	Throughout Building	Good	Suspended Ceilings, Acoustical Tile (ACT)	5,500 SF	24	9503150
C1090	Restrooms	Fair	Toilet Partitions, Metal	4	13	9503170
C2010	Kitchen	Good	Wall Finishes, Laminated Paneling (FRP)	600 SF	29	9503160
C2010	Throughout Building	Fair	Wall Finishes, Wallpaper	7,700 SF	10	9503175
C2030	Throughout Building	Good	Flooring, Vinyl Tile (VCT)	5,500 SF	14	9503167
Plumbing						
D2010	Throughout Building	Fair	Sink/Lavatory, Vanity Top, Stainless Steel	4	20	9503155
D2010	Throughout Building	Fair	Plumbing System, Supply & Sanitary, Low Density (includes fixtures)	5,500 SF	20	9503159
D2010	Restrooms	Fair	Sink/Lavatory, Service Sink, Wall-Hung	6	28	9503158
D2010	Utility Rooms/Areas	Fair	Sink/Lavatory, Service Sink, Floor	1	28	9503156
D2010	Utility Rooms/Areas	Fair	Water Heater, Electric, Residential	1	9	9503163
D2010	Restrooms	Fair	Toilet, Commercial Water Closet	6	23	9503168
HVAC						
D3030	Throughout Building	Fair	Packaged Terminal Air Conditioner, PTAC	5	5	9503152
D3050	Throughout Building	Fair	HVAC System, Ductwork, Low Density	5,500 SF	10	9503149

Component Condition Report | Preschool at Swanston Lane / Building D

UF L3 Code	Location	Condition	Asset/Component/Repair	Quantity	RUL	ID
Electrical						
D5030	Throughout Building	Fair	Electrical System, Wiring & Switches, Average or Low Density/Complexity	5,500 SF	15	9503151
D5040	Building Exterior	Good	Exterior Light, any type, w/ LED Replacement	7	15	9503169
D5040	Throughout Building	Good	Interior Lighting System, Full Upgrade, Medium Density & Standard Fixtures	5,500 SF	19	9503171
Fire Alarm & Electronic Systems						
D7030	Throughout Building	Good	Security/Surveillance System, Full System Upgrade, Average Density	5,500 SF	14	9503173
D7050		Fair	Fire Alarm System, Full System Upgrade, Standard Addressable, Install	3,000 SF	13	9601996
Equipment & Furnishings						
E1030	Kitchen	Fair	Foodservice Equipment, Refrigerator, 2-Door Reach-In	1	9	9503157
E1060	Kitchen	Good	Residential Appliances, Dishwasher	2	9	9503172
E2010	Throughout Building	Fair	Casework, Cabinetry, Standard	145 LF	10	9503162
E2010	Throughout Building	Fair	Casework, Countertop, Plastic Laminate	85 LF	9	9503174

Component Condition Report | Preschool at Swanston Lane / Building E

UF L3 Code	Location	Condition	Asset/Component/Repair	Quantity	RUL	ID
Facade						
B2010	Building Exterior	Good	Exterior Walls, Wood Siding	4,000 SF	29	9503176
B2020	Building Exterior	Good	Glazing, any type by SF	100 SF	29	9503177
B2050	Building Exterior	Good	Exterior Door, Steel, Standard	6	29	9503181
Roofing						
B3010	Roof	Good	Roofing, Metal	3,200 SF	39	9503194
Interiors						
C1030	Throughout Building	Good	Interior Door, Wood, Solid-Core	9	39	9503191
C1030	Throughout Building	Good	Door Hardware, School, per Door	15	29	9503189
C1070	Throughout Building	Good	Suspended Ceilings, Acoustical Tile (ACT)	3,000 SF	24	9503193

Component Condition Report | Preschool at Swanston Lane / Building E

UF L3 Code	Location	Condition	Asset/Component/Repair	Quantity	RUL	ID
C1090	Restrooms	Good	Toilet Partitions, Metal	3	19	9503185
C2010	Throughout Building	Good	Wall Finishes, Wallpaper	2,300 SF	14	9503196
C2010	Restrooms	Fair	Wall Finishes, Laminated Paneling (FRP)	100 SF	29	9503190
C2030	Throughout Building	Good	Flooring, Vinyl Tile (VCT)	3,000 SF	14	9503195
Plumbing						
D2010	Utility Rooms/Areas	Good	Sink/Lavatory, Service Sink, Floor	1	34	9503184
D2010	Throughout Building	Good	Sink/Lavatory, Vanity Top, Stainless Steel	4	29	9503188
D2010	Restrooms	Good	Sink/Lavatory, Service Sink, Wall-Hung	5	34	9503186
D2010	Utility Rooms/Areas	Good	Water Heater, Electric, Residential	1	15	9503197
D2010	Throughout Building	Good	Plumbing System, Supply & Sanitary, Low Density (includes fixtures)	3,000 SF	39	9503182
D2010	Restrooms	Good	Toilet, Residential Water Closet	5	29	9503200
HVAC						
D3030	Building Exterior	Good	Packaged Terminal Air Conditioner, PTAC	3	5	9503180
D3050	Throughout Building	Good	HVAC System, Ductwork, Low Density	3,000 SF	29	9503179
Electrical						
D5030	Throughout Building	Good	Electrical System, Wiring & Switches, Average or Low Density/Complexity	3,000 SF	39	9503198
D5040	Throughout Building	Good	Interior Lighting System, Full Upgrade, Medium Density & Standard Fixtures	3,000 SF	19	9503183
D5040	Building Exterior	Good	Exterior Light, any type, w/ LED Replacement	6	19	9503178
Fire Alarm & Electronic Systems						
D7030	Throughout Building	Good	Security/Surveillance System, Full System Upgrade, Average Density	3,000 SF	14	9503187
D7050		Good	Fire Alarm System, Full System Upgrade, Standard Addressable, Install	3,000 SF	19	9601995
Equipment & Furnishings						
E2010	Throughout Building	Good	Casework, Cabinetry, Standard	100 LF	19	9503192
E2010	Throughout Building	Good	Casework, Countertop, Solid Surface	50 LF	39	9503199

Component Condition Report | Preschool at Swanston Lane / Site

UF L3 Code	Location	Condition	Asset/Component/Repair	Quantity	RUL	ID
Plumbing						
D2010	Site Playground Areas	Fair	Drinking Fountain, Exterior/Site, Metal Pedestal	1	10	9503201
Electrical						
D5020	Building Exterior	Fair	Distribution Panel, 120/208 V	1	15	9503216
Equipment & Furnishings						
E1010	Site Parking Areas	Good	Charging Station, Electric Vehicle, Dual Connection	2	14	9503207
Special Construction & Demo						
F1020	Site Playground Areas	Fair	Shed/Gazebo/Shade Structure, Wood or Metal-Framed, Basic/Minimal	1,100 SF	25	9503218
F1020	Site Playground Areas	Fair	Ancillary Building, Wood-Framed or CMU, Basic/Minimal	120 SF	28	9503211
Pedestrian Plazas & Walkways						
G2020	Site General	Good	Parking Lots, Curb & Gutter, Concrete	350 LF	49	9503209
G2020	Site Parking Areas	Good	Parking Lots, Pavement, Asphalt, Seal & Stripe	30,000 SF	4	9503210
G2020	Site Parking Areas	Good	Parking Lots, Pavement, Asphalt, Mill & Overlay	25,000 SF	24	9503205
Athletic, Recreational & Playfield Areas						
G2050	Site Playground Areas	Fair	Play Structure, Multipurpose, Medium	1	15	9503204
G2050	Site Playground Areas	Fair	Play Structure, Multipurpose, Large	1	15	9503202
G2050	Site Playground Areas	Fair	Playfield Surfaces, Rubber, Poured-in-Place	8,500 SF	15	9503214
Sitework						
G2060	Site Playground Areas	Fair	Fences & Gates, Fence, Chain Link 6'	200 LF	30	9503213
G2060	Site Parking Areas	Fair	Fences & Gates, Fence, Wrought Iron 4'	250 LF	40	9503212
G2060	Site Parking Areas	Good	Bollard, Concrete or Metal	4	29	9503206
G2060	Site General	Fair	Bike Rack, Fixed 1-5 Bikes	8	15	9503208
G2060	Site Playground Areas	Fair	Fences & Gates, Fence, Chain Link 4'	160 LF	35	9503203
G2080	Site General	Fair	Landscaping, Shrubs & Perennials, Deluxe	10,000 SF	15	9503215
G4050	Site Parking Areas	Good	Pole Light Fixture w/ Lamps, any type 20' High, w/ LED Replacement, Replace/Install	6	18	9503217

Appendix E:

Replacement Reserves

Replacement Reserves Report



8/11/2025

Uniformat Code	Location Description	ID	Cost Description	Lifespan (EUL)	Age	RUL	Quantity	Unit	Unit Cost*	Subtotal	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	Deficiency Repair Estimate									
G2060	Site General	9503208	Bike Rack, Fixed 1-5 Bikes, Replace	20	5	15	8	EA	\$706.80	\$5,654																						\$5,654	\$5,654								
G2080	Site General	9503215	Landscaping, Shrubs & Perennials, Deluxe, Replace	20	5	15	10000	SF	\$26.51	\$265,050																							\$265,050	\$265,050							
G4050	Site Parking Areas	9503217	Pole Light Fixture w/ Lamps, any type 20' High, w/ LED Replacement, Replace/Install	20	2	18	6	EA	\$4,947.60	\$29,686																							\$29,686	\$29,686							
Totals, Unescalated											\$0	\$0	\$0	\$0	\$15,903	\$0	\$0	\$0	\$0	\$15,903	\$1,767	\$0	\$0	\$0	\$37,814	\$602,900	\$0	\$0	\$29,686	\$15,903	\$0						\$719,876				
Totals, Escalated (3.0% inflation, compounded annually)											\$0	\$0	\$0	\$0	\$17,899	\$0	\$0	\$0	\$0	\$20,750	\$2,375	\$0	\$0	\$0	\$57,197	\$939,299	\$0	\$0	\$50,538	\$27,886	\$0										\$1,115,943

* Markup has been included in unit costs.