

**Telesis Engineers**

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Charles C. Thiel Jr., Ph.D.  
Gary S. Varum, S.E.

Wednesday, September 12, 2001

Mr. Jona Goldrich  
Goldrich and Kest Industries  
5150 Overland Avenue  
Culver City, California 90230

Via FAX

Re: Park Townsend, San Jose Mission Villas

Dear Mr. Goldrich:

It has been a true pleasure to work with Perry Raanan of your staff on the Park Townsend construction project.

The Park Townsend project has required of the project manager an intimate understanding of the design process for it to progress to the stage it is now. In less capable hands than Mr. Raanan's the obstacles could well have been insurmountable. Mr. Raanan immersed himself in the technical details of the design to an extent and with a degree of understanding we have never before encountered in a project manager. His leadership has resulted in:

- Identifying the original structural design had many problems in constructability, technical feasibility, and cost, and the decision to develop a totally new design.
- Integration of the excavation shoring system into the foundation system, saving time and expense.
- Changing the structural system of the superstructure of the building was changed at his instigation from a 4- and 5-story wood framed system with plywood shear walls to light gage steel framing with highly redundant ShureBoard shear walls.
- Changing the superstructure allowed modifying the podium structural system from concrete to steel, and increasing parking garage capacity by over 40 spaces.
- Resolved favorably issue posed by the project with the City of San Jose, both the Building and Safety Department and the Redevelopment Agency. It helped that we have some standing in the Code community, since I served as the chair of the small group that wrote the State Building Code requirements for evaluation and retrofit existing buildings and for acute care hospitals. This, and my long-term association with Stanford, gave us some advantage in discussions with the Building Department that Perry orchestrated very well.
- Evaluate cross-disciplinary design issues and conflicts and efficiently coordinating efforts of the various disciplines to resolve them before redesign was required. This is in significantly different than the common method to redo design after construction cost is discovered, with significant cost and delay the norm, rather than our experience under Perry's leadership.

And these are only the large-scale impacts that are the benefits of our close working relationship with Mr. Raanan.

We have recited these accomplishments because our experience suggests that it is very unusual for a construction manager to deal with these types of technical issues, much less be a participant in their accomplishment. We are all used to such individuals constantly looking for and demanding economy in construction. But such is usually limited to value engineering in the small based on construction cost estimates, not a technical understanding of the project and the construction process as a whole and participation in the design process.

Mr. Goldrich

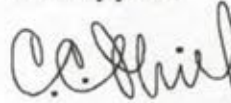
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Without the positive, capable leadership of Perry Raanan this construction project would be in deep trouble. It is a new prospect for us to praise a construction manager, since the structural engineer usually takes the brunt of the value engineering effort to control costs. And make no mistake, we have been under immense pressure to limit costs. But the difference is that for this project we were working with a knowledgeable professional. We suspect that with his leadership from the beginning the building would by now be topped out and the finish process well underway.

As an unrelated comment, we recently learned that Ed Matthews has an ownership interest in the project. We have worked with him in the past and hold him and his organization in very high regard. This gives us added confidence in the future of the Park Townsend project.

Thank you for the opportunity to work on the Park Townsend project with Perry Raanan.

Sincerely yours,



Charles C. Thiel Jr., Ph.D.  
President