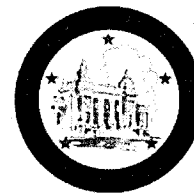


**SUBMITTAL TO THE RIVERSIDE COMMUNITY
HOUSING CORP. BOARD OF DIRECTORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM: 14.1
(ID # 11150)**

MEETING DATE:

Tuesday, January 7, 2020

FROM: RIVERSIDE COMMUNITY HOUSING CORP.:

SUBJECT: RIVERSIDE COMMUNITY HOUSING CORP: Approve and Accept Highest Rated Proposal for Architectural Services for the Perris Park Apartments Submitted by Onyx Architects., Inc., and Approve the Professional Services Agreement for Architectural Services Between the Riverside Community Housing Corp and Onyx Architects, Inc., [\$110,000], Riverside Community Housing Corp Funds 100%; CEQA Exempt, District 5

RECOMMENDED MOTION: That the Board of Directors:

1. Find that the project is exempt under California Environmental Quality Act (CEQA) State Guidelines Section 15061(b)(3);
2. Approve and accept the highest rated proposal submitted by Onyx Architects, Inc., a California corporation, (Onyx) to the Riverside Community Housing Corp. (RCHC) as the most responsible and responsive proposer for the provision of architectural services for the Perris Park Apartments for a total contract amount of \$110,000;

ACTION:Policy

Robert Field, Chief Executive Officer

11/24/2019

MINUTES OF THE BOARD OF DIRECTORS

On motion of Supervisor Jeffries, seconded by Supervisor Spiegel and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: January 7, 2020
xc: RCHC

Kecia R. Harper
Clerk of the Board

By:
Deputy

**SUBMITTAL TO THE RIVERSIDE COMMUNITY
HOUSING CORP. BOARD OF DIRECTORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

3. Approve the attached Professional Services Agreement for Architectural Services (Agreement) between RCHC and Onyx for a total contract amount of \$110,000;
4. Authorize the Chairman of the Board to sign the attached Agreement;
5. Authorize the Chief Executive Officer, or designee, to take all necessary steps to implement the Agreement including, but not limited to, (i) negotiating, approving and executing amendments to increase the total contract amount by no more than 10% of the maximum contract amount to pay unforeseen costs of the rehabilitation and construction work, modify the scope of work to address unforeseen issues, or make other non-monetary revisions necessary for the administration and implementation of the agreement, subject to approval by General Counsel, (ii) signing subsequent essential and relevant documents, subject to approval by General Counsel; and
6. Direct RCHC staff to file the Notice of Exemption with the County Clerk within five working days of Board approval.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$110,000	\$0	\$110,000	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: 100% Riverside Community Housing Corp Funds			Budget Adjustment: No	
			For Fiscal Year: 19/20	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Riverside Community Housing Corp (RCHC) acquired the Perris Park Apartments on October 2nd 2019, for a purchase price of \$1,672,318 with a \$2,100,000 loan from Banner Bank. The remaining funds from this acquisition loan are to be utilized for architectural and general contractor's services for much needed improvements to the property after many years of neglect. Some of these improvements include bringing the property into ADA compliance. This 80 unit apartment complex was built in 2000 and now requires an extensive rehabilitation to bring it up to Housing Quality Standards (HQS) before Department of Housing and Urban Development (HUD) Project Based Vouchers can be used for low income tenants.

In anticipation of the building's future acquisition, RCHC advertised well in advance for architectural services with Request for Proposals No. 2018-003 (RFP) for architectural services for the Perris Park Apartments with a closing date of November 8, 2018. RCHC received and evaluated two proposals. RCHC staff recommend the Board of Commissioners (BOC) approve and accept the highest rated proposal submitted by Onyx Architects, Inc., a California

**SUBMITTAL TO THE RIVERSIDE COMMUNITY
HOUSING CORP. BOARD OF DIRECTORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

corporation (Onyx) as the most responsible and responsive proposer for the provision of architectural services.

RCHC staff also recommend that the BOC approve the attached proposed Professional Services Agreement for Architectural Service (Agreement) to be entered into between RCHC and Onyx, for a maximum total contract amount of \$110,000.

RCHC staff recommend approval of the attached proposed Agreement. General Counsel has reviewed and approved the Agreement as to form.

CEQA Analysis

The proposed Agreement with Onyx is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(b)(3), common sense, general rule exemption. It can be seen with certainty that there is no possibility that the Agreement may have any significant effect on the environment. The proposed action is for architectural services and will not result in any development or physical changes to the environment. RCHC staff will file a Notice of Exemption with the Clerk of the Board within five working days after the approval of the proposed Agreement.

Impact on Residents and Businesses

Approving this item will have a positive impact on the citizens and businesses of Riverside County by providing more low income affordable housing.

Contract History and Price Reasonableness

RCHC advertised a Request for Proposals (RFP) No. 2018-003 with a proposal due date of November 8, 2018. RCHC received and evaluated two proposals. Onyx was the highest rated proposer that responded to the solicitation. The cost proposed by the Onyx at \$110,000 is deemed to be appropriate, fair and reasonable.

ATTACHMENTS:

- Professional Services Agreement for Architectural Services (3)


Steven Atkeson

12/26/2019


Gregory W. Priamos, Director County Counsel

12/20/2019



PROFESSIONAL SERVICES AGREEMENT

Architectural Services for the

Perris Park Apartments

Between

Riverside Community Housing Corp

And

Onyx Architects, Inc.

JAN 07 2020

14.1

1 THIS PROFESSIONAL SERVICES AGREEMENT FOR ARCHITECTURAL
2 SERVICES FOR THE PERRIS PARK APARTMENTS ("Agreement"), made and entered
3 into this ____ day of December, 2019, by and between ONYX ARCHITECTS, INC., a
4 California corporation ("ARCHITECT") and the RIVERSIDE COMMUNITY HOUSING
5 CORP, a California non-profit public benefit corporation, ("OWNER"). ARCHITECT and
6 OWNER are referred to herein collectively as the "Parties" and individually as a "Party."

7 The Parties agree as follows:

8
9 **1. Description of Services**

10 **1.1** ARCHITECT shall provide consultation services as outlined and specified
11 in the Scope of Services attached hereto as Exhibit A and incorporated herein by this
12 reference, at the not to exceed fee stated in Paragraph 3.1 below.

13 **1.2** ARCHITECT represents that it has the skills, experience and knowledge
14 necessary to fully and adequately perform under this Agreement, and the OWNER relies
15 upon this representation. ARCHITECT shall perform to the satisfaction of the OWNER, and
16 ARCHITECT shall perform the services and duties in conformance to and consistent with the
17 standards generally recognized as being employed by professionals in the same discipline
18 in the State of California. ARCHITECT further represents and warrants to the OWNER that
19 it has all licenses, permits, qualifications and approvals of whatever nature are legally
20 required to practice its profession. ARCHITECT further represents that it shall keep all such
21 licenses and approvals in effect during the term of this Agreement.

22 **1.3** ARCHITECT affirms that it is fully apprised of all of the work to be performed
23 under this Agreement; and the ARCHITECT agrees it can properly perform this work for the
24 fee stated in Paragraph 3.1. ARCHITECT shall not perform services or provide products that
25 are not set forth in this Agreement, unless by prior written request of the OWNER.

26 **1.4** Acceptance by the OWNER of the ARCHITECT'S performance under this
27 Agreement does not operate as a release of ARCHITECT'S responsibility for full
28 compliance with the terms of this Agreement.

1 **2. Period of Performance**

2 2.1 This Agreement shall be effective upon signature of this Agreement by
3 both Parties and continues in effect through January 31, 2021, unless terminated earlier.
4 ARCHITECT shall commence performance upon signature of this Agreement by both
5 Parties and shall diligently and continuously perform thereafter. The OWNER'S Board of
6 Directors is the only authority that may obligate the OWNER for a non-cancelable multi-
7 year agreement.

8
9 **3. Compensation**

10 3.1 The OWNER shall pay the ARCHITECT for services performed, products
11 provided and expenses incurred for the Scope of Services defined in Exhibit A.
12 Maximum payment by OWNER to ARCHITECT for the services provided herein shall
13 not exceed ONE HUNDRED TEN THOUSAND DOLLARS, (\$110,000.00), including all
14 expenses, per the fees schedule as defined below. The OWNER shall not be responsible
15 for any fees or costs incurred above or beyond the aforementioned contracted amount
16 and OWNER shall have no obligation to purchase any specified amount of services or
17 products, unless agreed to in writing by OWNER pursuant to Paragraph 4 below.

18 3.2 Architectural fees shall be paid upon the successful completion of the
19 following listed phases after acceptance by OWNER:

- 20 a) Conceptual / Project Scoping: Five Thousand Dollars (\$5,000.00).
21 b) Conceptual / Design Phase: Twenty Thousand Dollars (\$20,000.00).
22 c) Construction Documents: Forty-Five Thousand Dollars (\$45,000.00).
23 d) Construction Observation: Estimated at, but not to exceed, Thirty-Five
24 Thousand Dollars (\$35,000.00).
25 e) Contingency Fund: Five Thousand Dollars (\$5,000.00).

26 Total architectural fee of above phases: One Hundred Five Thousand Dollars
27 (\$105,000.00) plus a Contingency Fund of Five Thousand Dollars (\$5,000.00). The
28 Contingency Fund shall not be expended except upon specific direction and

1 written amendment accordingly.

2 **4.2** Any claim by the ARCHITECT for additional payment related to this
3 Agreement shall be made in writing by the ARCHITECT within 30 days of when the
4 ARCHITECT has or should have notice of any actual or claimed change in the work,
5 which results in additional and unanticipated cost to the ARCHITECT. If the OWNER
6 Chief Operations Officer and/or designee decides that the facts provide sufficient
7 justification, he may authorize additional payment to the ARCHITECT pursuant to the
8 claim. Nothing in this section shall excuse the ARCHITECT from proceeding with
9 performance of the Agreement even if there has been a change.

10
11 **5. Termination**

12 **5.1** OWNER may terminate this Agreement without cause upon 30 days written
13 notice served upon the ARCHITECT stating the extent and effective date of termination.

14 **5.2** OWNER may, upon five (5) days written notice terminate this Agreement
15 for ARCHITECT'S default, if ARCHITECT refuses or fails to comply with the terms of this
16 Agreement or fails to make progress that may endanger performance and does not
17 immediately cure such failure. In the event of such termination, the OWNER may
18 proceed with the work in any manner deemed proper by OWNER.

19 **5.3** After receipt of the notice of termination, ARCHITECT shall:

20 (a) Stop all work under this Agreement on the date specified in
21 the notice of termination; and

22 (b) Transfer to OWNER and deliver in the manner as directed by
23 OWNER any materials, reports or other products, which, if the
24 Agreement had been completed or continued, would have been
25 required to be furnished to OWNER.

26 **5.4** After termination, OWNER shall make payment only for ARCHITECT'S
27 performance up to the date of termination in accordance with this Agreement.

28 **5.5** ARCHITECT'S rights under this Agreement shall terminate (except for fees

1 accrued prior to the date of termination) upon dishonesty or a willful or material breach
2 of this Agreement by ARCHITECT; or in the event of ARCHITECT'S unwillingness or
3 inability for any reason whatsoever to perform the terms of this Agreement. In such event,
4 ARCHITECT shall not be entitled to any further compensation under this Agreement.

5 **5.6** If the Agreement is federally or State funded, ARCHITECT cannot be
6 debarred from the System for Award Management (SAM). ARCHITECT must notify the
7 OWNER immediately of a debarment. (Reference: System for Award Management
8 (SAM) at <https://www.sam.gov> for the Central Contractor Registry (CCR), Federal
9 Agency Registration (FedReg), Online Representations and Certifications Application,
10 (ORCA) and Excluded Parties List System (EPLS)). The System for Award Management
11 (SAM) is the Official U.S. Government system that consolidated the capabilities of CCR,
12 FedReg, ORCA, and EPLS.

13 **5.7** The rights and remedies of OWNER provided in this Paragraph 5 shall not
14 be exclusive and are in addition to any other rights and remedies provided by law or this
15 Agreement.

16
17 **6. Ownership/Use of Contract Materials**

18 The OWNER acknowledges the ARCHITECT'S reports, drawings, specifications,
19 field data, field notes, laboratory test data, calculations, estimates, and other similar
20 documents are instruments of professional service, not products. Although ownership of
21 such documents normally is retained by the ARCHITECT, they nonetheless shall in this
22 instance become upon their creation the property of the OWNER whether the project is
23 constructed or not. The OWNER may use design documents and the designs depicted in
24 them, without the ARCHITECT'S consent, in connection with the project, or other
25 OWNER projects, including, without limitation, future alterations, connections, repairs,
26 information, reference, use, or occupancy of the project(s). Any reuse of the documents
27 without the written consent of the ARCHITECT shall be at OWNER'S sole risk and without
28 liability or legal exposure to the ARCHITECT, and OWNER shall indemnify, defend and

1 hold the ARCHITECT harmless any claims or losses arising out of such use by the
2 OWNER.

3
4 **7. Conduct of Architect**

5 **7.1** ARCHITECT covenants that it presently has no interest, including but not
6 limited to, other projects or independent contracts, and shall not acquire any such interest,
7 direct or indirect, which would conflict in any manner or degree with the performance of
8 services required under this Agreement. ARCHITECT further covenants that in the
9 performance of this Agreement, no person having any such interest shall be employed or
10 retained by it under this Agreement. The ARCHITECT agrees to inform the OWNER of
11 all the ARCHITECT'S interests, if any, which are or may be perceived as incompatible
12 with the OWNER'S interests.

13 **7.2** The ARCHITECT shall not, under circumstances which could be
14 interpreted as an attempt to influence the recipient in the conduct of his/her duties, accept
15 any gratuity or special favor from individuals or firms with whom the ARCHITECT is doing
16 business or proposing to do business, in accomplishing the work under this Agreement.

17 **7.3** The ARCHITECT or its employees shall not offer gifts, gratuity, favors, and
18 entertainment directly or indirectly to OWNER employees.

19
20 **8. Inspection of Services; Quality Control/Assurance**

21 **8.1** All performance (which includes services, workmanship, materials,
22 supplies and equipment furnished or utilized in the performance of this Agreement) shall
23 be subject to inspection by the OWNER. The ARCHITECT shall provide adequate
24 cooperation to OWNER representative(s) to permit him/her to determine the
25 ARCHITECT'S conformity with the terms of this Agreement. If any services performed
26 or products provided by ARCHITECT are not in conformance with the terms of this
27 Agreement, the OWNER shall have the right to require the ARCHITECT to perform the
28 services or provide the products in conformance with the terms of the Agreement at no

1 additional cost to the OWNER. When the services to be performed or the products to
2 be provided are of such nature that the difference cannot be corrected, the OWNER shall
3 have the right to: (1) require the ARCHITECT immediately to take all necessary steps to
4 ensure future performance in conformity with the terms of the Agreement; and/or (2)
5 reduce the Agreement price to reflect the reduced value of the services performed or
6 products provided. The OWNER may also terminate this Agreement for default and
7 charge to ARCHITECT any costs incurred by the OWNER because of the ARCHITECT'S
8 failure to perform.

9 **8.2** ARCHITECT shall establish adequate procedures for self-monitoring to
10 ensure proper performance under this Agreement; and shall permit an OWNER
11 representative(s) to monitor, assess or evaluate ARCHITECT'S performance under this
12 Agreement at any time upon reasonable notice to ARCHITECT.

13
14 **9. Independent Contractor/Employment Eligibility**

15 **9.1** The ARCHITECT is, for purposes relating to this Agreement, an
16 independent contractor and shall not be deemed an employee of the OWNER. It is
17 expressly understood and agreed that the ARCHITECT (including its employees, agents
18 and subcontractors) shall in no event be entitled to any benefits to which OWNER
19 employees are entitled, including but not limited to overtime, any retirement benefits,
20 worker's compensation benefits, and injury leave or other leave benefits. There shall be
21 no employer-employee relationship between the Parties, and ARCHITECT shall hold
22 OWNER harmless from any and all claims that may be made against OWNER based
23 upon any contention by a third party that an employer-employee relationship exists by
24 reason of this Agreement. It is further understood and agreed by the Parties that
25 ARCHITECT in the performance of this Agreement is subject to the control or direction
26 of OWNER merely as to the results to be accomplished and not as to the means and
27 methods for accomplishing the results.

1 **9.2** ARCHITECT warrants that it shall make its best effort to fully comply with
2 all federal and state statutes and regulations regarding the employment of aliens and
3 others and to ensure that employees performing work under this Agreement meet the
4 citizenship or alien status requirement set forth in federal statutes and regulations.
5 ARCHITECT shall obtain, from all employees performing work hereunder, all verification
6 and other documentation of employment eligibility status required by federal or state
7 statutes and regulations including, but not limited to, the Immigration Reform and Control
8 Act of 1986, 8 U.S.C. §1324 et seq., as they currently exist and as they may be hereafter
9 amended. ARCHITECT shall retain all such documentation for all covered employees,
10 for the period prescribed by the law.

11
12 **10. Subcontract for Work or Services**

13 No contract shall be made by the ARCHITECT with any other party for furnishing
14 any of the work or services under this Agreement without the prior written approval of
15 the OWNER, but this provision shall not require the approval of contracts of employment
16 between the ARCHITECT and personnel assigned under this Agreement, or for parties
17 named in the proposal and agreed to under this Agreement.

18
19 **11. Disputes**

20 **11.1** The Parties shall attempt to resolve any disputes amicably at the working
21 level. If that is not successful, the dispute shall be referred to the senior management of
22 the Parties. Any dispute relating to this Agreement which is not resolved by the Parties
23 shall be decided by the OWNER'S Contracting Officer who shall furnish the decision in
24 writing. The decision of the OWNER'S Contracting Officer shall be final and conclusive
25 unless determined by a court of competent jurisdiction to have been fraudulent,
26 capricious, arbitrary, or so grossly erroneous as necessarily to imply bad faith. The
27 ARCHITECT shall proceed diligently with the performance of this Agreement pending
28 the resolution of a dispute.

1 **11.2** Prior to the filing of any legal action related to this Agreement, the Parties
2 shall be obligated to attend a mediation session in Riverside County before a neutral
3 third party mediator. A second mediation session shall be required if the first session is
4 not successful. The Parties shall share the cost of the mediations. Each Party shall be
5 responsible for its own legal fees and other expenses incident to the preparation for
6 mediation.

7
8 **12. Licensing and Permits**

9 ARCHITECT shall comply with all State or other licensing requirements, including
10 but not limited to the provisions of Chapter 9 of Division 3 of the Business and
11 Professions Code. All licensing requirements shall be met at the time proposals are
12 submitted to the OWNER. ARCHITECT warrants that it has all necessary permits,
13 approvals, certificates, waivers and exemptions necessary for performance of this
14 Agreement as required by the laws and regulations of the United States, the State of
15 California, the County of Riverside and all other governmental agencies with jurisdiction,
16 and shall maintain these throughout the term of this Agreement.

17
18 **13. Reserved**

19
20 **14. Non-Discrimination**

21 ARCHITECT shall not be discriminate in the provision of services, allocation of
22 benefits, accommodation in facilities, or employment of personnel on the basis of ethnic
23 group identification, race, religious creed, color, national origin, ancestry, physical
24 handicap, medical condition, marital status or sex in the performance of this Agreement;
25 and, to the extent they shall be found to be applicable hereto, shall comply with the
26 provisions of the California Fair Employment Practices Act (commencing with Section
27 1410 of the Labor Code), the Federal Civil Rights Act of 1964 (P.L. 88-352), the
28

1 Americans with Disabilities Act of 1990 (42 U.S.C. S1210 et seq.) and all other applicable
2 laws or regulations.

3
4 **15. Records and Documents**

5 ARCHITECT shall make available, upon written request by any duly authorized
6 Federal, State or County agency, a copy of this Agreement and such books, documents
7 and records as are necessary to certify the nature and extent of the ARCHITECT'S costs
8 related to this Agreement. All such books, documents and records shall be maintained
9 by ARCHITECT for at least five (5) years following termination of this Agreement and be
10 available for audit by the OWNER. ARCHITECT shall provide to the OWNER reports
11 and information related to this Agreement as requested by OWNER.

12
13 **16. Confidentiality**

14 **16.1** The ARCHITECT shall not use for personal gain or make other improper
15 use of privileged or confidential information which is acquired in connection with this
16 Agreement. The term "privileged or confidential information" includes but is not limited to:
17 unpublished or sensitive technological or scientific information; medical, personnel, or
18 security records; anticipated material requirements or pricing/purchasing actions;
19 OWNER information or data which is not subject to public disclosure; OWNER'S
20 operational procedures; and knowledge of selection of contractors, subcontractors or
21 suppliers in advance of official announcement.

22 **16.2** The ARCHITECT shall protect from unauthorized disclosure names and
23 other identifying information concerning persons receiving services pursuant to this
24 Agreement, except for general statistical information not identifying any person. The
25 ARCHITECT shall not use such information for any purpose other than carrying out the
26 ARCHITECT'S obligations under this Agreement. The ARCHITECT shall promptly
27 transmit to the OWNER all third party requests for disclosure of such information. The
28 ARCHITECT shall not disclose, except as otherwise specifically permitted by this

1 Agreement or authorized in advance in writing by the OWNER, any such information to
2 anyone other than the OWNER. For purposes of this Paragraph 16, identity shall include,
3 but not be limited to, name, identifying number, symbol, or other identifying particulars
4 assigned to the individual, such as finger or voice print or a photograph.
5

6 **17. Administration/Contract Liaison**

7 The Chief Operating Officer of the Riverside Community Housing Corp, or
8 designee, shall administer this Agreement on behalf of OWNER.
9

10 **18. Notices**

11 All correspondence and notices required or contemplated by this Agreement shall
12 be delivered to the respective Parties at the addresses set forth below, or at such other
13 address provided by a Party in writing, and are deemed submitted one (1) day after their
14 deposit in the United States Mail, postage prepaid:

15 **OWNER**

16 Riverside Community Housing Corp
17 5555 Arlington Avenue, Riverside, CA 92504
18 Attention: Chief Operating Officer

19 **ARCHITECT**

20 Onyx Architects, Inc.
21 316 North Sierra Madre Blvd. Pasadena, CA 91107
22 Attention: Steve Kuchenski

23 **19. Force Majeure**

24 If either Party is unable to comply with any provision of this Agreement due to
25 causes beyond its reasonable control, and which could not have been reasonably
26 anticipated, such as acts of God, acts of war, civil disorders, or other similar acts, such
27 Party shall not be held liable for such failure to comply, provided the subject Party
28 provides written notice to the other Party no later than five (5) days after the
commencement of such force majeure event.

1
2 **20. EDD Reporting Requirements**

3 In order to comply with child support enforcement requirements of the State of
4 California, the OWNER may be required to submit a Report of Independent Contractor(s)
5 form **DE 542** to the Employment Development Department (“EDD”). The ARCHITECT
6 agrees to furnish the required data and certifications to the OWNER within 10 days of
7 notification of award of Agreement when required by the EDD. This data will be
8 transmitted to governmental agencies charged with the establishment and enforcement
9 of child support orders. Failure of the ARCHITECT to timely submit the data and/or
10 certificates required may result in the contract being award to another ARCHITECT. In
11 the event a contract has been issued, failure of the ARCHITECT to comply with all federal
12 and state reporting requirements for child support enforcement or to comply with all
13 lawfully served Wage and Earnings Assignments Orders and Notice of Assignment shall
14 constitute a material breach of Agreement. If ARCHITECT has any questions concerning
15 this reporting requirement, please call (916) 657-0529. ARCHITECT should also contact
16 is local Employment Tax Customer Service Office listed in the telephone directory in the
17 State Government section under “Employment Development Department” or access
18 their Internet site at www.edd.ca.gov.

19
20 **21. Hold Harmless/Indemnification**

21 **21.1 Basic Indemnity.** To the fullest extent permitted by Applicable Law,
22 ARCHITECT agrees to defend, (through legal counsel reasonably acceptable to
23 OWNER), indemnify and hold harmless, the Riverside Community Housing Corp, the
24 Housing Authority of the County of Riverside, the County of Riverside, its Agencies,
25 Districts, Special Districts and Departments, their respective directors, officers, Board of
26 Supervisors, elected and appointed officials, employees, agents, representatives and
27 volunteers (“Indemnitee(s)”), and each of them, from any and all Losses that arise out of
28 or relate to any act or omission constituting ordinary and not professional negligence

1 (including, without limitation, negligent breach of contract), recklessness or willful
2 misconduct on the part of ARCHITECT or its Subconsultants, or their respective
3 employees, agents, representatives, or independent contractors.

4 ARCHITECT further agrees to and shall indemnify and hold harmless the
5 Indemnitees from all liability arising from suits, claims, demands, actions, or proceedings,
6 made by agents, employees, subcontractors of ARCHITECT for salary, wages,
7 compensation, health benefits, insurance, retirement, or any other benefit not explicitly
8 set forth in this Agreement and arising out of work performed for OWNER pursuant to
9 this Agreement. The Indemnitees shall be entitled to the defense and indemnification
10 provided for hereunder regardless whether the Loss is in part caused or contributed to
11 by the acts or omissions of an Indemnitee or any other person or entity; provided,
12 however, that nothing contained herein shall be construed as obligating ARCHITECT to
13 indemnify and hold harmless any Indemnitee to the extent not required under the
14 provisions of Paragraph 21.2 below.

15 **21.2 Indemnity for Deign Professional Services.** To the fullest extent
16 permitted by Applicable Law, ARCHITECT agrees to defend, (through legal counsel
17 reasonably acceptable to OWNER), indemnify and hold harmless the Indemnitees and
18 each of them, against any and all Losses that arise out of, pertain to, or relate to, any
19 negligence recklessness or willful misconduct constituting professional negligence on
20 the part of ARCHITECT or its Subconsultants, or their respective employees, agents,
21 representatives, or independent contractors. The Indemnitees shall be entitled to the
22 defense and indemnification provided for hereunder regardless whether the Loss is in
23 part caused or contributed to by the acts or omissions of an Indemnitee or any other
24 person or entity; provided, however, that nothing contained herein shall be construed as
25 obligating ARCHITECT to indemnify and hold harmless any Indemnitee to the extent not
26 required under the provisions of this Paragraph 21.2. ARCHITECT shall defend and pay,
27 all costs and fees, including but not limited to, attorney's fees, cost of investigation, and
28 defense, of any loss, suits, claims, demands, actions, or proceedings, to the extent and

1 in proportion to the percentage, such costs and fees arise out of, pertain to, or relate to
2 the negligence, recklessness or willful misconduct of ARCHITECT arising out of or in the
3 performance of professional design services under this Agreement. The duty to defend
4 applies to any alleged or actual negligence, recklessness or willful misconduct of
5 ARCHITECT. The cost for defense shall apply whether or not ARCHITECT is a party to
6 the lawsuit, and shall apply whether or not ARCHITECT is directly liable to the plaintiffs
7 in the lawsuit. The duty to defend applies even if Indemnitees are alleged or found to be
8 actively negligent, but only in proportion to the percentage of fault or negligence of
9 ARCHITECT.

10 Without affecting the rights of OWNER under any other provision of this
11 Agreement, ARCHITECT shall not be required to indemnify and hold harmless or provide
12 defense or defense costs to an Indemnitee for a Loss due to Indemnitee's negligence,
13 recklessness or willful misconduct; provided, however, that such negligence,
14 recklessness or willful misconduct has been determined by agreement of ARCHITECT
15 and Indemnitee or has been adjudged by the findings of a court of competent jurisdiction.

16 ARCHITECT agrees to obtain or cause to be obtained executed defense and
17 indemnity agreements with provisions identical to those set forth in this Section from
18 each and every subconsultant, of every tier.

19 ARCHITECT indemnification obligations under this Agreement shall not be limited
20 by the amount or type of damages, compensation or benefits payable under any policy
21 of insurance, workers' compensation acts, disability benefits acts, or other employee
22 benefit acts.

23 The Indemnitees shall be entitled to recover their attorneys' fees, costs and expert
24 and consultant costs in pursuing or enforcing their right to defense and/or indemnification
25 under this Agreement.

26
27 **22. Insurance**

1 Without limiting or diminishing the ARCHITECT'S obligation to indemnify or
2 hold the OWNER harmless, ARCHITECT shall procure and maintain or cause to
3 be maintained, at its sole cost and expense, the following insurance coverage
4 during the term of this Agreement. As respects to the insurance section only,
5 OWNER herein refers to the Riverside Community Housing Corp, the Housing
6 Authority of the County of Riverside, the County of Riverside, its Agencies,
7 Districts, Special Districts, and Departments, their respective directors, officers,
8 Board of Supervisors, employees, elected or appointed officials, agents or
9 representatives as Additional Insureds.

10 A. Workers' Compensation:

11 If the ARCHITECT has employees as defined by the State of California, the
12 ARCHITECT shall maintain statutory Workers' Compensation Insurance
13 (Coverage A) as prescribed by the laws of the State of California. Policy shall
14 include Employers' Liability (Coverage B) including Occupational Disease with
15 limits not less than \$1,000,000 per person per accident. The policy shall be
16 endorsed to waive subrogation in favor of the OWNER.
17

18 B. Commercial General Liability:

19 Commercial General Liability insurance coverage, including but not limited to,
20 premises liability, unmodified contractual liability, products and completed
21 operations liability, personal and advertising injury, and cross liability coverage,
22 covering claims which may arise from or out of ARCHITECT'S performance of its
23 obligations hereunder. Policy shall name the OWNER as Additional Insured.
24 Policy's limit of liability shall not be less than \$1,000,000 per occurrence combined
25 single limit. If such insurance contains a general aggregate limit, it shall apply
26 separately to this agreement or be no less than two (2) times the occurrence limit.

27 C. Vehicle Liability:
28

1 If vehicles or mobile equipment are used in the performance of the obligations
2 under this Agreement, then ARCHITECT shall maintain liability insurance for all
3 owned, non-owned or hired vehicles so used in an amount not less than
4 \$1,000,000 per occurrence combined single limit. If such insurance contains a
5 general aggregate limit, it shall apply separately to this Agreement or be no less
6 than two (2) times the occurrence limit. Policy shall name the OWNER as
7 Additional Insureds.

8 D. Professional Liability:

9 ARCHITECT shall maintain Professional Liability Insurance providing coverage for
10 the ARCHITECT'S performance of work included within this Agreement, with a
11 limit of liability of not less than \$1,000,000 per occurrence and \$2,000,000 annual
12 aggregate. If ARCHITECT'S Professional Liability Insurance is written on a claims
13 made basis rather than an occurrence basis, such insurance shall continue
14 through the term of this Agreement and ARCHITECT shall purchase at his sole
15 expense either 1) an Extended Reporting Endorsement (also, known as Tail
16 Coverage); or 2) Prior Dates Coverage from new insurer with a retroactive date
17 back to the date of, or prior to, the inception of this Agreement; or, 3) demonstrate
18 through Certificates of Insurance that ARCHITECT has maintained continuous
19 coverage with the same or original insurer. Coverage provided under items; 1), 2)
20 or 3) will continue as long as the law allows.

21 E. General Insurance Provisions - All lines:

22 1) Any insurance carrier providing insurance coverage
23 hereunder shall be admitted to the State of California and have an A M
24 BEST rating of not less than A: VIII (A:8) unless such requirements are
25 waived, in writing, by the County of Riverside's Risk Manager. If the
26
27
28

1 County's Risk Manager waives a requirement for a particular insurer such
2 waiver is only valid for that specific insurer and only for one policy term.

3 2) The ARCHITECT shall declare its insurance self-insured
4 retention for each coverage required herein. If any such self-insured
5 retention exceeds \$500,000 per occurrence each such retention shall have
6 the prior written consent of the County Risk Manager before the
7 commencement of operations under this Agreement. Upon notification of
8 self-insured retention unacceptable to the OWNER, and at the election of
9 the County's Risk Manager, ARCHITECT'S carriers shall either; 1) reduce
10 or eliminate such self-insured retention as respects this Agreement with the
11 OWNER, or 2) procure a bond which guarantees payment of losses and
12 related investigations, claims administration, and defense costs and
13 expenses.
14

15 3) ARCHITECT shall cause ARCHITECT'S insurance carrier(s)
16 to furnish the OWNER with either 1) a properly executed original
17 Certificate(s) of Insurance and certified original copies of Endorsements
18 effecting coverage as required herein, and 2) if requested to do so orally or
19 in writing by the County Risk Manager, provide original Certified copies of
20 policies including all Endorsements and all attachments thereto, showing
21 such insurance is in full force and effect. Further, said Certificate(s), and
22 policies of insurance shall contain the covenant of the insurance carrier(s)
23 that thirty (30) days written notice shall be given to the OWNER prior to any
24 material modification, cancellation, expiration or reduction in coverage of
25 such insurance. In the event of a material modification, cancellation,
26 expiration, or reduction in coverage, this Agreement shall terminate
27 forthwith, unless the OWNER receives, prior to such effective date, another
28 properly executed original Certificate of Insurance and original copies of

1 endorsements or certified original policies, including all endorsements and
2 attachments thereto evidencing coverage's set forth herein and the
3 insurance required herein is in full force and effect. **ARCHITECT shall not**
4 **commence operations until the OWNER has been furnished original**
5 **Certificate(s) of Insurance and certified original copies of**
6 **endorsements and if requested, review original of the policies of**
7 **insurance including all endorsements and any and all other**
8 **attachments as required in this Paragraph 22. An individual authorized**
9 **by the insurance carrier to do so on its behalf shall sign the original**
10 **endorsements for each policy and the Certificate of Insurance. Upon**
11 **OWNER'S request, ARCHITECT shall make available for inspection by**
12 **County Risk Manager, at a mutually agreeable location, copies of**
13 **ARCHITECT'S insurance policies.**

14 4) It is understood and agreed to by the Parties hereto and the
15 insurance company(s) that the ARCHITECT'S insurance shall be construed
16 as primary insurance, and the OWNER'S insurance and/or deductible
17 and/or self-insured retentions' or self-insured programs shall not be
18 construed as contributory.

19 5) If, during the term of this Agreement or any extension thereof,
20 there is a material change in the Scope of Services; or, there is a material
21 change in the equipment to be used in the performance of the Scope of
22 Services, such as aircraft or watercraft; or, the term of this Agreement,
23 including any extensions thereof, exceeds five (5) years; the OWNER
24 reserves the right to adjust the types of insurance and the monetary limits
25 of liability required under this Agreement, if in the County Risk Manager's
26 reasonable judgment, the amount or type of insurance carried by the
27 ARCHITECT has become inadequate.
28

1 6) ARCHITECT shall pass down the insurance obligations
2 contained herein to all tiers of subcontractors working under this
3 Agreement.

4 7) The insurance requirements contained in this Agreement may
5 be met with a program(s) of self-insurance acceptable to the OWNER.

6 8) ARCHITECT agrees to notify OWNER of any claim by a third
7 party or any incident or event that may give rise to a claim arising from the
8 performance of this Agreement.

9
10 **23. General**

11 **23.1** ARCHITECT shall not delegate or assign any interest in this Agreement,
12 whether by operation of law or otherwise, without the prior written consent of OWNER.

13 **23.2** Any waiver by OWNER of any breach of any one or more of the terms of
14 this Agreement shall not be construed to be a waiver of any subsequent or other breach
15 of the same or of any other term of this Agreement. Failure on the part of OWNER to
16 require exact, full and complete compliance with any terms of this Agreement shall not
17 be construed as in any manner changing the terms or estopping OWNER from
18 enforcement of the terms of this Agreement.

19 **23.3** In the event the ARCHITECT receives payment under this Agreement
20 which is later disallowed by OWNER for nonconformance with the terms of the
21 Agreement, the ARCHITECT shall promptly refund the disallowed amount to the
22 OWNER on request; or at its option the OWNER may offset the amount disallowed from
23 any payment due to the ARCHITECT.

24 **23.4** ARCHITECT shall not provide partial delivery or shipment of services or
25 products unless specifically stated in the Agreement.

26 **23.5** ARCHITECT shall not provide any services or products subject to any
27 chattel mortgage or under a conditional sales contract or other agreement by which an
28 interest is retained by a third party. The ARCHITECT warrants that it has good title to all

1 materials or products used by ARCHITECT or provided to OWNER pursuant to this
2 Agreement, free from all liens, claims, or encumbrances.

3 **23.6** Nothing in this Agreement shall prohibit OWNER from acquiring the same
4 type or equivalent equipment, products, materials or services from other sources, when
5 deemed by the OWNER to be in its best interest. OWNER reserves the right to purchase
6 more or less than the quantities specified in this Agreement.

7 **23.7** The OWNER agrees to cooperate with the ARCHITECT in the
8 ARCHITECT'S performance under this Agreement, including, if stated in the Agreement,
9 providing the ARCHITECT with reasonable facilities and timely access to OWNER'S
10 data, information and personnel.

11 **23.8** ARCHITECT shall comply with all applicable Federal, State and local laws
12 and regulations. ARCHITECT shall comply with all applicable policies and procedures of
13 OWNER. In the event that there is a conflict between the various laws or regulations that
14 may apply, the ARCHITECT shall comply with the more restrictive law or regulation.

15 **23.9** ARCHITECT shall comply with all air pollution control, water pollution,
16 safety and health ordinances, statutes, or regulations, which apply to performance under
17 this Agreement.

18 **23.10** ARCHITECT shall comply with all requirements of the Occupational Safety
19 and Health Administration (OSHA) standards and codes as set forth by the U.S.
20 Department of Labor and the State of California (Cal/OSHA).

21 **23.11** This Agreement shall be governed by the laws of the State of California.
22 Any legal action related to the performance or interpretation of this Agreement shall be
23 filed only in the Superior Court of the State of California located in Riverside, California,
24 and the Parties waive any provision of law providing for a change of venue to another
25 location. In the event any provision in this Agreement is held by a court of competent
26 jurisdiction to be invalid, void, or unenforceable, the remaining provisions will
27 nevertheless continue in full force without being impaired or invalidated in any way.
28

1 **24. Additional Federal Requirements**

2 Whereas the work may be subject to applicable Federal, State, and local laws
3 and regulations, including but not limited to the regulations pertaining to the Community
4 Development Block Grant program (24 CFR Part 570) and the Uniform Administrative
5 Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR Part
6 200). Contractor, sub-contractors, consultants, and sub-consultants agree to comply
7 with, and are subject to, all applicable requirements as follows:

8 **24.1** Equal Employment Opportunity - Compliance with Executive Order 11246
9 of September 24, 1965, entitled "Equal Employment Opportunity", as amended by
10 Executive Order 11375 of October 13, 1967, and as supplemented in Department of
11 Labor regulations (41 CFR chapter 60): The ARCHITECT shall not discriminate against
12 any employee or applicant for employment because of race, color, religion, sex, or
13 national origin. ARCHITECT shall ensure that all qualified applicants shall receive
14 consideration for employment without regard to race, color, religion, sex or national
15 origin. The ARCHITECT shall take affirmative action to ensure that applicants are
16 employed and the employees are treated during employment, without regard to their race
17 color, religion, sex, or national origin. Such actions shall include, but are not limited to,
18 the following: employment, up-grading, demotion, or transfer; recruitment or recruitment
19 advertising; rates of pay or other forms of compensation; and selection for training,
20 including apprenticeship. The ARCHITECT shall post in a conspicuous place, available
21 to employees and applicants for employment, notices to be provided by the OWNER
22 setting forth the provisions of this non-discriminating clause.

23 **24.2** Copeland "Anti-Kickback" Act (18 U.S.C. 874 and 40 U.S.C. 276c): All
24 contracts and subgrants in excess of \$2,000 for construction or repair awarded by
25 recipients and subrecipients shall include a provision for compliance with the Copeland
26 "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor
27 regulations (29 CFR part 3, "Contractors and Subcontractors on Public Building or Public
28 Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act

1 provides that each contractor or subrecipient shall be prohibited from inducing, by any
2 means, any person employed in the construction, completion, or repair of public work, to
3 give up any part of the compensation to which he is otherwise entitled. The recipient
4 shall report all suspected or reported violations to HUD.

5 **24.3** Davis-Bacon Act, as amended (40 U.S.C. 3141 et seq): When required by
6 Federal program legislation, all construction contracts awarded by the recipients and
7 subrecipients of more than \$2000 shall include a provision for compliance with the Davis-
8 Bacon Act and as supplemented by Department of Labor regulations (29 CFR part 5,
9 "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and
10 Assisted Construction"). Under this Act, contractors shall be required to pay wages to
11 laborers and mechanics at a rate not less than the minimum wages specified in a wage
12 determination made by the Secretary of Labor. In addition, contractors shall be required
13 to pay wages not less than once a week. The recipient shall place a copy of the current
14 prevailing wage determination issued by the Department of Labor in each solicitation and
15 the award of a contract shall be conditioned upon the acceptance of the wage
16 determination. The recipient shall report all suspected or reported violations to HUD.

17 **24.4** Contract Work Hours and Safety Standards Act (40 U.S.C. 3701 et seq):
18 Where applicable, all contracts awarded by recipients in excess of \$2000 for construction
19 contracts and in excess of \$2500 for other contracts that involve the employment of
20 mechanics or laborers shall include a provision for compliance with Sections 3702 and
21 3704 of the Contract Work Hours and Safety Standards Act, as supplemented by
22 Department of Labor regulations (29 CFR part 5). Under Section 3702 of the Act, each
23 contractor shall be required to compute the wages of every mechanic and laborer on the
24 basis of a standard workweek of 40 hours. Work in excess of the standard workweek is
25 permissible provided that the worker is compensated at a rate of not less than 1 1/2 times
26 the basic rate of pay for all hours worked in excess of 40 hours in the workweek. Section
27 3704 of the Act is applicable to construction work and provides that no laborer or
28 mechanic shall be required to work in surroundings or under working conditions which

1 are unsanitary, hazardous or dangerous. These requirements do not apply to the
2 purchases of supplies or materials or articles ordinarily available on the open market, or
3 contracts for transportation or transmission of intelligence.

4 **24.5** Rights to Inventions Made Under a Contract or Agreement: Contracts or
5 agreements for the performance of experimental, developmental, or research work shall
6 provide for the rights of the Federal Government and the recipient in any resulting
7 invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit
8 Organizations and Small Business Firms Under Government Grants, Contracts and
9 Cooperative Agreements," and any implementing regulations issued by HUD.

10 **24.6** Rights to Data and Copyrights: Contractors and consultants agree to
11 comply with all applicable provisions pertaining to the use of data and copyrights
12 pursuant to 48 CFR Part 27.4, Federal Acquisition Regulations (FAR).

13 **24.7** Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution
14 Control Act (33 U.S.C. 1251 et seq.), as amended: Contracts and subgrants of amounts
15 in excess of \$100,000 shall contain a provision that requires the recipient to agree to
16 comply with all applicable standards, orders or regulations issued pursuant to the Clean
17 Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended
18 (33 U.S.C. 1251 et seq.). Violations shall be reported to HUD and the Regional Office of
19 the Environmental Protection Agency (EPA).

20 **24.8** Byrd Anti-Lobbying Amendment (31 U.S.C. 1352): Contractors who apply
21 or bid for an award of \$100,000 or more shall file the required certification. Each tier
22 certifies to the tier above that it will not and has not used Federal appropriated funds to
23 pay any person or organization for influencing or attempting to influence an officer or
24 employee of any agency, a member of Congress, officer or employee of Congress, or
25 an employee of a member of Congress in connection with obtaining any Federal contract,
26 grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose any
27 lobbying with non-Federal funds that takes place in connection with obtaining any
28 Federal award. Such disclosures are forwarded from tier to tier up to the recipient.

1 **24.9** Debarment and Suspension (E.O.s 12549 and 12689): No contract shall
2 be made to parties listed on the General Services Administration's List of Parties
3 Excluded from Federal Procurement or Non-procurement Programs in accordance with
4 E.O.s 12549 and 12689, "Debarment and Suspension," as set forth at 24 CFR part 24.
5 This list contains the names of parties debarred, suspended, or otherwise excluded by
6 agencies, and contractors declared ineligible under statutory or regulatory authority other
7 than E.O. 12549. Contractors with awards that exceed the small purchase threshold shall
8 provide the required certification regarding its exclusion status and that of its principal
9 employees.

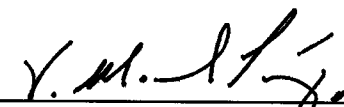
10 **24.10** Drug-Free Workplace Requirements: The Drug-Free Workplace Act of
11 1988 (42 U.S.C. 8102) requires grantees (including individuals) of federal agencies, as
12 a prior condition of being awarded a grant, to certify that they will provide drug-free
13 workplaces. Each potential recipient shall certify that it will comply with drug-free
14 workplace requirements in accordance with the Act and with HUD's rules at 24 CFR part
15 24, subpart F.

16 **24.11** Access to Records and Records Retention: The ARCHITECT, and any
17 sub-consultants or sub-contractors, shall allow all duly authorized Federal, State, and/or
18 County officials or authorized representatives access to the work area, as well as all
19 books, documents, materials, papers, and records of the ARCHITECT, and any sub-
20 consultants or sub-contractors, that are directly pertinent to a specific program for the
21 purpose of making audits, examinations, excerpts, and transcriptions. The ARCHITECT,
22 and any sub-consultants or sub-contractors, further agree to maintain and keep such
23 books, documents, materials, papers, and records, on a current basis, recording all
24 transactions pertaining to this Agreement in a form in accordance with generally
25 acceptable accounting principles. All such books and records shall be retained for such
26 periods of time as required by law, provided, however, notwithstanding any shorter
27 periods of retention, all books, records, and supporting detail shall be retained for a
28 period of at least four (4) years after the expiration of the term of this Agreement.

1 IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized
2 representatives to execute this Agreement as of the dates set forth below:
3
4


5 **OWNER:**

6 RIVERSIDE COMMUNITY HOUSING
7 CORP, a California non-profit public
8 benefit corporation

9 By: 
10 V. Manuel Perez, Chairperson
11 Board of Directors

ARCHITECT:

ONYX ARCHITECTS, INC., a California
corporation

By: 
Dale W. Brown,
President

12 Dated: JAN 07 2020

Dated: 12.17.2019


13
14 **ATTEST**

Kecia Harper
Clerk of the Board

16 
17 Deputy

18
19
20 **APPROVED AS TO FORM:**

Gregory P. Priamos
General Counsel

21
22
23
24 By:  12-20-19
25 Marsha Victor
26 Deputy General Counsel
27
28

1 **EXHIBIT A**

2 **SCOPE OF SERVICES**

3 Onyx Architects, Inc., a California corporation ("Architect") shall provide the
4 following services to the Riverside Community Housing Corp ("Owner") as required in that
5 certain Professional Services Agreement for Architectural Service for the Perris Park
6 Apartments, ("Agreement").

7 **I. DESCRIPTION OF PROJECT**

8 There is an existing eighty (80) unit affordable apartment complex at 1450 S. Perris Blvd.,
9 Perris, CA 92570. The existing development was reportedly built in 2000. The
10 development also consists of a management office, laundry, maintenance room, and
11 common area; a pool area, mailbox area(s), landscaped gardens, a primary and several
12 secondary site entrances, and pedestrian and vehicle access. Parking includes carports
13 and open spaces.

14 • The Owner's goals for rehabilitation are outlined in the Capital Needs
15 Assessment (CNA) prepared by Integrated Property Analysis, Inc. (project #0305-
16 00 I), based on a site review conducted on 8/30/2018. The rehabilitation is intended
17 as a general "refresh" of the existing facility. Most of the work is repair,
18 replacement-in-kind, and cosmetic changes that are documented via keynotes in
19 the CNA. The primary intent of the Architect's site and floor plans will be to orient
20 the building officials and contractors to the scope of work / keynotes. A copy of the
21 CAN will be provided to Architect.

22 • Owner shall retain a CASp Consultant to conduct the Initial Accessibility
23 Assessment and such other services deemed to be essential to the Project as
24 agreed upon by the Owner, the Consultant and the Architect.

25 • Project financing is anticipated to be accomplished via 4% tax credits.

26 • It is anticipated:

27 a) That the renovations and improvements will be built by a preselected
28 contractor who will be brought aboard at the conceptual stage, and the
Owner and contractor will be developing the necessary bid leveling
documents for (sub)contractors. The contractors and subcontractors will
ascertain their scope of work primarily through reviewing the keynotes
and visiting the existing site and improvements to acquaint themselves
with existing conditions.

b) Contractor's scope and quantity takeoffs will be based on their own on-
site reviews, rather than scaling or measuring plans; an exception to this
will be physical changes to the site, buildings and interiors necessary to

1 comply with the applicable accessibility codes and accessibility
2 requirements of the funders, for which Architect will provide standard
3 plans and details.

4 c) The site has significant grading and accessibility issues, and requires a
5 survey of paths-of-travel as well as remedial civil engineering.

6 d) Since the date of construction was in the 2000s, the site was initially
7 subject to CBC II A accessibility. Since the site utilized (and will utilize)
8 public funds, it is now subject to CBC II B/ADA accessibility, as
9 applicable to existing facilities. Any tax credit application will likely trigger
10 additional accessibility requirements.

11 e) Scope is generally limited to onsite work.

12 **II. SCOPE OF WORK**

13 The Architect shall furnish and perform the following basic professional services
14 required during the project:

15 Part 1A – Conceptual/Project Scoping Phase

16 a. Architect will conduct an initial site visit with the Owner to ascertain general
17 conditions at the site, compare with as-built information, and conduct an initial
18 analysis of accessibility issues: path-of-travel and unit interiors. This will be
19 documented via video narration and markings on any available as-builts. This
20 may include initial measurement of unit components that affect accessibility.
21 The goal is to create a general "road map" towards compliance with code and
22 funder's requirements.

23 b. Meet with Owner and/or city to confirm scope items and make final revisions
24 to the program and work items.

25 Part 1B – Conceptual/Design Phase

26 a. Photographic survey of the exterior facades of a typical building.

27 b. Coordination with the Owner's surveyor(s) to facilitate proper documentation.

28 c. Architect will review the site survey provided by the Owner to further evaluate
accessible paths-of-travel and to make recommendations for accessibility
improvements. Simple remedial work will be accomplished via standard details
and notes. Note: blending of slopes and installation of retaining walls,

1 wheelchair lifts or other components that cannot be adequately described by
2 standard details may require civil engineering as an additional service.

- 3 d. Evaluate the Owner's proposed scope of work in the CNA for code implications.
4 Develop a strategy to most effectively delineate the limits of work, to prevent
5 building officials and inspectors from expanding the scope of work beyond the
6 minimum required by code for maintenance and limited alterations to an
7 existing development. This may include a narrative analysis of existing
8 "grandfathered" conditions (including accessibility, exiting and emergency
9 windows), analysis of previous building codes, a dichotomous key or decision
10 matrix or similar tools.
- 11 e. Develop a conceptual site plan that identifies unit entry features, community
12 recreational components, and entrance renovations based on the CNA.
- 13 f. Review applicable codes with the Authorities Having Jurisdiction, potentially
14 including building, accessibility, fire, energy, sustainability and planning codes.
- 15 g. Define conceptual accessibility upgrades for selected apartments, including
16 floor plans. It is anticipated that at least one existing ground floor "flat"
17 apartment will require the addition of a bedroom, bathroom and entry to make
18 a fully accessible 3-bedroom unit in compliance with CBC II B/UFAS. This will
19 include correspondence and negotiation with the California Tax Credit
20 Allocation Committee (CTCAC).

21 Part 2- Construction Documents Phase

22 Upon Owner's approval of the conceptual plans, preparation of construction
23 documents, including:

- 24 a. Architectural site plans, floor plans, and Type V construction details for areas
25 to be renovated, with annotated keynote systems describing scope of work.
- 26 b. Building elevations or sample photographs annotated, if /as required to explain
27 elevation scope of work.
- 28 c. General information sheets to demonstrate code compliance.
- d. Details for new construction.
- e. Coordination with Owner's consultants (when required by Owner and/or city).
- f. Signage program as required by code (address signs).

- 1
2 g. Specifications (as needed for code compliance, shown on plans).
3
4 h. Processing of plans for approval with Authorities Having Jurisdiction.

5 Part 3 - Construction Phase

- 6 a. Clarifications during buyout process, and initial certifications for funders at
7 project closing.
8 b. Review of contractor supplied RFI's with a five (5) day turnaround.
9 c. Monthly site visits for review of payment applications by contractors, for up to
10 12 months, assumed to be conducted in conjunction with two other projects in
11 the area.
12 d. Additional visits where necessary to clarify the intent of the construction
13 documents.
14 e. An allowance of up to five (5) hours for review of submittals, with a ten (10) day
15 turnaround.
16 f. One conference call per week.

17 The Owner Shall Furnish and/or Perform the Following:

- 18 a. Access to the construction site.
19 b. A Capital Needs Assessment and existing "as-built" plans. This will include
20 identification of specific locations that may require repair or replacement,
21 sufficient to develop a scope for subcontractors. (Example: identifying
22 damaged roof sheathing locations.)
23 c. Limited destructive testing or opening of drywall to reveal hidden conditions that
24 are essential to plans development, if not readily discernible from the as-built
25 plans or site visit. (Example: framing orientation.)
26 d. A project budget, and any cost estimates required by the Owner or funders.
27 This includes construction estimates when seeking "unreasonable hardship"
28 exemptions from funders or government agencies.
e. Provide an ALTA and topographic survey in AutoCAD and PDF format,
including all finish floors and door thresholds, bottom stair landings, and main-
slope and cross-slope indications at any components currently designated as

1 accessible (handicap parking stalls, ramps, paths-of travel, mailboxes etc.). If
2 components are adjacent to a property line, the survey may need to extend
3 onto the neighbor's property (in case retaining walls are needed to make a level
surface). Door openings will include unit numbers.

- 4 f. Engineer's design goals and energy budget to meet energy saving goals for
5 funding; and HERs rater, if required by funders.
- 6 g. A program statement of desired features in the existing rental office and
7 proposed community building.
- 8 h. A geotechnical report for the new footings if required, or provide direction to
9 assume the maximum soils characteristics allowed by code without such a
report.
- 10 i. Any applications necessary to secure project funding.
- 11 j. Provide the General Contractor's Scope of Work documents for coordination
12 with Architectural Plans.
- 13 k. A licensed, third party CASp Consultant.

14
15 Excluded Work and Work by Others:

16 The following items are assumed to be either excluded from the Scope of Work, or
17 "by others", or design-build for the purposes of this proposal; if requested by the
Owner, these may be considered for provision as an Additional Service:

- 18 a. Fire sprinklers (design-build if required).
- 19 b. Fire alarms (design-build if required).
- 20 c. Video surveillance systems (design-build if required).
- 21 d. Voice or datacomm systems, access control, CATV or emergency call stations
(design-build if required).
- 22 e. LEED certification or "Green building" compliance monitoring.
- 23 f. Energy compliance for existing buildings, or documentation of energy
performance.
- 24 g. Detailed code or structural analysis to demonstrate compliance of the existing
25 buildings or improvements. (These are assumed to be "grandfathered" as
approved and will not be adversely structurally affected by the placement of the
new work).
- 26 h. Offsite design or street improvements, street utilities, etc.
- 27 i. Front-end specifications or technical specifications for purposes of competitive
28 bidding, or related bidding procedures. An outline specification of preferred
construction components plumbing fixtures, cabinets, etc.

- 1 j. Scoping narratives with subcontractors to ascertain construction quality, in lieu
2 of a formal specification book. (For example, Owner will coordinate so that if
3 plumbing is replaced inside a wall, the trades are coordinated for patching and
4 repainting the wall.)
5 k. Tot-lot play equipment (design-build).
6 l. Solar power systems (photovoltaic and/or thermal).
7 m. Carports or shade structures (design/build).
8 n. Pool / spa / fountain improvements.
9 o. Freestanding furnishings (picnic tables, chairs, umbrellas, trash receptacles,
10 etc.)
11 p. Signage and wayfinding devices.
12 q. 3rd party CASp reviewer, if specifically requested by the funders.
13 r. Hardware consultation (including keying systems for door hardware).
14 s. Plan check fees or other governmental fees.
15 t. Stormwater / LID design (assumed not needed for this scope).
16 u. Interior Design services (office, community room, etc.).

11 **III. COMPENSATION FOR PROFESSIONAL SERVICES**

12 The basic professional design services specified above in "Scope of Work" will be
13 completed for the following firm, fixed fees:

- 14
15 1. Conceptual/Project Scoping Part 1A: Five Thousand Dollars (\$5,000.00).
16 2. Conceptual/Design Phase Part 1B: Twenty Thousand Dollars (\$20,000.00).
17 3. Construction Document Phase 2: Forty-Five Thousand Dollars (\$45,000.00).
18 4. Construction Observation Phase 3: Estimated (but shall not exceed) Thirty-Five
19 Thousand Dollars (\$35,000.00).
20 5. Contingency Fund: (pre-approved invoice) Five Thousand Dollars (\$5,000.00)

21 Total architectural fee of above Phases 1A, 1B, 2 and 3: One Hundred Five
22 Thousand Dollars (\$105,000.00) plus a Contingency Fund of Five Thousand
23 Dollars (\$5,000.00) for a Total Contract Amount of One Hundred Ten Thousand
24 Dollars (\$110,000.00).

25 a. Consultants (including civil, landscape, electrical, plumbing, mechanical, signage, and
26 energy) will be billed as noted in item (c) below, or contracted directly by the Owner.

27 b. Reimbursable expenses will only be made on a pre-approved basis with Owner. Owner
28 will handle all printing services through its vendor, Mission Reprographics. No printing
shall be ordered by Architect without Owner's prior written approval.

c. Consulting Engineers, landscape architect(s) or other design professionals are in
addition to the basic professional design services and fees listed above and will be billed
at our invoice cost.

1 d. Any additional work not described in this Agreement or any Change in Service will be
2 performed at our standard hourly billing rates as listed in Exhibit C, attached hereto and
3 incorporated herein by this reference, or for a mutually agreed upon firm fixed fee.

4 **IV. MISCELLANEOUS PROVISIONS**

5 a. The Architect will provide to Owner a Certification of Substantial Completion of
6 Construction when the Contractor has reached substantial completion of construction.

7 b. Services required for governmental agency reviews, securing approvals, etc., other
8 than normal review by the City Planning, Building, and Fire Departments will be
9 considered as a Change in Service.

10 c. If governmental funded projects require a wage rate determination, services associated
11 with compliance therewith will be considered as a Change in Service.

12 d. The Architect and Contractor waive claims against each other for consequential
13 damages arising out of or relating to this Project. This mutual waiver is applicable, without
14 limitation, to all consequential damages due to either party's termination. Owner shall
15 require Contractor to include this waiver in Owner's contract with Contractor. A condition
16 precedent to the applicability of this mutual waiver is Contractor's agreement to it in its
17 contract with Owner.

18 e. It is understood and agreed that this Agreement does not contemplate handling of
19 asbestos or any hazardous waste material, and the Owner agrees to indemnify the
20 Architect for all claims, lawsuits, or damages arising from or related to the handling,
21 treatment, storage or disposal of asbestos, asbestos products, or any hazardous waste
22 materials. Nothing in this Agreement shall impose liability of any kind on the Architect for
23 any matter related to, the exposure to, or the handling, manufacture, or disposal of
24 asbestos, asbestos products, or hazardous waste in any of its various forms, as defined
25 by the Environmental Protection Agency.

26 f. Meeting/Site Visit Schedules - The Basic Services include the following number of
27 meetings. Any additional site visits will be billed on an hourly basis, including travel time.

23	Programming and Planning	Two onsite
24	Master Plan and Conceptual Design	One onsite, one via web conference
25	Group (public) Presentations	None
26	Design Development	One onsite, one via web conference
27	Construction Documents	One onsite
28	Bidding and Negotiation	One onsite
	Construction Administration	12 (assume one per month)
	Total Meetings:	18 in person – two via video

1 No public hearings are anticipated at this time. If they are required of the Architect, they
2 will be considered a Change in Service.

3 g. Notwithstanding any other provision in this Agreement, the Architect will provide up to
4 two design options, the cost of which is included in Basic Services, for the Owner's review.
Additional design options requested by the Owner will be considered a Change in Service.

5 h. Plans will endeavor to comply with applicable building codes and other applicable state,
6 local, and federal laws that are in effect at completion of the Design Development Phase.

7 i. Because of the possibility that information and data delivered in machine-readable form
8 may be altered, whether inadvertently or otherwise, the Architect reserves the right to
9 retain the original digital media and to remove the copies provided to the Owner all
10 identification reflecting the involvement of the Architect in their preparations. The Architect
also reserved the right to retain hard copy originals of all project documentation delivered
11 to the Owner in machine-readable form, which shall be referred to as originals and shall
govern in the event of any inconsistency between the two.

12 j. The Owner designates Juan Garcia as the authorized Spokesperson who shall be
13 authorized to provide all information, requirements and approvals for the Project as the
Architect may request. The Architect shall consider all instructions from the designated
14 Spokesperson to be that of the Owner, and any changes in the designated Spokesperson
shall be approved by the Architect. Any services and/or direct expense made necessary
15 and provided by the Architect including, but not limited to, revising previously requested
work, re-design, redrawing, specification revisions, etc., as a result of conflicting or
16 countermanded instructions from designated Spokesperson shall constitute an Additional
Service.

17 k. Prior to the Architect being obligated to perform work on subsequent phases, Owner
18 shall approve of the work performed for the current phase by initialing two (2) sets of said
19 drawings. Owner and Architect shall retain one (1) set each.

20 l. Making revisions or additions to drawings, specifications or other documents (or
21 consulting with Project Engineers with respect to revisions of additions to the work) which
are not the result of errors by the Architect when such revisions are inconsistent with
22 design for criteria approved by the Owner or when not a logical or consistent evolution of
prior approved designs or Owner criteria previously given by Owner or by Owner's
23 engineers, consultants, contractors, or estimates shall be considered a Change in
24 Service.

25 m. In the event the Architect makes a recommendation or proposal prior to or as contained
26 in the plans and drawings or otherwise and the Owner directs the Architect to provide
design or construction of inferior quality than that recommended by the Architect, the
27 Architect shall not be responsible for any consequences of such substituted work and the
Owner, shall hold the Architect harmless from any and all claims, actions, causes of
28 action, liability, losses, and damages.

1 n. Consultant Liabilities: The Architect shall not be responsible for the accuracy or
2 suitability of the Owner's engineers, and consultants and provided that if the Architect
3 actually observes any of the work performed by the engineers and consultants is found
4 to contain conflict, errors or omissions, the Architect will promptly report them to the
5 Owner and the responsible engineers or consultants, but Owner understands and
acknowledges that the Architect is not to be held responsible for delays caused by the
Engineers and Consultants in the performance of their work.

6 o. It is recommended that the Owner shall hire the following independent consultants: 1)
7 An independent "construction expert" to review the construction documents for issues
8 relating to liability. 2) An independent roofing inspector to review all issues regarding
9 waterproofing during the construction process. Records of inspections shall be made
available to the Architect.

10 p. The Architect has no responsibility for any failure by the contractor to carry out the work
11 in accordance with the contract documents and is not responsible to insure compliance
12 with the contract documents. The Architect has no responsibility for, or control or charge
13 over, any acts or omission of the contractor, subcontractors or any of their agents or
employees, other design professionals, or any alteration, change, amendment or addition
to these construction documents.

14 q. The Owner shall obtain current soil's reports prepared by a licensed geotechnical
15 engineer for the use of all consultants on the project. It is specifically understood that the
16 Architect has no responsibility for the recommendations, accuracy, or completeness of
such soils reports.

17 r. The Owner agrees that the sole recourse for damages to the Owner arising from
18 services provided to the Owner, by the Architect under this Agreement shall be against
19 the Architect, and the Owner waives any claim of liability against any employees of
Architect as individuals.

20 s. Neither party to this Agreement shall transfer, sublet or assign any rights or interest
21 under this Agreement (including but not limited to monies that are due or monies that may
22 be due) without the prior written consent of the other party. Subcontracting to consultants
23 normally contemplated by the Architect shall not be considered an assignment for
purposes of this Agreement.

24 t. The Architect shall be given reasonable time to review and approve any documents that
25 the Architect will be required to sign during the course of the Project. The Architect
26 reserves the right to change or negotiate any language that would, in the sole judgment
27 of the Architect, increase the Architect's contractual or legal obligations or risks, or
adversely affect the availability or cost of its professional or general liability insurance.

28 u. In the event Owner, or its authorized agents or representatives use the Documents for
any purpose without the involvement of Architect on the Project that is the subject of this

1 Agreement, then Owner shall release Architect from all claims arising out of such use and
2 shall defend and indemnify Architect for all claims, damages and/or liabilities arising out
3 of such use, save and except for damages or claims that are proven in the court of law
4 (as applicable to the original project) to arise from design defects, errors or omissions in
5 the original plans regardless of the location or site specific considerations of the Project.
6 As a specific example, if the location of the Project makes a design element an error or
7 omission that in the original location was not an error or omission, then Architect is not
8 responsible for such error or omission in the new or secondary location.

9 v. In the event Owner elects to re-use the Documents created by Architect for a different
10 project (defined as a project built on a different legal parcel of land), Owner shall require
11 that Architect's name and title block be removed from the Documents. Owner will also
12 release Architect from any and all liability arising out of the re-use of the Documents on a
13 separate project, and will defend, indemnify and hold Architect harmless from any and all
14 claims, and liabilities arising out of such use.

15 w. Architect shall not be entitled to any fee as consideration for Owner's use of the
16 Documents without Architects involvement, whether on the project for which the
17 Documents were originally created, or for any other project.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT B
CAPITAL NEEDS ASSESSMENT

(behind this page)

CAPITAL NEEDS ASSESSMENT

for

PERRIS PARK APARTMENTS

1450 South Perris Boulevard
Perris, CA 92570

PREPARED FOR

Riverside Community Housing Corp.
5555 Arlington Avenue
Riverside, CA 92504

DATE OF SITE VISIT

August 30, 2018

PREPARED BY

Michael Atallah
Vice President

September 12, 2018

TABLE OF CONTENTS

1.0 EXECUTIVE SUMMARY.....	1
Table A: Section I: Summary.....	4
2.0 OBJECTIVES	5
3.0 PROCEDURES AND LIMITATIONS.....	5
4.0 EVALUATION TERMINOLOGY.....	8
5.0 PROPERTY DESCRIPTION	10
5.1 Site.....	10
5.2 Building Architecture.....	17
5.3 Mechanical and Electrical Systems	23
5.4 Dwelling Units.....	25
Table B: Section II: Property Inspection and Evaluation.....	29
6.0 CRITICAL REPAIRS COSTS	30
6.1 Site Systems	30
6.2 Building Architecture.....	32
6.3 Mechanical and Electrical Systems.....	33
6.4 Dwelling Units.....	33
6.5 Accessibility 504 Improvements	35
Table C: Section III: Critical Repair Needs	37
7.0 MAINTENANCE	38
8.0 CODE COMPLIANCE.....	38
Table D: Section IV: Capital Needs over the Term	39
9.0 ADA COMPLIANCE.....	40
10.0 CONCLUSIONS.....	43

Attachments	-	Photographs
	-	Attachments

1.0 EXECUTIVE SUMMARY

- 1) **Address:** **Perris Park Apartments**
 1450 South Perris Boulevard
 Perris, California 92570
- 2) **Report Details:** Date of Site Evaluation: September 30, 2018
 Site Visit and Evaluation by: Michael Atallah, Vice President of IPA

3) **Property Description**

Site Improvements	The site is improved with asphalt-paved drives and open parking areas, steel-framed carport structures, landscaping, concrete walkways, a tot lot, a sport court and a pool area.
Site Configuration	The subject property consists of one irregular-shaped parcel, consisting of 6.03 acres, with one vehicular ingress to the subject property from East Ellis Avenue and one vehicular egress from the subject property to South Perris Boulevard. The subject property is identified as Assessor's Parcel Number 313-290-020.
Built Improvements	The Subject Property consists of one one-story common area leasing office/laundry room building and thirteen two-story apartment buildings. The buildings consist of conventional wood-framing.
Rentable Units	80 rentable units, including 32 Two-Bedroom / One-Bathroom Apartment Units, 32 Three-Bedroom / Two-Bathroom Apartment Units and 16 Four-Bedroom / Two-and-One-Half-Bathroom Townhouse Units.
Age	The subject property was reported to be built in 2000. (18 years).

4) **Estimated Costs**

Critical Repairs	\$664,400	
Years 1 through 3		
Short Term Physical Needs: Uninflated	\$2,036 per unit per year	\$488,551 projected
Short Term Physical Needs: Inflated, 2.5%	\$2,087 per unit per year	\$500,845 projected
Years 4 through 15		
Long Term Physical Needs: Uninflated	\$2,892 per unit per year	\$2,776,114 projected
Long Term Physical Needs: Inflated, 2.5%	\$3,627 per unit per year	\$3,476,228 projected
Years 1 through 15		
Total Physical Needs: Uninflated	\$2,721 per unit per year	\$3,264,665 projected
Total Physical Needs: Inflated, 2.5%	\$3,314 per unit per year	\$3,977,073 projected



5) Maintenance:

Based on information provided by property management, the property was built in 2000.

One part-time maintenance staff services the property, and is generally only responsible for minor maintenance items. Outside contractors provide pest control, rubbish removal, landscaping, roofing, hot water heaters, fire suppression and fire alarm systems, and other major repairs, maintenance, inspections and testing.

Maintenance should ensure that all irrigation spray away from the subject buildings to prevent moisture damage and infiltration.

6) Life Safety Issues and Code Compliance: Any hazards and code compliance issues observed by IPA, which require immediate attention, are described in the Critical repairs section of this report.

- 7) **Conclusions:** The exterior and interior of the property appear in **Average to Fair** condition except as noted.

Split-system HVAC units with hydronic heating units and pad-mounted condensers provide heating and cooling at the apartment units. Gas-fired range ovens with vented range hoods, dishwashers and refrigerators are provided at each unit. Individual gas-fired water heaters are provided at each unit.

Two handicap accessible units (Units 13 and 15) are provided at the subject property. Installation of conforming information at the accessible site entrance warning signage, installation of lever-type hardware at the pedestrian entrance gates, installation of accessible parking spaces adjacent to the entrance to the common areas, installation of conforming accessible parking space signage, installation of conforming paths of travel adjacent to the accessible parking spaces, installation of lever-type hardware at the common areas and accessible units, replacement of the under sink plumbing insulation at the accessible units, installation of a front-loading washing machine at the common area laundry room, and renovation of the accessible units to conform to current accessibility guidelines is required at the subject property.

IPA provided a visual survey for the mold and moisture penetration problems at the buildings. The survey was limited to visual observations in the areas walked and should not be considered a comprehensive survey of the property. No sampling or destructive testing was conducted. Although no significant mold was observed, borrower should confirm that maintenance staff have mold related training and follow operations and maintenance procedures according to the borrower's specifications.

The property is located in Flood Zone X, Areas of minimal flood hazard. Community panel #06065C1440H, Effective Date: August 18, 2014.

Assuming the present level of maintenance is continued, the property should remain in adequate condition to support its present use and occupancy for at least the next 40 years, unless otherwise noted.

Any hazards and code compliance issues observed by IPA, which require immediate attention, are described in the Critical repairs section of this report.

TABLE A: TERMS OF REFERENCE

Project	Perris Park Apartments	
Address(es)	1450 South Perris Boulevard	
	Perris, CA 92570	
Contact	Ms. Erika Gorostiata	Telephone (951) 293-1257
Title	Property Manager	

Age of Property	Family
18	Y

Term of Loan	Elderly
15	Y

	Elevator	Gard./Walkup	Townhouse	Club/Lease	Laundry	Other	Total
Number of Bldgs, by Type	0	8	5	1	0	0	14

	Studio	1 BR	2 BR	3 BR	4 BR	5 BR	Total
Number of Units	0	0	32	32	16	0	80

Site Configuration	<p>The subject property consists of one irregular-shaped parcel, consisting of 6.03 acres, with one vehicular ingress to the subject property from East Ellis Avenue and one vehicular egress from the subject property to South Perris Boulevard.</p> <p>The subject property is identified as Assessor's Parcel Number 313-290-020.</p>
--------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Sampling Expectation	20%
----------------------	-----

Observed units: Units 3, 4, 7, 8, 13, 15, 20, 33, 37, 40, 44, 47, 49, 55, 60, 63, 65, 66, 78 and 80.

MARKET ISSUES	Item	Timing
Absolute	None.	
Possible	None.	

WORK IN PROGRESS				
Item	Quantity	Cost	% Complete	Comments
None.				

MANAGEMENT REPORTED REPLACEMENTS				
Item	Quantity	Cost	Date Replaced	Comments
None.				

2.0 OBJECTIVES

The purpose of our observation and resulting report is to assess the general condition of the buildings and site in accordance with the current standard industry practices and IPA format.

At the property we met with the following individual who provided information, which is partially contained in the report:

Ms. Erika Gorostiata, Property Manager, Perris Park Apartments
Ms. Sandy De Los Reyes, Property Manager, Perris Park Apartments
Mr. Julian Marquis, Maintenance Technician, Perris Park Apartments

3.0 PROCEDURES AND LIMITATIONS

On August 30, 2018, Integrated Property Analysis, Inc. (IPA) conducted an on-site evaluation of the property to determine the condition of the various components. During the site visit, IPA did not gain access to all areas, operate any specific equipment or perform any tests. The findings in this report are not based on a comprehensive engineering study as IPA did not remove any construction materials to inspect the underlying structure.

Significant damage may be present at hidden conditions that cannot be discovered without destructive testing which is beyond the scope of this evaluation. The observations and resulting report are, therefore, not intended to warrant or guarantee the performance of any building components or systems.

This report does not confirm the presence or absence of asbestos, PCB'S, or toxic soils on this property.

Documents and data provided by Self-Help Enterprises (the Client), designated representatives of the Client, or interested parties consulted in the preparation of this report have been reviewed with the understanding that consultant assumes no responsibility or liability for their accuracy.

This evaluation is based on the evaluator's judgment of the physical condition of the improvements and estimated expected remaining useful life of those improvements. The actual performance of individual components may vary from a reasonably expected standard and may be affected by circumstances, which occur after the date of evaluation. The evaluation is based solely on visual observations.

Repairs and improvement cost estimates are based on approximate quantities and costs or furnished information that is assumed to be accurate. A detailed survey of quantities for cost estimating is not included. Statements of the estimated costs to repair, replace, or upgrade the improvements are those which IPA considers to be probable for the current local market. Such statements do not constitute a warranty or a representation that all items, which may need repair or attention, are included, nor that the actual cost of performing repairs will not vary from the estimate. Overhead and profit for possible contractor installations are not included.

IPA bears no control over the cost of labor, material, equipment or services furnished by others, over contractor's methods of determining prices, or over competitive bidding and marketing conditions.

No geotechnical reports, construction documents or other related material were available for review. No representation is made as to the status of title, legality of lots or zoning of the project, nor is any representation made as to the advisability or inadvisability of the purchase of, investment in, or financing of the subject.

Although it is assumed that the noted improvements were constructed in compliance with contemporary building codes and standard building practices at the time of construction, and while the property remains adequate for present day use, the survey does not include a detailed review to determine compliance with local Building Department codes, Fire Department requirements, or Planning Department ordinances.

This report does not constitute a structural or pest control inspection. However, if termite damage or other pest control problems were observed, it has been noted in the report.

Due to the limitation of the survey and investigation process, and the necessary use of unverified data furnished by others, IPA cannot assume liability if actual conditions vary from the information contained herein.

This report has been prepared by the staff of IPA for the Client under the professional supervision of the principal and/or senior staff whose seal(s) and signatures appear hereon. No staff member assigned to this investigation has any interest or contemplated interest, financial or otherwise, in the subject or surrounding properties, or in any entity which owns, leases, or occupies the subject or surrounding properties or which may be responsible for issues identified during the course of this investigation, and has no personal bias with respect to the parties involved.

The information contained in this report has received appropriate technical review and approval. The conclusions represent professional judgments and are founded upon the findings of the investigations identified in the report and the interpretation of such data based on experience and expertise according to the existing standard of care.

The investigation was prepared in accordance with the Client's scope of work for the use and benefit of the Client, its successors, and assignees. It is based, in part, upon documents, writings, and information owned, possessed, or secured by the Client. Neither this report, nor any information contained herein shall be used or relied upon for any purpose by any other person or entity without the express written permission of the Client.

The consultant understands that the Client may wish to transfer its interest in this site to others and hereby grants express permission for participating lenders, rating agencies and future holders of the secured interest to rely upon the results of this investigation to the full extent provided under its contractual agreement with the Client.

The consultant hereby acknowledges that this statement of limitations supersedes any other warranty or limitation, either expressed or implied.



4.0 EVALUATION TERMINOLOGY

The Capital Needs Assessment (CNA) is designed to assess the general condition of building and site improvements and make the client aware of conditions which may have an adverse impact upon the functioning systems and finishes of the property.

Terms used in the CNA to describe the condition of observable components and systems are defined below. It should be noted that a term applied to an overall system does not preclude that a part or section of the system or component may be in a different condition:

Good Component or system is sound and performing its function. There may be signs of normal wear and tear, and while some minor refurbishment work may be required in the future, these elements are judged to be in better condition than comparable components or systems in similar properties.

Average Component or system is sound and performing its function. Although there may be signs of normal wear and tear, and some refurbishment work may be required in the future, for their age these elements are comparable to components or systems in similar properties and are in good working condition.

Fair Component or system is performing adequately at this time but exhibits deferred maintenance, evidence of previous repairs, workmanship not in compliance with commonly accepted standards, is obsolete, or is approaching the end of its estimated useful life. Recommended future repair or replacement is noted to prevent further deterioration, restore it to good or average condition, prevent premature failure, or to prolong its useful expected life.

Poor Component or system has either failed or cannot be relied upon to continue performing its original function as a result of having exceeded its typical expected useful life, excessive deferred maintenance, or state of disrepair. Present condition could contribute or cause the deterioration of other adjoining elements or systems. Immediate repair or replacement is required.

Critical Repairs

Physical deficiencies that require immediate action as a result of: existing or potential life / safety concerns, building code violations, poor or deteriorated conditions of a critical element or system, or system failure. Repairs are to be completed within 90 days.

Recommended Future Repairs

Physical deficiencies that require immediate action as a result of: observed poor or deteriorated condition of a cosmetic or non-critical element or system. Repairs are to be completed within 12 - 24 months.

Replacement

Reserve Items and conditions for which anticipated repair, replacement, or further research procedures should be provided on a priority basis, taking precedence over routine preventive maintenance or tenant turn over procedures during the loan term. Also included are recommendations for in-depth studies, research, exploratory probing, testing or operation of equipment if required.

The following terms are to be used in this CNA to indicate the relative deterioration of the pertinent terms, components or systems:

Cracking:	"Hairline"	Less than 1/32 inch	"Small"	1/32 to 1/8 inch
	"Medium"	1/8 to 1/4 inch	"Severe"	Greater than 1/4 inch

Corrosion: *(Usually pertaining to steel framing members or miscellaneous metals)*

"Mild"	Smooth brownish surface.
"Minor"	Abrasive brownish surface.
"Medium"	Rough brownish surface with small flakes.
"Severe"	Loose flaky metal with loss of section

Use of the term "**adequate**" or "**adequacy**" (defined as - enough for what is required, sufficient, suitable, conforms to standard construction practices) is solely IPA's opinion based on this on-site observation that address items which are significant in our opinion for the continued operation of this facility in its current usage and occupancy and is consistent with comparable properties of similar age. The term "adequate / adequacy" may be used in this CNA to make this opinion of a component, system, capacity, facility, etc. of the pertinent items observed in the CNA.

5.0 PROPERTY DESCRIPTION

5.1 Site

The subject property is located in a residential and commercial neighborhood primarily consisting of single- and multi-family residential properties and a garbage disposal facility. The site area is approximately 6.03 acres. The property contains asphalt-paved drives and parking areas with one vehicular ingress to the subject property from East Ellis Avenue and one vehicular egress from the subject property to South Perris Boulevard.

The site is generally level. The property is improved with one one-story common area leasing office/laundry room building and thirteen two-story apartment buildings. The buildings consist of conventional wood-framing. Site improvements include asphalt-paved drives and open parking areas, steel-framed carport structures, landscaping, concrete walkways, a tot lot, a sport court and a pool area.

Landscaping consists of mature trees, shrubs, grasses, flowering plants, hardscape and a drip irrigation system. Storm water flows to drain inlets via sheet flow and concrete drainage swales directing storm water to the municipal system. Property identification is provided by monument signage and building-mounted signage.

Access

Access to the subject property includes one vehicular ingress to the subject property from East Ellis Avenue and one vehicular egress from the subject property to South Perris Boulevard. Automatic rolling wrought iron entrance gates are provided at the ingress and egress at the subject property.

Pedestrian access to the property is provided via the adjacent city-owned concrete walkways. Wrought iron entrance gates are provided at the pedestrian entrances to the subject property.

The motor was observed to be missing at the automatic rolling wrought iron entrance gate provided at the ingress to the subject property from East Ellis Avenue and the gate was observed to be inoperable. Replacement of the missing motor and repair of the inoperable automatic rolling wrought iron entrance gate is recommended to prevent additional damage and security issues.

The automatic rolling wrought iron entrance gate provided at the egress from the subject property to South Perris Boulevard was observed to be inoperable. Repair of the inoperable automatic rolling wrought iron entrance gate is recommended to prevent additional damage and security issues.

Access (Continued) *Knob-type gate hardware was observed at the wrought iron entrance gates at the pedestrian entrances to the subject property. Installation of lever-type door hardware at the pedestrian entrance gates is recommended.*

Accessible site entrance warning signage was observed at the ingress from East Ellis Avenue, however, conforming information was not observed at the signage. Installation of conforming information at the accessible site entrance warning signage is recommended.

Repairs other than routine maintenance are not anticipated during the term.

Entry and Driveways The open surface drive areas are asphalt-paved.

Faded striping was observed at the asphalt-paved drive and parking areas. Seal coat, striping and repairs of the asphalt-paved drive and parking areas is recommended.

Seal coat, striping and repairs of the asphalt-paved drive and parking areas is anticipated during the term.

Walkways Concrete walkways are located throughout the subject property. Concrete sidewalks are in good condition.

Trip hazards were observed at the concrete walkways adjacent to the seating and barbecue area and adjacent to the entrance to Unit 71. Grinding and repair of the trip hazards at the concrete walkways is recommended to life safety issues.

Limited concrete walkway repairs are anticipated during the term.

Gradient The property appears to be properly graded for drainage.

No problems were observed. Repairs other than routine maintenance are not anticipated during the term.

Utilities The property is reportedly serviced by Southern California Edison for electricity services, Southern California Gas Company for gas services and the City of Perris for water and sanitary services. The buildings are individually metered for utility services.

No problems were observed. Repairs other than routine maintenance are not anticipated during the term.

Drainage Storm water flows to drain inlets via sheet flow and concrete drainage swales directing storm water to the municipal system

Property management reported that hydro jetting of the storm drain and sewer lines is required annually at the subject property. The cost of hydro jetting of the storm drain and sewer lines was reported to be \$7,500.00.

Parking A total of 141 asphalt-paved parking spaces, including 75 carport-covered parking spaces and 66 open parking spaces, are provided at the subject property. 7 accessible parking spaces, including 1 van accessible parking space, are provided.

Limited areas of damage were observed at the flashing at the roof structures at the steel-framed carport structures. Repair or replacement of the damaged flashing is recommended to prevent additional damage.

Faded striping was observed at the asphalt-paved drive and parking areas. Seal coat and striping of the asphalt-paved drive and parking areas is recommended.

Wheel stops were not observed at the parking spaces adjacent to the concrete walkways. Installation of concrete wheel stops at the parking spaces adjacent to the concrete walkways is recommended.

No accessible parking spaces were observed on the shortest path of travel to the common area leasing office. Installation of an accessible parking space, path of travel and signage adjacent to the common area leasing office is recommended.

Accessible parking space signage was not observed at the accessible parking space at the northwest side of the subject property (adjacent to Building I). Installation of accessible parking space signage is recommended.

Parking (Continued) *Accessible parking space signage at the accessible parking spaces at the northwest side of the subject property (adjacent to the pool area) was observed in front of the access aisle. Accessible parking space signage is required in front of each accessible parking space. Installation of accessible parking space signage is recommended.*

The path of travel at the accessible parking space at the northwest side of the subject property (adjacent to Building I) was observed to encroach the drive and parking areas. Installation of a curb cut ramp is recommended.

Seal coat, striping and repairs of the asphalt-paved drive and parking areas is anticipated during the term.

Lighting

Site lighting is provided by pole-mounted and building-mounted fixtures.

Pole-mounted lighting covered by landscaping was observed at the northwest side of the subject property. Tree trimming is recommended to prevent life safety and security issues.

Property management reported that the existing pole-mounted and building-mounted light fixtures are inadequate for illuminating the site. Installation of additional light fixtures and site lighting upgrades are recommended..

Repairs other than routine maintenance are not anticipated during the term.

Landscaping

Mature trees, shrubs, lawns, flowering plants, hardscape and an automatic irrigation system are located throughout the property.

Mature trees throughout the subject property were observed to encroach the carport roof areas, building roof areas and the path of travel. Tree trimming is recommended to prevent additional damage.

Pole-mounted lighting covered by landscaping was observed at the northwest side of the subject property. Tree trimming is recommended to prevent life safety and security issues.

Damage was observed at the irrigation systems throughout the subject property. Inspection and repair of the irrigation systems is recommended to prevent additional damage.

Erosion was observed at the landscaped areas adjacent to the concrete walkways, patio areas and at the pad-mounted condensers. Installation of additional landscaping and landscape or hardscape materials is recommended to prevent additional damage.

Tree trimming and landscaping repairs are anticipated during the term.

Limited repairs and replacements of the irrigation systems are anticipated during the term.

Fences/Trash

Wrought iron fencing is provided at the north, east and south perimeters of the subject property. Concrete masonry unit fencing with wrought iron extensions is provided at the west perimeter of the subject property.

Concrete masonry unit trash enclosures with metal gates are provided at the parking areas.

Limited repairs of the wrought iron fencing are anticipated during the term.

Signage

Property identification is provided by monument signage and building-mounted signage.

The building-mounted signage at Building C was observed to be blocked by the adjacent landscaping. Tree trimming is recommended to make the signage visible and prevent life safety issues.

Repairs other than routine maintenance are not anticipated during the term.

Mail

Wall-mounted mailboxes are provided at the building exteriors at the common area leasing office/laundry room building.

No problems were observed. Repairs other than routine maintenance are not anticipated during the term.

Tot Lot / Sport Court

One tot lot area, with rubber mulch ground cover and play equipment, is provided at the subject property.

A concrete-paved basketball court is provided at the subject property.

Damage was observed at the play equipment at the tot lot area. Replacement of the damaged play equipment is recommended to prevent life safety issues and additional damage.

f

Limited areas of isolated cracking were observed at the concrete-paved areas at the sport court area. Repair of the isolated cracking at the concrete paving at the sport court area is recommended.

Repairs other than routine maintenance are not anticipated during the term.

Pool

One pool area, with plaster liner and concrete decking, is provided at the subject property. Wrought iron fencing is provided at the pool area. A filter is provided for the pool area.

A shower area with ceramic tile surrounds is provided at the building exteriors at the common area leasing office/laundry room building.

Damage was observed at the plumbing hardware at the shower provided at the building exteriors at the common area leasing office/laundry room building. Replacement of the damaged plumbing hardware is recommended.

Repair or replacement of the concrete decking and plaster liner at the pool area is anticipated during the term.

Replacement of the pool filter is anticipated during the term.

Retaining Walls Concrete landscaping retaining walls provided at the southeast side of the property at the South Perris Boulevard frontage.

No problems were observed. Repairs other than routine maintenance are not anticipated during the term.

Other Amenities Seating and barbecue areas are provided at the subject property.

No problems were observed. Repairs other than routine maintenance are not anticipated during the term.

5.2 Building Architecture

The property is currently developed with one one-story common area leasing office/laundry room building and thirteen two-story apartment buildings. The buildings consist of conventional wood-framing. There are a total of 80 rental units.

Based on information provided by property management, the property was built in 2000.

The total gross building area is reported to be 84,996 square feet; including 82,496 square feet of rentable square feet and 2,500 square feet of common area space. A breakdown of estimated areas in square feet (SF) is provided below.

Building Name	Building #	Area - SF	Total Area - SF
A (Units 1 - 4)	A	5,664 SF	5,664 SF
B (Units 5 - 8)	B	5,664 SF	5,664 SF
C (Units 9 - 10)	C	2,832 SF	2,832 SF
D (Units 11 - 18)	D	7,480 SF	7,480 SF
E (Units 19 - 26)	E	7,480 SF	7,480 SF
F (Units 27 - 28)	F	2,832 SF	2,832 SF
G (Units 29 - 36)	G	7,480 SF	7,480 SF
H (Units 37 - 40)	H	5,664 SF	5,664 SF
I (Units 41 - 48)	I	7,480 SF	7,480 SF
J (Units 49 - 55)	J	7,480 SF	7,480 SF
K (Units 57 - 64)	K	7,480 SF	7,480 SF
L (Units 65 - 72)	L	7,480 SF	7,480 SF
M (Units 73 - 80)	M	7,480 SF	7,480 SF
Common Area Leasing Office / Laundry Room Building	N	2,500 SF	2,500 SF
TOTAL			84,996 SF

The common building areas include the common area leasing office with a maintenance room and a restroom, and the common area laundry room.

The buildings are finished with painted stucco siding with exterior insulation and finish system (EIFS) trim. The buildings consist of pitched roofing with concrete tile roofing.

Each unit has an individual entry accessed via the concrete walkways or wood-framed upper-level stair landings.

Foundations Based upon IPA's visual survey, it appears that the foundation systems consist of concrete slab-on-grade construction.

IPA did not observe evidence of significant building settlement. Repairs other than routine maintenance are not anticipated during the term.

Framing The buildings provided at the subject property consist of conventional wood-framed structures.

No problems were observed. Repairs other than routine maintenance are not anticipated during the term.

Roof Structure The buildings are wood-framed structures.

No problems were observed. Repairs other than routine maintenance are not anticipated during the term.

Roof Cover The buildings consist of pitched roofing with concrete tile roofing. Gutters and downspouts are typical.

Cleaning and jetting of the gutter roof drainage is anticipated during the term.

Exteriors

The exteriors at the apartment buildings consist of painted stucco exteriors with exterior insulation and finish system (EIFS) trim.

Limited areas of damage and hairline cracking were observed at the painted stucco exteriors. Repair of the damaged stucco exteriors is recommended to prevent additional damage and moisture infiltration.

Damage was observed at the exterior insulation and finish system (EIFS) trim throughout the subject property. Repair or replacement of the damaged EIFS trim is recommended. During replacement of the damaged EIFS trim, additional investigation for moisture infiltration should be completed.

Exterior painting should be completed with the repair of the painted stucco exteriors.

Limited stucco siding repairs, EIFS trim repairs and exterior painting are anticipated during the term.

Doors

Typical entrance doors to the common areas and unit entrances consist of insulated metal doors with wood frames. Typical unit entrance door hardware and hardware at the entrance to the common area laundry room includes knob-type door hardware and deadbolts. Hardware at the unit entrance at accessible Unit 15 and the entrance to the common area leasing office includes lever-type door hardware and deadbolts.

Dual-pane sliding glass doors with anodized aluminum frames provide access to the patio and balcony areas at the apartment units. Insulated metal doors with wood frames provide access to the patio areas at the townhouse units.

An overhead panel door is provided at the common area maintenance storage room.

The unit entry doors were observed to be in average condition.

Damage was observed at the signage at the unit entrance door at Unit 70. Replacement of the damaged signage is recommended to prevent life safety issues.

Doors (Continued)

Security screen doors were observed at the unit entrance doors at most units. The unit signage at some units was difficult to observed due to the security screen doors. Removal or replacement of the security screen doors making the unit signage difficult to observe is recommended to prevent life safety issues.

Damage was observed at the hardware at the sliding glass door at Unit 80. Replacement of the damaged sliding glass door hardware is recommended.

Knob-type door hardware was observed at the entrances to accessible Unit 13 and the common area laundry room at the common area leasing office/laundry room building. Installation of lever-type door hardware is recommended.

Replacement of the windows and sliding glass doors is anticipated during the term.

Windows

Dual-pane glass sliding and fixed windows in anodized aluminum frames are provided.

Dual-pane sliding glass doors with anodized aluminum frames provide access to the patio and balcony areas at the apartment units. Insulated metal doors with wood frames provide access to the patio areas at the townhouse units.

Limited areas of damage were observed at the windows and the windows were difficult to operate. Repair of the windows is recommended to prevent additional damage.

Broken windows were observed at the bedrooms at Units 19, 40, 47, 63 and 80. Replacement of the broken windows is recommended to prevent life safety issues and additional damage.

Missing window screens were observed throughout the subject property. Replacement of the missing window screens is recommended.

Replacement of the windows and sliding glass doors is anticipated during the term.

Stairs

Exterior stairs at the apartment buildings consist of steel-framed stairs with precast concrete treads and metal handrails.

Identical rise was not observed at the exterior stairs at Buildings L and M. Repair or replacement of the exterior stairs is recommended.

Loose handrails were observed at the exterior stairs providing access to Unit 78. Repair of the loose handrails is recommended to prevent life safety issues and additional damage.

Repairs other than routine maintenance are not anticipated during the term.

Patios

Concrete patio slabs with wood-framed fencing with painted stucco exteriors and exterior insulation and finish system (EIFS) trim are provided at the ground floor units.

Damage was observed at the exterior insulation and finish system (EIFS) trim throughout the subject property. Repair or replacement of the damaged EIFS trim is recommended. During replacement of the damaged EIFS trim, additional investigation for moisture infiltration should be completed.

Repairs other than routine maintenance are not anticipated during the term.

Balconies and
Upper Level Walks

Upper-level walkways consist of wood framing with lightweight concrete topping.

Wood-framed balconies with lightweight concrete topping wood-framed fencing with painted stucco exteriors and exterior insulation and finish system (EIFS) trim are provided at the upper-level units.

Damage was observed at the exterior insulation and finish system (EIFS) trim throughout the subject property. Repair or replacement of the damaged EIFS trim is recommended. During replacement of the damaged EIFS trim, additional investigation for moisture infiltration should be completed.

Repairs other than routine maintenance are not anticipated during the term.

Common Areas The common building areas include the common area leasing office with a maintenance room and a restroom, and the common area laundry room.

The common area leasing office consists of carpet, vinyl plank and vinyl composition tile flooring. The common area restroom at the leasing office consists of ceramic tile flooring and wainscoting. The common area laundry room consists of vinyl composition tile flooring. The common area maintenance room consists of exposed concrete flooring. Painted drywall walls and ceilings are typical at the common areas.

Drywall was observed to have been removed at the common area leasing office (presumed to have been caused by the removal of cabinets). Repair of the drywall at the common area leasing office is recommended.

Knob-type door hardware was observed at the entrances to accessible Unit 13 and the common area laundry room at the common area leasing office/laundry room building. Installation of lever-type door hardware is recommended.

Knob-type door hardware was observed at the interior doors at the common area leasing office. Installation of lever-type door hardware is recommended.

A front-loading washing machine is not provided at the common area laundry room. Installation of a front-loading washing machine at the common area laundry room is recommended.

Common areas were observed to be in good condition. Replacement of the common area carpet and vinyl flooring and painting is anticipated during the term.

Other Amenities None provided.

5.3 Mechanical and Electrical Systems

Plumbing

The sanitary sewers and drains appeared to consist of PVC and cast iron. The sewers gravity flow to connections with the municipal system. Domestic water supply plumbing was reported to be copper.

Damage was observed at the plumbing fixture at the tub at Unit 3. Repair or replacement of the damaged plumbing fixtures is recommended to prevent additional damage.

Damage was observed at the plumbing hardware at the tub at Unit 13. Repair or replacement of the damaged plumbing hardware is recommended to prevent additional damage.

Limited replacement of the plumbing systems is anticipated as part of routine maintenance.

Water Heating

Gas-fired 40-gallon water heaters are provided at the common area and at each unit.

Missing seismic strapping was observed at the water heater at Unit 80. Replacement of the missing seismic strapping is recommended.

Replacement of the water heaters is anticipated during the term.

HVAC

Heating and cooling is provided by split-system HVAC units with hydronic heating units and pad-mounted condensers.

Replacement of the hydronic heating units and pad-mounted condensers is anticipated during the term.

Electrical

The buildings are individually metered for utility services. Main service to each building includes 400 to 800 Amps, 120/240V, one phase, three wire service. Electrical service to each unit was observed to be 70 to 90 amps per unit. Copper wiring is typical. Breakers are provided for each circuit.

A damaged and inoperable GFCI outlet was observed at the kitchen at Unit 44. Replacement of the damaged and inoperable GFCI outlet is recommended to prevent life safety issues.

Missing and damaged light switch covers and outlet covers were observed at Units 3, 4, 8, 13, 40, 44, 47 and 80. Replacement of the missing and damaged light switch covers and outlet covers is recommended to prevent life safety issues.

Repairs other than routine maintenance are not anticipated during the term.



Gas The buildings are individually metered for gas services.

No problems were observed. Repairs other than routine maintenance are not anticipated during the term.

Security and
Safety Systems

Hard-wired smoke detectors and carbon monoxide detectors with battery backup are provided at the living areas and hardwired smoke detectors are provided at the bedrooms. Battery-operated carbon monoxide detectors are provided in some units.

Fire hydrants are provided throughout the site.

Fire extinguishers, with current certification, are present at the building exteriors.

Illuminated exit signage is provided at the common area leasing office.

A security intercom panel is provided at the vehicular ingress to the subject property from East Ellis Avenue.

Smoke detectors were observed to be missing at Units 3 and 4. Replacement of the missing smoke detectors is recommended to prevent life safety issues.

Smoke and carbon monoxide detectors were observed to be missing at Units 3, 4, 15 and 20. Replacement of the missing smoke and carbon monoxide detectors is recommended to prevent life safety issues.

The security intercom panel at the vehicular ingress to the subject property from East Ellis Avenue was observed to be inoperable. Repair or replacement of the inoperable security intercom panel is recommended.

Repairs other than routine maintenance are not anticipated during the term.

Elevators None provided.

Fireplaces None provided.

5.4 Dwelling Units

The property is currently developed with one one-story common area leasing office/laundry room building and thirteen two-story apartment buildings. The total gross building area is reported to be 84,996 square feet; including 82,496 square feet of rentable square feet and 2,500 square feet of common area space. There are a total of 80 rental units with the following unit breakdown:

Unit Type	# of Units	Area SF (Approx.)	Total
Two Bedroom / One Bathroom Apartment Units	32	830 SF	26,560 Square Feet
Three Bedroom / Two Bathroom Apartment Units	32	1,040 SF	33,280 Square Feet
Four Bedroom / Two-and-One-Half Bathroom Townhouse Units	16	1,416 SF	22,656 Square Feet
TOTAL	80		82,496 Square Feet

The information regarding the area of the units has been provided by the property management.

Apartment interiors with average quality fixtures and finishes were observed. The unit interiors are in generally good condition.

Floor Covering

The unit living areas and bedrooms are finished with wall-to-wall carpet or vinyl plank flooring. The kitchen and bathroom areas are finished with sheet vinyl, vinyl composition tile or vinyl plank flooring.

The floor coverings were observed to be in average condition.

Moisture damage was observed at the vinyl flooring at the bathrooms at Units 3, 13, 40 and 78. Replacement of the damaged sheet vinyl flooring is recommended to prevent additional damage.

Limited areas of damage were observed at the base cove at the bathroom flooring at Unit 7. Repair or replacement of the damaged base cove is recommended to prevent additional damage.

Replacement of the unit floor coverings is anticipated during the term.

Interior Walls

Painted gypsum wallboard with light texture over conventional stud framing is typical for walls and ceilings.

Limited areas of moisture damage were observed at the bathroom walls and ceiling at Unit 55. Repair of the moisture damaged drywall is recommended to prevent additional damage.

Limited areas of mold were observed at the bathroom walls and ceiling at Units 15 and 49. Remediation of the mold affected areas and implementation of a Mold and Mildew Operations and Maintenance Program is recommended.

Repairs other than routine maintenance are not anticipated during the term.

Doors

Typical interior doors consist of hollow core wood in wood frames. Knob-type door hardware is provided. Knob- and lever-type door hardware is provided at the accessible units.

Interior doors were observed to be in average condition.

Knob-type door hardware was observed at some doors at the accessible units. Installation of lever-type door hardware is recommended.

Damage was observed at the interior doors at Unit 3. Replacement of the damaged interior doors is recommended.

Repairs other than routine maintenance are not anticipated during the term.

Ceilings

Painted gypsum wallboard with light texture over conventional stud framing is typical for walls and ceilings.

Limited areas of moisture damage were observed at the bathroom walls and ceiling at Unit 55. Repair of the moisture damaged drywall is recommended to prevent additional damage.

Limited areas of mold were observed at the bathroom walls and ceiling at Units 15 and 49. Remediation of the mold affected areas and implementation of a Mold and Mildew Operations and Maintenance Program is recommended.

Repairs other than routine maintenance are not anticipated during the term.

Window Coverings

Window coverings consist of vertical blinds.

Repair or replacement of the window coverings is anticipated during the term.

Fireplace

None provided.

Cabinets and Countertops:

Kitchen

The apartment units consist of cabinets constructed of particleboard with laminate fronts and doors and cold-formed plastic laminate countertops.

Damaged or missing cabinet front and doors were observed at the kitchen at Unit 13. Replacement of the damaged or missing cabinet fronts is recommended to prevent additional damage.

Replacement or refurbishment of the cabinets and countertops is anticipated during the term.

Bathroom

The apartment units consist of cabinets constructed of particleboard with laminate fronts and doors and cold-formed plastic laminate countertops.

Damaged or missing cabinet front and doors were observed at the bathrooms at Unit 3. Replacement of the damaged or missing cabinet fronts is recommended to prevent additional damage.

Replacement or refurbishment of the cabinets and countertops is anticipated during the term.



Sinks:

Kitchen

All kitchen sinks observed consist of drop-in dual-basin stainless steel sinks with residential grade plumbing fixtures.

All observed sinks appear in good condition. Repairs other than routine maintenance are not anticipated during the term.

Bathroom

Bathroom sinks consist of cold-formed plastic laminate countertops with drop-in porcelain sinks and residential grade plumbing fixtures.

All observed sinks appear in good condition. Repairs other than routine maintenance are not anticipated during the term.

Washer and Dryers

Washer and dryer hookups are provided in the upper-level three-bedroom units and at the four-bedroom units. Washers and dryers in the units are provided by the tenants.

No problems were observed. Repairs other than routine maintenance are not anticipated during the term.

Appliances

Gas-fired range ovens with vented range hoods, refrigerators, dishwashers, garbage disposals and bathroom ventilation fans.

Garbage disposals were observed to have been removed at approximately 10% of the inspected units.

All appliances appear in working condition.

Inoperable burners were observed at the gas-fired range ovens at Units 3, 40 and 44. Repair of the inoperable burners is recommended.

Replacement of the ranges, hoods, dishwashers and refrigerators is anticipated during the term.

Tubs, Showers
and Enclosures

Fiberglass tubs with integral surrounds are provided at the bathrooms. Tubs and showers were noted to be in average condition.

Refurbishment or replacement of the tubs and surrounds is anticipated during the term.

TABLE B1: SYSTEMS & CONDITIONS

Project Address: Perris Park Apartments, 1450 South Perris Boulevard, Perris, CA 92570
 Num. of Units: 80
 Num. of Bldgs: 14
 Date: August 30, 2018
 Family Elderly Term: Y Y 15

ITEM	ESTIMATED USEFUL LIFE	AGE	CONDITION	EFFECTIVE REMAINING LIFE	DIFF	ACTION	NOW	DM	RESERVE QUANTITY	UNITS	NOTES
Roadways / Parking	25	N/A	N/A	N/A							
Concrete Paving	25	18	A	15+	Y						No problems observed. Extended service life anticipated.
Asphaltic Concrete											Faded striping was observed at the asphalt-paved drive and parking areas. Seal coat, striping and repairs of the asphalt-paved drive and parking areas is recommended.
Seal Coat	5	8	A/P	0		Repair/ Replace	Y	N	157,500	SF	Seal coat, striping and repairs of the asphalt-paved drive and parking areas is anticipated during the term.
											No accessible parking spaces were observed on the shortest path of travel to the common area leasing office. Installation of an accessible parking space, path of travel and signage adjacent to the common area leasing office is recommended.
											Accessible parking space signage was not observed at the accessible parking space at the northwest side of the subject property (adjacent to Building 1). Installation of accessible parking space signage is recommended.
											Accessible parking space signage at the accessible parking spaces at the northwest side of the subject property (adjacent to the pool area) was observed in front of the access aisle. Accessible parking space signage is required in front of each accessible parking space. Installation of accessible parking space signage is recommended.
											Faded striping was observed at the asphalt-paved drive and parking areas. Seal coat, striping and repairs of the asphalt-paved drive and parking areas is recommended.
Striping	5	8	A/P	0		Repair/ Replace	Y	N	423	Each	Seal coat, striping and repairs of the asphalt-paved drive and parking areas is anticipated during the term.
											The path of travel at the accessible parking space at the northwest side of the subject property (adjacent to Building 1) was observed to encroach the drive and parking areas. Installation of a curb cut ramp is recommended.
											Trip hazards were observed at the concrete walkways adjacent to the seating and barbecue area and adjacent to the entrance to Unit 71. Grinding and repair of the trip hazards at the concrete walkways is recommended to life safety issues.
Pedestrian Paving / Hardscape - Concrete	30	18	A/P	0-15+		Repair/ Replace	Y	N	3	LS	Limited concrete walkway repairs are anticipated during the term.

Site Water Lines / Main	15	18	A	1-15+	Y	Replace			15	LS	Property management reported that hydro jetting of the storm drain and sewer lines is required annually at the subject property. The cost of hydro jetting of the storm drain and sewer lines was reported to be \$6,000.00.
Site Sanitary Lines / Main	50+	18	A	1-15+		Replace			15	LS	Property management reported that hydro jetting of the storm drain and sewer lines is required annually at the subject property. The cost of hydro jetting of the storm drain and sewer lines was reported to be \$6,000.00.
Site Drainage	50+	18	A	1-15+		Replace			15	LS	Property management reported that hydro jetting of the storm drain and sewer lines is required annually at the subject property. The cost of hydro jetting of the storm drain and sewer lines was reported to be \$6,000.00.
Landscaping	50+	1-18	AVP	0-15+	Y	Repair/ Replace	Y	N	15	LS	Erosion was observed at the landscaped areas adjacent to the concrete walkways, patio areas and at the pad-mounted condensers. Installation of additional landscaping and landscape or hardscape materials is recommended to prevent additional damage. Mature trees throughout the subject property were observed to encroach the carport roof areas, building roof areas and the path of travel. Tree trimming is recommended to prevent additional damage. The building-mounted signage at Building C was observed to be blocked by the adjacent landscaping. Tree trimming is recommended to make the signage visible and prevent life safety issues. Pole-mounted lighting covered by landscaping was observed at the northwest side of the subject property. Tree trimming is recommended to prevent life safety and security issues. Tree trimming and landscaping repairs are anticipated during the term.
Irrigation System	30	18	AVP	0-15+	Y	Repair/ Replace	Y	N	3	LS	Limited areas of damage were observed at the irrigation systems throughout the subject property. Inspection and repair of the irrigation systems is recommended to prevent additional damage. Limited repairs and replacements of the irrigation systems are anticipated during the term.

TABLE B2: SYSTEMS & CONDITIONS

Project Address: Perris Park Apartments, 1450 South Perris Boulevard, Perris, CA 92570
 Num. of Units: 80
 Num. of Bldgs: 14
 Date: August 30, 2018
 Family Elderly Term: Y Y 15

ITEM	ESTIMATED USEFUL LIFE	AGE	CONDITION	EFFECTIVE REMAINING LIFE	DIFF	ACTION	NOW	DM	RESERVE QUANTITY	UNITS	NOTES
ARCHITECTURAL											
Appurtenant Structures											
Carports	40	18	A/P	0-15+	Y	Repair	Y	N			Limited areas of damage were observed at the flashing at the roof structures at the steel-framed carport structures. Repair or replacement of the damaged flashing is recommended to prevent additional damage.
Garages	50+	N/A	N/A	N/A							
Parking, Tuck Under or Under Apartments	50+	N/A	N/A	N/A							
Foundation	50+	18	A	15+							No problems observed. Extended service life anticipated.
Upper Level Floors (structural)	50+	18	A	15+							No problems observed. Extended service life anticipated.
Walls/Roof (structural)	50+	18	A	15+							No problems observed. Extended service life anticipated.
Exterior Walls											
											Limited areas of damage and hairline cracking were observed at the painted stucco exteriors. Repair of the damaged stucco exteriors is recommended to prevent additional damage and moisture infiltration.
											Damage was observed at the exterior insulation and finish system (EIFS) trim throughout the subject property. Repair or replacement of the damaged EIFS trim is recommended. During replacement of the damaged EIFS trim, additional investigation for moisture infiltration should be completed.
											Exterior painting should be completed with the repair of the painted stucco exteriors.
Stucco	20	18	A/P	0-15+	Y	Repair/ Replace	Y	N	3	LS	Limited stucco siding repairs, EIFS trim repairs and exterior painting are anticipated during the term.
Vinyl Siding, Shiplap Style	30	N/A	N/A	N/A							
Laminated Board Siding	30	N/A	N/A	N/A							
Brick Veneer, Masonry, Granite	40	N/A	N/A	N/A							
Brownstone, Stone Veneer	20	N/A	N/A	N/A							
Wood Shingle, Clapboard, Plywood	20	N/A	N/A	N/A							
Wood Trim	50	N/A	N/A	N/A							

Exterior Walls (paint/finish)	7	18	A/P	0-15+	Y	Repair/ Replace	Y	N	160	Units	<p>Exterior painting should be completed with the repair of the painted stucco exteriors.</p> <p>Limited stucco siding repairs, EIFS trim repairs and exterior painting are anticipated during the term.</p> <p>Damage was observed at the signage at the unit entrance door at Unit 70. Replacement of the damaged signage is recommended to prevent life safety issues.</p> <p>Security screen doors were observed at the unit entrance doors at most units. The unit signage at some units was difficult to observe due to the security screen doors. Removal or replacement of the security screen doors making the unit signage difficult to observe is recommended to prevent life safety issues.</p> <p>Damage was observed at the hardware at the sliding glass door at Unit 80. Replacement of the damaged sliding glass door hardware is recommended.</p> <p>Knob-type door hardware was observed at the entrances to accessible Unit 13 and the common area laundry room at the common area leasing office/laundry room building. Installation of lever-type door hardware is recommended.</p> <p>Replacement of the windows and sliding glass doors is anticipated during the term.</p>
Doors & Frames	30	18	A/P	0-15+	Y	Repair/ Replace	Y	N	64	Units	<p>Limited areas of damage were observed at the windows and the windows were difficult to operate. Repair of the windows is recommended to prevent additional damage.</p> <p>Broken windows were observed at the bedrooms at Units 19, 40, 47, 63 and 80. Replacement of the broken windows is recommended to prevent life safety issues and additional damage.</p> <p>Missing window screens were observed throughout the subject property. Replacement of the missing window screens is recommended.</p> <p>Replacement of the windows and sliding glass doors is anticipated during the term.</p>
Windows & Frames	30	18	A/P	0-12	Y	Repair/ Replace	Y	N	80	Units	<p>Identical rise was not observed at the exterior stairs at Buildings L and M. Repair or replacement of the exterior stairs is recommended.</p> <p>Loose handrails were observed at the exterior stairs providing access to Unit 78. Repair of the loose handrails is recommended to prevent life safety issues and additional damage.</p>
Stairs	50	18	A/P	0-15+	Y	Repair	Y	N			

Decks/Patios - Concrete	40	18	A	15+						No problems observed. Extended service life anticipated.
Balconies/Handrails/Guardrails/Walkways	50	18	A	15+						No problems observed. Extended service life anticipated.
Elastomeric Waterproofing	7	N/A	N/A	N/A						
Root Coverings										
Asphaltic Shingle Roofing	20	N/A	N/A	N/A						
Built Up Roofing - Gravel	20	N/A	N/A	N/A						
Built Up Roofing - Mineral Surface Cap Sheet	20	N/A	N/A	N/A						
Concrete Roofing	50	18	A	15+						
Wood Shingle Roofing	20	N/A	N/A	N/A						
Roof Drainage	25	18	A	1-15+	Replace			15	LS	Cleaning and jetting of the gutter roof drainage is anticipated during the term.
Parapets	50+	N/A	N/A	N/A						
Common Area Lobbies	20	N/A	N/A	N/A						
Common Area Carpet	10	5	A	5	Y	Replace		500	SF	Anticipate replacement during the term.
Common Area Vinyl	15	18	A	5	Y	Replace		1,800	SF	Anticipate replacement during the term.
Common Area Ceramic Tile	50+	18	A	15+						No problems observed. Extended service life anticipated.
Building Mounted Lighting Public Restroom	6	18	A/P	0-15+	Repair	Y	N			Property management reported that the existing pole-mounted and building-mounted light fixtures are inadequate for illuminating the site. Installation of additional light fixtures and site lighting upgrades are recommended..
Accessories	7	18	A	15+						
Fixtures	15	18	A	15+						
Common Area Washers	10	1-10	A/P	0-15+	Repair	Y	N			Owned and maintained by an outside vendor. A front-loading washing machine is not provided at the common area laundry room. Installation of a front-loading washing machine at the common area laundry room is recommended.
Common Area Dryers	12	1-12	A	15+						Owned and maintained by an outside vendor.

TABLE B3: SYSTEMS & CONDITIONS

Project Address: Perris Park Apartments, 1450 South Perris Boulevard, Perris, CA 92570

Num. of Units: 80

Num. of Bldgs: 14

Date: August 30, 2018

Family Elderly Term: Y Y 15

ITEM	ESTIMATED USEFUL LIFE	AGE	CONDITION	EFFECTIVE REMAINING LIFE	DIFF	ACTION	NOW	DM	RESERVE QUANTITY	UNITS	NOTES
Hot and Cold Water Distribution	50	18	A	15+	Y						Limited repairs of the plumbing materials is anticipated during the term as part of routine maintenance.
Domestic Water Heaters - Central, Gas	15	N/A	N/A	N/A							
Domestic Water Heaters - Individual, Gas	15	1-18	A/P	0-15+		Repair/ Replace	Y	N	90	EA	Missing seismic strapping was observed at the water heater at Unit 80. Replacement of the missing seismic strapping is recommended. Replacement of the water heaters is anticipated during the term.
Domestic Water Boilers	25	N/A	N/A	N/A							
Solar Water Heating System	15	N/A	N/A	N/A							
Storage Tanks 150+ Gallons	12	N/A	N/A	N/A							
Storage Tanks 120- Gallons	15	N/A	N/A	N/A							
Sanitary Waste & Vent (Sewer)	50+	18	A	15+	Y						No problems observed or reported.
HVAC											
Electric In-Wall	20	N/A	N/A	N/A							
Gas Wall Heater	20	N/A	N/A	N/A							
Unit Level Forced Air, Gas or Electric Heat	20	N/A	N/A	N/A							
Hydronic Heating Units	20	18	A	1-15+	Y	Replace			90	EA	Replacement of the hydronic heating units is anticipated during the term.
Split System Condensers	15	1-18	A	1-15+		Replace			90	EA	Replacement of the pad-mounted condensers is anticipated during the term.
Through Wall HVAC Units	15	N/A	N/A	N/A							
Electric Baseboards	20	N/A	N/A	N/A							

Hydronic Plumbing	50	N/A	N/A	N/A					No problems observed or reported.
Building Power/Wiring	50	18	A	15+					No problems observed or reported.
Switchgear/Metering	50	18	A	15+					No problems observed or reported.
Unit Subpanels	50+	18	A	15+					Smoke detectors were observed to be missing at Units 3 and 4. Replacement of the missing smoke detectors is recommended to prevent life safety issues.
Smoke Detectors	12	1-12	A/P	0-15+	Repair	Y	N		Smoke and carbon monoxide detectors were observed to be missing at Units 3, 4, 15 and 20. Replacement of the missing smoke and carbon monoxide detectors is recommended to prevent life safety issues.
Intercoms/Buzzer, Central Panel	15	18	P	0	Repair	Y	N		The security intercom panel at the vehicular ingress to the subject property from East Ellis Avenue was observed to be inoperable. Repair or replacement of the inoperable security intercom panel is recommended.
Elevator									
Cab	15	N/A	N/A	N/A					
Controller / Dispatch	15	N/A	N/A	N/A					
Machinery	30	N/A	N/A	N/A					
Shaftways: hydraulic piston, leveling equipment	25	N/A	N/A	N/A					
Shaftway Doors	20	N/A	N/A	N/A					
Fire Detection / Heat Sensors/ Central Panel	10	N/A	N/A	N/A					
Fire Suppression	50+	1-18	A	15+					Fire extinguishers, with current certification, are present at the buildings.

TABLE B4: SYSTEMS & CONDITIONS

Project Address		Perris Park Apartments 1450 South Perris Boulevard Perris, CA 92570		Num. of Units 80		Family Elderly Y Y		Term 15													
ESTIMATED USEFUL LIFE		AGE		CONDITION		EFFECTIVE REMAINING LIFE		DIFF		ACTION		NOW		DM		RESERVE QUANTITY		UNITS		NOTES	
Window Coverings Flooring	12	1-12	A	1-15	Y	Replace								15	LS					Repair or replacement of the window coverings is anticipated during the term.	
Carpet	7	1-7	A	1-15+		Replace								180	Units					Anticipate replacements during term.	
Resilient Flooring (Vinyl)	15	1-15	A/P	0-15+		Repair/ Replace	Y	N						75	Units					Moisture damage was observed at the vinyl flooring at the bathrooms at Units 3, 13, 40 and 78. Replacement of the damaged sheet vinyl flooring is recommended to prevent additional damage. Limited areas of damage were observed at the base cove at the bathroom flooring at Unit 7. Repair or replacement of the damaged base cove is recommended to prevent additional damage. Anticipate replacements during term.	
Kitchens and Bathroom Cabinets	20	1-18	A/P	0-15+		Repair/ Replace	Y	N						75	Units					Damaged or missing cabinet front and doors were observed at the kitchen at Unit 13. Replacement of the damaged or missing cabinet fronts is recommended to prevent additional damage. Damaged or missing cabinet front and doors were observed at the bathrooms at Unit 3. Replacement of the damaged or missing cabinet fronts is recommended to prevent additional damage.	
Kitchens and Bathrooms Countertops/Sinks	10	1-18	A	1-15+		Replace								120	Units					Replacement or refurbishment of the cabinets and countertops is anticipated during the term.	
Appliances																					
Refrigerator	15	1-15+	A	1-15+		Replace								90	Units					Anticipate replacements during term.	
Range / Stove	15	1-15+	A	1-15+		Replace								90	Units					Inoperable burners were observed at the gas-fired range ovens at Units 3, 40 and 44. Repair of the inoperable burners is recommended.	
Hood	15	1-15+	A	1-15+		Replace								90	Units					Anticipate replacements during term.	
Dishwasher	10	1-10+	A	1-15+		Replace								120	Units					Anticipate replacements during term.	
Disposal	5	N/A	N/A	N/A																	
Bathroom Improvements																					
Toilet	20	18	A	15+																	
Tub / Shower & Enclosures	20	18	A	1-15+		Replace								105	EA					Replacement of the surrounds is anticipated during the term.	
Accessories	10	18	A	10+	Y															Routine maintenance item.	

6.0 CRITICAL REPAIRS COSTS

Critical repairs are described below. Life safety issues are also described (if applicable).

6.1 Site Systems

1. **Automatic Entrance Gate – Site Ingress:** The motor was observed to be missing at the automatic rolling wrought iron entrance gate provided at the ingress to the subject property from East Ellis Avenue and the gate was observed to be inoperable. Replacement of the missing motor and repair of the inoperable automatic rolling wrought iron entrance gate is recommended to prevent additional damage and security issues.
2. **Automatic Entrance Gate – Site Egress:** The automatic rolling wrought iron entrance gate provided at the egress from the subject property to South Perris Boulevard was observed to be inoperable. Repair of the inoperable automatic rolling wrought iron entrance gate is recommended to prevent additional damage and security issues.
3. **Asphalt Paving – Seal Coat, Striping and Repairs:** Faded striping was observed at the asphalt-paved drive and parking areas. Seal coat, striping and repairs of the asphalt-paved drive and parking areas is recommended.
4. **Concrete Wheel Stops:** Wheel stops were not observed at the parking spaces adjacent to the concrete walkways. Installation of concrete wheel stops at the parking spaces adjacent to the concrete walkways is recommended.
5. **Carport Roofing:** Limited areas of damage were observed at the flashing at the roof structures at the steel-framed carport structures. Repair or replacement of the damaged flashing is recommended to prevent additional damage.
6. **Concrete Walkways – Trip Hazards:** Trip hazards were observed at the concrete walkways adjacent to the seating and barbecue area and adjacent to the entrance to Unit 71. Grinding and repair of the trip hazards at the concrete walkways is recommended to life safety issues.
7. **Landscaping – Erosion:** Erosion was observed at the landscaped areas adjacent to the concrete walkways, patio areas and at the pad-mounted condensers. Installation of additional landscaping and landscape or hardscape materials is recommended to prevent additional damage.
8. **Landscaping – Tree Trimming:** Mature trees throughout the subject property were observed to encroach the carport roof areas, building roof areas and the path of travel. Tree trimming is recommended to prevent additional damage.

9. **Landscaping – Tree Trimming:** The building-mounted signage at Building C was observed to be blocked by the adjacent landscaping. Tree trimming is recommended to make the signage visible and prevent life safety issues.
10. **Landscaping – Tree Trimming:** Pole-mounted lighting covered by landscaping was observed at the northwest side of the subject property. Tree trimming is recommended to prevent life safety and security issues.
11. **Irrigation Systems:** Damage was observed at the irrigation systems throughout the subject property. Inspection and repair of the irrigation systems is recommended to prevent additional damage.
12. **Site Lighting:** Property management reported that the existing pole-mounted and building-mounted light fixtures are inadequate for illuminating the site. Installation of additional light fixtures and site lighting upgrades are recommended.
13. **Tot Lot – Play Equipment:** Damage was observed at the play equipment at the tot lot area. Replacement of the damaged play equipment is recommended to prevent life safety issues and additional damage.
14. **Sport Court – Isolated Cracking:** Limited areas of isolated cracking were observed at the concrete-paved areas at the sport court area. Repair of the isolated cracking at the concrete paving at the sport court area is recommended.
15. **Common Area Leasing Office/Laundry Room Building – Exterior Shower:** Damage was observed at the plumbing hardware at the shower provided at the building exteriors at the common area leasing office/laundry room building. Replacement of the damaged plumbing hardware is recommended.

6.2 Building Architecture

1. **Painted Stucco Exteriors:** Limited areas of damage and hairline cracking were observed at the painted stucco exteriors. Repair of the damaged stucco exteriors is recommended to prevent additional damage and moisture infiltration.
2. **Exterior Insulation And Finish System (EIFS) Trim:** Damage was observed at the exterior insulation and finish system (EIFS) trim throughout the subject property. Repair or replacement of the damaged EIFS trim is recommended. During replacement of the damaged EIFS trim, additional investigation for moisture infiltration should be completed.
3. **Exterior Painting:** Exterior painting should be completed with the repair of the painted stucco exteriors.
4. **Exterior Stairs:** Identical rise was not observed at the exterior stairs at Buildings L and M. Repair or replacement of the exterior stairs is recommended.
5. **Exterior Stairs – Handrails:** Loose handrails were observed at the exterior stairs providing access to Unit 78. Repair of the loose handrails is recommended to prevent life safety issues and additional damage.
6. **Unit Signage:** Damage was observed at the signage at the unit entrance door at Unit 70. Replacement of the damaged signage is recommended to prevent life safety issues.
7. **Security Screen Doors:** Security screen doors were observed at the unit entrance doors at most units. The unit signage at some units was difficult to observed due to the security screen doors. Removal or replacement of the security screen doors making the unit signage difficult to observe is recommended to prevent life safety issues.
8. **Sliding Glass Doors – Hardware:** Damage was observed at the hardware at the sliding glass door at Unit 80. Replacement of the damaged sliding glass door hardware is recommended.
9. **Windows:** Limited areas of damage were observed at the windows and the windows were difficult to operate. Repair of the windows is recommended to prevent additional damage.
10. **Windows:** Broken windows were observed at the bedrooms at Units 19, 40, 47, 63 and 80. Replacement of the broken windows is recommended to prevent life safety issues and additional damage.
11. **Window Screens:** Missing window screens were observed throughout the subject property. Replacement of the missing window screens is recommended.
12. **Common Area Leasing Office – Drywall:** Drywall was observed to have been removed at the common area leasing office (presumed to have been caused by the removal of cabinets). Repair of the drywall at the common area leasing office is recommended.

6.3 Mechanical and Electrical Systems

1. **Plumbing Fixtures:** Damage was observed at the plumbing fixture at the tub at Unit 3. Repair or replacement of the damaged plumbing fixtures is recommended to prevent additional damage.
2. **Plumbing Hardware:** Damage was observed at the plumbing hardware at the tub at Unit 13. Repair or replacement of the damaged plumbing hardware is recommended to prevent additional damage.
3. **Water Heaters – Seismic Strapping:** Missing seismic strapping was observed at the water heater at Unit 80. Replacement of the missing seismic strapping is recommended.
4. **GFCI Outlets:** A damaged and inoperable GFCI outlet was observed at the kitchen at Unit 44. Replacement of the damaged and inoperable GFCI outlet is recommended to prevent life safety issues.
5. **Light Switch and Outlet Covers:** Missing and damaged light switch covers and outlet covers were observed at Units 3, 4, 8, 13, 40, 44, 47 and 80. Replacement of the missing and damaged light switch covers and outlet covers is recommended to prevent life safety issues.
6. **Smoke Detectors:** Smoke detectors were observed to be missing at Units 3 and 4. Replacement of the missing smoke detectors is recommended to prevent life safety issues.
7. **Smoke and Carbon Monoxide Detectors:** Smoke and carbon monoxide detectors were observed to be missing at Units 3, 4, 15 and 20. Replacement of the missing smoke and carbon monoxide detectors is recommended to prevent life safety issues.
8. **Security Intercom Panel:** The security intercom panel at the vehicular ingress to the subject property from East Ellis Avenue was observed to be inoperable. Repair or replacement of the inoperable security intercom panel is recommended.

6.4 Dwelling Units

1. **Sheet Vinyl Flooring – Moisture Damage:** Moisture damage was observed at the vinyl flooring at the bathrooms at Units 3, 13, 40 and 78. Replacement of the damaged sheet vinyl flooring is recommended to prevent additional damage.
2. **Base Cove:** Limited areas of damage were observed at the base cove at the bathroom flooring at Unit 7. Repair or replacement of the damaged base cove is recommended to prevent additional damage.
3. **Interior Doors:** Damage was observed at the interior doors at Unit 3. Replacement of the damaged interior doors is recommended.
4. **Kitchen Cabinets – Fronts and Doors:** Damaged or missing cabinet front and doors were observed at the kitchen at Unit 13. Replacement of the damaged or missing cabinet fronts is recommended to prevent additional damage.
5. **Bathroom Cabinets – Fronts and Doors:** Damaged or missing cabinet front and doors were observed at the bathrooms at Unit 3. Replacement of the damaged or missing cabinet fronts is recommended to prevent additional damage.
6. **Gas-Fired Range Ovens:** Inoperable burners were observed at the gas-fired range ovens at Units 3, 40 and 44. Repair of the inoperable burners is recommended.
7. **Drywall – Moisture Damage:** Limited areas of moisture damage were observed at the bathroom walls and ceiling at Unit 55. Repair of the moisture damaged drywall is recommended to prevent additional damage.
8. **Mold:** Limited areas of mold were observed at the bathroom walls and ceiling at Units 15 and 49. Remediation of the mold affected areas and implementation of a Mold and Mildew Operations and Maintenance Program is recommended.
9. **Pest Control:** Evidence of roaches was observed at the unit interiors at Unit 37. Remediation of the pests and a pest control inspection are recommended.

6.5 Accessibility 504 Improvements

1. **Site Entrance Warning Signage – Conforming Information:** Accessible site entrance warning signage was observed at the ingress from East Ellis Avenue, however, conforming information was not observed at the signage. Installation of conforming information at the accessible site entrance warning signage is recommended.
2. **Pedestrian Entrance Gates – Hardware:** Knob-type gate hardware was observed at the wrought iron entrance gates at the pedestrian entrances to the subject property. Installation of lever-type door hardware at the pedestrian entrance gates is recommended.
3. **Accessible Parking Spaces:** No accessible parking spaces were observed on the shortest path of travel to the common area leasing office. Installation of an accessible parking space, path of travel and signage adjacent to the common area leasing office is recommended.
4. **Accessible Parking Spaces – Signage:** Accessible parking space signage was not observed at the accessible parking space at the northwest side of the subject property (adjacent to Building I). Installation of accessible parking space signage is recommended.
5. **Accessible Parking Spaces – Signage:** Accessible parking space signage at the accessible parking spaces at the northwest side of the subject property (adjacent to the pool area) was observed in front of the access aisle. Accessible parking space signage is required in front of each accessible parking space. Installation of accessible parking space signage is recommended.
6. **Accessible Parking Spaces – Path of Travel:** The path of travel at the accessible parking space at the northwest side of the subject property (adjacent to Building I) was observed to encroach the drive and parking areas. Installation of a curb cut ramp is recommended.
7. **Entrance Door Hardware:** Knob-type door hardware was observed at the entrances to accessible Unit 13 and the common area laundry room at the common area leasing office/laundry room building. Installation of lever-type door hardware is recommended.

8. **Interior Door Hardware:** Knob-type door hardware was observed at the interior doors at the common area leasing office. Installation of lever-type door hardware is recommended.
9. **Interior Door Hardware:** Knob-type door hardware was observed at some doors at the accessible units. Installation of lever-type door hardware is recommended.
10. **Under Sink Plumbing Insulation:** Damage was observed at the under sink plumbing insulation at the kitchen and bathroom areas at the accessible units. Replacement of the damaged under sink plumbing insulation is recommended.
11. **Front-Loading Washing Machine:** A front-loading washing machine is not provided at the common area laundry room. Installation of a front-loading washing machine at the common area laundry room is recommended.
12. **Accessible Units:** The accessible units, Units 13 and 15, do not conform to current accessibility guidelines. Renovation of the accessible units is recommended to conform to current accessibility guidelines.

TABLE C: IMMEDIATE PHYSICAL NEEDS

Project Perris Park Apartments Num. of Units 80
 Address 1450 South Perris Boulevard Num. of Bldgs 14
Perris, CA 92570 Date August 30, 2018

Item	Quantity	Unit	Unit Cost	Total Cost	DM	Comments
Site						
Automatic Entrance Gate - Site Ingress	1	LS	\$2,500.00	\$2,500		The motor was observed to be missing at the automatic rolling wrought iron entrance gate provided at the ingress to the subject property from East Ellis Avenue and the gate was observed to be inoperable. Replacement of the missing motor and repair of the inoperable automatic rolling wrought iron entrance gate is recommended to prevent additional damage and security issues.
Automatic Entrance Gate - Site Egress	1	EA	\$500.00	\$500		The automatic rolling wrought iron entrance gate provided at the egress from the subject property to South Perris Boulevard was observed to be inoperable. Repair of the inoperable automatic rolling wrought iron entrance gate is recommended to prevent additional damage and security issues.
Asphalt-Paving - Seal Coat, Striping and Repairs	52,500	LS	\$0.45	\$23,625		Faded striping was observed at the asphalt-paved drive and parking areas. Seal coat, striping and repairs of the asphalt-paved drive and parking areas is recommended.
Concrete Wheel Stops	141	EA	\$75.00	\$10,575		Wheel stops were not observed at the parking spaces adjacent to the concrete walkways. Installation of concrete wheel stops at the parking spaces adjacent to the concrete walkways is recommended.
Carport Roofing	16	EA	\$125.00	\$2,000		Limited areas of damage were observed at the flashing at the roof structures at the steel-framed carport structures. Repair or replacement of the damaged flashing is recommended to prevent additional damage.
Concrete Walkways - Trip Hazards	2	Each	\$350.00	\$700		Trip hazards were observed at the concrete walkways adjacent to the seating and barbecue area and adjacent to the entrance to Unit 71. Grinding and repair of the trip hazards at the concrete walkways is recommended to life safety issues.
Landscaping - Erosion	1	LS	\$125,000.00	\$125,000		Erosion was observed at the landscaped areas adjacent to the concrete walkways, patio areas and at the pad-mounted condensers. Installation of additional landscaping and landscape or hardscape materials is recommended to prevent additional damage.
Landscaping - Tree Trimming	1	LS	\$6,500.00	\$6,500		Mature trees throughout the subject property were observed to encroach the carport roof areas, building roof areas and the path of travel. Tree trimming is recommended to prevent additional damage.
Landscaping - Tree Trimming	1	LS	\$350.00	\$350		The building-mounted signage at Building C was observed to be blocked by the adjacent landscaping. Tree trimming is recommended to make the signage visible and prevent life safety issues.
Landscaping - Tree Trimming	1	LS	\$350.00	\$350		Pole-mounted lighting covered by landscaping was observed at the northwest side of the subject property. Tree trimming is recommended to prevent life safety and security issues.
Irrigation Systems	1	LS	\$10,000.00	\$10,000		Damage was observed at the irrigation systems throughout the subject property. Inspection and repair of the irrigation systems is recommended to prevent additional damage.
Site Lighting	1	LS	\$200,000.00	\$200,000		Property management reported that the existing pole-mounted and building-mounted light fixtures are inadequate for illuminating the site. Installation of additional light fixtures and site lighting upgrades are recommended.
Tot Lot - Play Equipment	1	LS	\$2,000.00	\$2,000		Damage was observed at the play equipment at the tot lot area. Replacement of the damaged play equipment is recommended to prevent life safety issues and additional damage.
Sport Court - Isolated Cracking	1	LS	\$100.00	\$100		Limited areas of isolated cracking were observed at the concrete-paved areas at the sport court area. Repair of the isolated cracking at the concrete paving at the sport court area is recommended.
Common Area Leasing Office/Laundry Room Building - Exterior Shower	1	Each	\$100.00	\$100		Damage was observed at the plumbing hardware at the shower provided at the building exteriors at the common area leasing office/laundry room building. Replacement of the damaged plumbing hardware is recommended.

Architectural

Painted Stucco Exteriors	14	Bldgs	\$1,000.00	\$14,000	Limited areas of damage and hairline cracking were observed at the painted stucco exteriors. Repair of the damaged stucco exteriors is recommended to prevent additional damage and moisture infiltration.
Exterior Insulation And Finish System (EIFS) Trim	13	Bldgs	\$5,000.00	\$65,000	Damage was observed at the exterior insulation and finish system (EIFS) trim throughout the subject property. Repair or replacement of the damaged EIFS trim is recommended. During replacement of the damaged EIFS trim, additional investigation for moisture infiltration should be completed.
Exterior Painting	80	Units	\$1,200.00	\$96,000	Exterior painting should be completed with the repair of the painted stucco exteriors.
Exterior Stairs	3	Each	\$7,500.00	\$22,500	Identical rise was not observed at the exterior stairs at Buildings L and M. Repair or replacement of the exterior stairs is recommended.
Exterior Stairs - Handrails	1	Each	\$250.00	\$250	Loose handrails were observed at the exterior stairs providing access to Unit 78. Repair of the loose handrails is recommended to prevent life safety issues and additional damage.
Unit Signage	1	Each	\$25.00	\$25	Damage was observed at the signage at the unit entrance door at Unit 70. Replacement of the damaged signage is recommended to prevent life safety issues.
Security Screen Doors	5	Each	\$150.00	\$750	Security screen doors were observed at the unit entrance doors at most units. The unit signage at some units was difficult to observe due to the security screen doors. Removal or replacement of the security screen doors making the unit signage difficult to observe is recommended to prevent life safety issues.
Sliding Glass Doors - Hardware	1	Each	\$50.00	\$50	Damage was observed at the hardware at the sliding glass door at Unit 80. Replacement of the damaged sliding glass door hardware is recommended.
Windows	80	Units	\$600.00	\$48,000	Limited areas of damage were observed at the windows and the windows were difficult to operate. Repair of the windows is recommended to prevent additional damage.
Windows	6	Each	\$350.00	\$2,100	Broken windows were observed at the bedrooms at Units 19, 40, 47, 63 and 80. Replacement of the broken windows is recommended to prevent life safety issues and additional damage.
Window Screens	13	Bldgs	\$200.00	\$2,600	Missing window screens were observed throughout the subject property. Replacement of the missing window screens is recommended.
Common Area Leasing Office - Drywall	1	LS	\$350.00	\$350	Drywall was observed to have been removed at the common area leasing office (presumed to have been caused by the removal of cabinets). Repair of the drywall at the common area leasing office is recommended.

Electrical / Mechanical

Plumbing Fixtures	1	EA	\$75.00	\$75	Damage was observed at the plumbing fixture at the tub at Unit 3. Repair or replacement of the damaged plumbing fixtures is recommended to prevent additional damage.
Plumbing Hardware	1	EA	\$75.00	\$75	Damage was observed at the plumbing hardware at the tub at Unit 13. Repair or replacement of the damaged plumbing hardware is recommended to prevent additional damage.
Water Heaters - Seismic Strapping	1	EA	\$100.00	\$100	Missing seismic strapping was observed at the water heater at Unit 80. Replacement of the missing seismic strapping is recommended.
GFCI Outlets	1	EA	\$150.00	\$150	A damaged and inoperable GFCI outlet was observed at the kitchen at Unit 44. Replacement of the damaged and inoperable GFCI outlet is recommended to prevent life safety issues.
Light Switch and Outlet Covers	9	EA	\$25.00	\$225	Missing and damaged light switch covers and outlet covers were observed at Units 3, 4, 8, 13, 40, 44, 47 and 80. Replacement of the missing and damaged light switch covers and outlet covers is recommended to prevent life safety issues.
Smoke Detectors	3	EA	\$50.00	\$150	Smoke detectors were observed to be missing at Units 3 and 4. Replacement of the missing smoke detectors is recommended to prevent life safety issues.
Smoke and Carbon Monoxide Detectors	6	EA	\$75.00	\$450	Smoke and carbon monoxide detectors were observed to be missing at Units 3, 4, 15 and 20. Replacement of the missing smoke and carbon monoxide detectors is recommended to prevent life safety issues.
Security Intercom Panel	1	EA	\$1,000.00	\$1,000	The security intercom panel at the vehicular ingress to the subject property from East Ellis Avenue was observed to be inoperable. Repair or replacement of the inoperable security intercom panel is recommended.

Dwelling Units

Sheet Vinyl Flooring – Moisture Damage	4	EA	\$500.00	\$2,000	Moisture damage was observed at the vinyl flooring at the bathrooms at Units 3, 13, 40 and 78. Replacement of the damaged sheet vinyl flooring is recommended to prevent additional damage.
Base Cove	1	EA	\$25.00	\$25	Limited areas of damage were observed at the base cove at the bathroom flooring at Unit 7. Repair or replacement of the damaged base cove is recommended to prevent additional damage.
Interior Doors	2	EA	\$75.00	\$150	Damage was observed at the interior doors at Unit 3. Replacement of the damaged interior doors is recommended.
Kitchen Cabinets - Fronts and Doors	1	Unit	\$350.00	\$350	Damaged or missing cabinet front and doors were observed at the kitchen at Unit 13. Replacement of the damaged or missing cabinet fronts is recommended to prevent additional damage.
Bathroom Cabinets - Fronts and Doors	1	Unit	\$350.00	\$350	Damaged or missing cabinet front and doors were observed at the bathrooms at Unit 3. Replacement of the damaged or missing cabinet fronts is recommended to prevent additional damage.
Gas-Fired Range Ovens	3	Units	\$100.00	\$300	Inoperable burners were observed at the gas-fired range ovens at Units 3, 40 and 44. Repair of the inoperable burners is recommended.
Drywall - Moisture Damage	1	EA	\$350.00	\$350	Limited areas of moisture damage were observed at the bathroom walls and ceiling at Unit 55. Repair of the moisture damaged drywall is recommended to prevent additional damage.
Mold	2	Units	\$1,000.00	\$2,000	Limited areas of mold were observed at the bathroom walls and ceiling at Units 15 and 49. Remediation of the mold affected areas and implementation of a Mold and Mildew Operations and Maintenance Program is recommended.
Pest Control	1	Unit	\$1,000.00	\$1,000	Evidence of roaches was observed at the unit interiors at Unit 37. Remediation of the pests and a pest control inspection are recommended.

Accessibility

Site Entrance Warning Signage – Conforming Information	1	EA	\$50.00	\$50	Accessible site entrance warning signage was observed at the ingress from East Ellis Avenue, however, conforming information was not observed at the signage. Installation of conforming information at the accessible site entrance warning signage is recommended.
Pedestrian Entrance Gates – Hardware	2	EA	\$75.00	\$150	Knob-type gate hardware was observed at the wrought iron entrance gates at the pedestrian entrances to the subject property. Installation of lever-type door hardware at the pedestrian entrance gates is recommended.
Accessible Parking Spaces	1	EA	\$1,000.00	\$1,000	No accessible parking spaces were observed on the shortest path of travel to the common area leasing office. Installation of an accessible parking space, path of travel and signage adjacent to the common area leasing office is recommended.
Accessible Parking Spaces – Signage	1	EA	\$250.00	\$250	Accessible parking space signage was not observed at the accessible parking space at the northwest side of the subject property (adjacent to Building I). Installation of accessible parking space signage is recommended.
Accessible Parking Spaces – Signage	2	EA	\$250.00	\$500	Accessible parking space signage at the accessible parking spaces at the northwest side of the subject property (adjacent to the pool area) was observed in front of the access aisle. Accessible parking space signage is required in front of each accessible parking space. Installation of accessible parking space signage is recommended.
Accessible Parking Spaces – Path of Travel	1	EA	\$2,000.00	\$2,000	The path of travel at the accessible parking space at the northwest side of the subject property (adjacent to Building I) was observed to encroach the drive and parking areas. Installation of a curb cut ramp is recommended.
Entrance Door Hardware	2	EA	\$75.00	\$150	Knob-type door hardware was observed at the entrances to accessible Unit 13 and the common area laundry room at the common area leasing office/laundry room building. Installation of lever-type door hardware is recommended.
Interior Door Hardware	3	EA	\$75.00	\$225	Knob-type door hardware was observed at the interior doors at the common area leasing office. Installation of lever-type door hardware is recommended.
Interior Door Hardware	4	EA	\$75.00	\$300	Knob-type door hardware was observed at some doors at the accessible units. Installation of lever-type door hardware is recommended.
Under Sink Plumbing Insulation	4	EA	\$25.00	\$100	Damage was observed at the under sink plumbing insulation at the kitchen and bathroom areas at the accessible units. Replacement of the damaged under sink plumbing insulation is recommended.
Front-Loading Washing Machine	1	EA	No Cost	No Cost	A front-loading washing machine is not provided at the common area laundry room. Installation of a front-loading washing machine at the common area laundry room is recommended.
Accessible Units	2	EA	\$7,500.00	\$15,000	The accessible units, Units 13 and 15, do not conform to current accessibility guidelines. Renovation of the accessible units is recommended to conform to current accessibility guidelines.

TOTAL: \$664,400

7.0 MAINTENANCE

IPA discussed the maintenance programs with the property management, who indicated the following:

- One part-time maintenance staff member services the property and is generally only responsible for minor maintenance items.
- Outside contractors provide pest control, rubbish removal, landscaping, roofing, boiler, fire suppression and fire alarm systems, and other major repairs, maintenance, inspections and testing.
- Maintenance should ensure that all irrigation spray away from the subject buildings to prevent moisture damage and infiltration.

8.0 CODE COMPLIANCE

The property manager indicated that there have not been any citations regarding code or operating violations on record for this property. The Fire Department conducts yearly inspections of the property and outside vendors provides yearly maintenance of the fire extinguishers on the property.

No obvious code violations were noted during our inspection.

Item	Contact	Comments
Fire Code	Riverside County Fire Department	No outstanding fire code violations provided on the subject property
Building Code	City of Perris Building Department	No outstanding code violations provided on the subject property.
Flood Zone	Flood Insurance Rate Map – Federal Emergency Management Agency	The property is located in Flood Zone X, Areas of minimal flood hazard. Community panel #06065C1440H, Effective Date: August 18, 2014.
Zoning	City of Perris Planning Department	DTSP-AOZ – Downtown Specific Plan – Airport Overlay Zone. The current use appears to be legal conforming.

TABLE D - PHYSICAL NEEDS OVER THE TERM

Project: **Beige Park Apartments**
 Address: **1495 South Pacific Boulevard**
 City: **Peris, CA 92570**

Num. of Units: **80**
 Num. of Bldgs: **14**
 Date: **August 30, 2018**

Family: **Y**
 Elderly: **Y**
 Term: **15**

Short Term Physical Needs Over The Term (Years 1 through 3) Year 1 Year 2 Year 3 Year 4 Year 5 Year 6 Year 7 Year 8 Year 9 Year 10 Year 11 Year 12 Year 13 Year 14 Year 15 Long Term Physical Needs Over The Term (Years 4 through 3)

Item	Quantity	Unit	Unit Cost	Total Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Short Term Physical Needs Over The Term (Years 4 through 3)	Long Term Physical Needs Over The Term (Years 4 through 3)		
Sites																							
Asphalt Pavement - Seal Coat, Striping and Repairs	157,500	SF	\$0.45	\$70,875					25,625					25,625						25,625		70,875	
Concrete Walkway Repairs	3	LS	\$5,000.00	\$15,000					5,000					5,000						5,000		15,000	
Tree Trimming and Landscaping Repairs	15	LS	\$7,500.00	\$112,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	23,500	90,000
Irrigation Systems	3	LS	\$2,500.00	\$7,500					2,500					2,500						2,500		7,500	
Sewer and Storm Drain - Hydrojetting	15	EA	\$7,500.00	\$112,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	23,500	90,000
Pool - Concrete Decking	1	LS	\$2,000.00	\$2,000					2,000					2,000						2,000		2,000	
Pool - Plaster Liner	2	EA	\$3,500.00	\$7,000					3,500					3,500						3,500		7,000	
Pool - Filter	2	EA	\$1,500.00	\$3,000					1,500					1,500						1,500		3,000	
Wrought Iron Fencing	1	LS	\$5,000.00	\$5,000					5,000					5,000						5,000		5,000	
Architectural																							
Stucco Siding	3	LS	\$15,000.00	\$45,000					15,000					15,000						15,000		45,000	
Exterior Insulation and Finish System (EIFS) Trim	3	LS	\$15,000.00	\$45,000					15,000					15,000						15,000		45,000	
Exterior Painting	160	Units	\$1,500.00	\$240,000				120,000						120,000						120,000		240,000	
Windows	80	Units	\$4,000.00	\$320,000																			
Siding Glass Doors	64	Units	\$1,250.00	\$80,000																			
Roof Drainage - Gutter Cleaning	15	LS	\$5,000.00	\$75,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	15,000	60,000
Common Area Painting	2,500	SF	\$1.00	\$2,500	833									833						833		1,667	
Common Area Carpet	500	SF	\$2.00	\$1,000					500					500						500		1,000	
Common Area Vinyl	1,800	SF	\$4.00	\$7,200					7,200					7,200						7,200		14,400	
Electrical / Mechanical																							
Gas-Fired Water Heaters	90	Each	\$2,500.00	\$225,000					15,000					15,000						15,000		45,000	
Hydronic Heaters	90	Each	\$2,500.00	\$225,000					15,000					15,000						15,000		45,000	
Pre-Insulated Condensers	90	Each	\$2,500.00	\$225,000					15,000					15,000						15,000		45,000	
Dwelling Units																							
Carpet Flooring	180	Units	\$800.00	\$144,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	27,000	115,200
Vinyl Flooring	75	Units	\$1,200.00	\$90,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	18,000	72,000
Window Coverings	15	LS	\$2,500.00	\$37,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	7,500	30,000
Kitchen and Bathroom Cabinets	75	Units	\$7,500.00	\$562,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	112,500	450,000
Kitchen and Bathroom Countertops/Sinks	120	Units	\$2,000.00	\$240,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	48,000	192,000
Refrigerator	90	Units	\$666.67	\$59,999	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	11,250	45,000
Ranger/ Stove	90	Units	\$988.89	\$88,999	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	10,530	42,120
Range Hood	90	Units	\$38.89	\$3,499	228	228	228	228	228	228	228	228	228	228	228	228	228	228	228	228	228	684	2,736
Dishwasher	120	Each	\$350.00	\$42,000	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	8,400	33,600
Tub/Shower Enclosures	105	Each	\$2,000.00	\$210,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	42,000	168,000
Total				\$3,254,655	\$161,739	\$165,906	\$169,906	\$169,906	\$169,906	\$169,906	\$169,906	\$169,906	\$169,906	\$169,906	\$169,906	\$169,906	\$169,906	\$169,906	\$169,906	\$169,906	\$169,906	\$228,364	\$469,951
Annual Inflation Factor @ 2.5%					100.00%	102.50%	105.06%	107.69%	110.38%	113.14%	115.97%	118.87%	121.84%	124.89%	128.01%	131.21%	134.49%	137.85%	141.30%	144.84%	148.47%	152.19%	156.00%
Total Inflation all pages					161,739	170,054	169,906	173,278	181,267	189,048	196,648	204,087	211,384	218,551	225,607	232,563	239,430	246,217	252,934	259,581	266,168	272,705	279,202
Cumulative Total					161,739	331,793	500,949	674,123	855,430	1,117,480	1,443,245	1,825,502	2,264,489	2,760,976	3,325,883	3,960,100	4,664,620	5,439,447	6,284,581	7,200,120	8,187,261	9,247,103	10,380,445
Average Annual Cost Per Unit Uninflated					\$2,123	\$2,123	\$2,123	\$2,123	\$2,123	\$2,123	\$2,123	\$2,123	\$2,123	\$2,123	\$2,123	\$2,123	\$2,123	\$2,123	\$2,123	\$2,123	\$2,123	\$2,123	\$2,123
Average Annual Cost Per Unit Inflated					\$2,121	\$2,121	\$2,121	\$2,121	\$2,121	\$2,121	\$2,121	\$2,121	\$2,121	\$2,121	\$2,121	\$2,121	\$2,121	\$2,121	\$2,121	\$2,121	\$2,121	\$2,121	\$2,121

9.0 ADA COMPLIANCE

Title III of the ADA prohibits discrimination on the basis of disability by private entities in places of public accommodation and requires that places of public accommodation and commercial facilities be designed, constructed and/or altered so as to be readily accessible to and usable to persons with disabilities.

Portions of the property may be subject to the ADA compliance in accordance with Appendix A to Part 36 - standards for accessible design included in the American Disabilities Act, Public Law 101-336, Title III Part Department of Justice, 28 CFR Part 36, nondiscrimination on the basis of disability by public accommodations and in commercial facilities; final rule, as published on the Federal Register, Dated July 26, 1991.

The ADA requires a place of public accommodation to remove architectural and communication barriers that are structural in nature in existing facilities, where such removal is readily achievable. Readily achievable is defined as easily accomplishable and able to be carried out without much difficulty or expense. Readily achievable is determined on an individual basis. No numerical formula or threshold of any kind has been set by the Justice Department. Items that are currently not readily achievable may become so in the future. No periodic assessment or self-assessment is required by the ADA. However, the Justice Department urges public accommodations to establish procedures for ongoing assessment of their compliance with the barrier removal requirements.

Title III of ADA divides covered buildings and facilities into two (2) categories; public accommodation and commercial facilities. The subject property is classified as a public accommodation facility. In office buildings, the tenants under the lease are usually responsible for compliance within their individual space. In commercial facilities, ADA compliance is not required unless major repairs are made to the building.

The Owner of the Subject property is responsible for deciding what building modifications for compliance are "readily achievable" based on financial constraints through consultation with legal and financial advisors. IPA recommends that any specific questions about compliance with ADA should be directed to an attorney.

Two handicap accessible units (Units 13 and 15) are provided at the subject property. Installation of conforming information at the accessible site entrance warning signage, installation of lever-type hardware at the pedestrian entrance gates, installation of accessible parking spaces adjacent to the entrance to the common areas, installation of conforming accessible parking space signage, installation of conforming paths of travel adjacent to the accessible parking spaces, installation of lever-type hardware at the common areas and accessible units, replacement of the under sink plumbing insulation at the accessible units, installation of a front-loading washing machine at the common area laundry room, and renovation of the accessible units to conform to current accessibility guidelines is required at the subject property.

Accessible site entrance warning signage was observed at the ingress from East Ellis Avenue, however, conforming information was not observed at the signage. Installation of conforming information at the accessible site entrance warning signage is recommended.

Knob-type gate hardware was observed at the wrought iron entrance gates at the pedestrian entrances to the subject property. Installation of lever-type door hardware at the pedestrian entrance gates is recommended.

No accessible parking spaces were observed on the shortest path of travel to the common area leasing office. Installation of an accessible parking space, path of travel and signage adjacent to the common area leasing office is recommended.

Accessible parking space signage was not observed at the accessible parking space at the northwest side of the subject property (adjacent to Building I). Installation of accessible parking space signage is recommended.

Accessible parking space signage at the accessible parking spaces at the northwest side of the subject property (adjacent to the pool area) was observed in front of the access aisle. Accessible parking space signage is required in front of each accessible parking space. Installation of accessible parking space signage is recommended.

The path of travel at the accessible parking space at the northwest side of the subject property (adjacent to Building I) was observed to encroach the drive and parking areas. Installation of a curb cut ramp is recommended.

Knob-type door hardware was observed at the entrances to accessible Unit 13 and the common area laundry room at the common area leasing office/laundry room building. Installation of lever-type door hardware is recommended.

Knob-type door hardware was observed at the interior doors at the common area leasing office. Installation of lever-type door hardware is recommended.

Knob-type door hardware was observed at some doors at the accessible units. Installation of lever-type door hardware is recommended.

Damage was observed at the under sink plumbing insulation at the kitchen and bathroom areas at the accessible units. Replacement of the damaged under sink plumbing insulation is recommended.

A front-loading washing machine is not provided at the common area laundry room. Installation of a front-loading washing machine at the common area laundry room is recommended.

The accessible units, Units 13 and 15, do not conform to current accessibility guidelines. Renovation of the accessible units is recommended to conform to current accessibility guidelines.

Section 6.5 of this report describes recommended remedial work and conceptual budgets for such work.

10.0 CONCLUSIONS

The exterior and interior of the property appear in **Average to Fair** condition except as noted.

Split-system HVAC units with hydronic heating units and pad-mounted condensers provide heating and cooling at the apartment units. Gas-fired range ovens with vented range hoods, dishwashers and refrigerators are provided at each unit. Individual gas-fired water heaters are provided at each unit.

Two handicap accessible units (Units 13 and 15) are provided at the subject property. Installation of conforming information at the accessible site entrance warning signage, installation of lever-type hardware at the pedestrian entrance gates, installation of accessible parking spaces adjacent to the entrance to the common areas, installation of conforming accessible parking space signage, installation of conforming paths of travel adjacent to the accessible parking spaces, installation of lever-type hardware at the common areas and accessible units, replacement of the under sink plumbing insulation at the accessible units, installation of a front-loading washing machine at the common area laundry room, and renovation of the accessible units to conform to current accessibility guidelines is required at the subject property.

IPA provided a visual survey for the mold and moisture penetration problems at the buildings. The survey was limited to visual observations in the areas walked and should not be considered a comprehensive survey of the property. No sampling or destructive testing was conducted. Although no significant mold was observed, borrower should confirm that maintenance staff have mold related training and follow operations and maintenance procedures according to the borrower's specifications.

The property is located in Flood Zone X, Areas of minimal flood hazard. Community panel #06065C1440H, Effective Date: August 18, 2014.

Assuming the present level of maintenance is continued, the property should remain in adequate condition to support its present use and occupancy for at least the next 40 years, unless otherwise noted.

Any hazards and code compliance issues observed by IPA, which require immediate attention, are described in the Critical repairs section of this report.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT C
ONYX HOURLY BILLING RATES

Principal	\$250.00 per Hour
Associate Principal	\$215.00 per Hour
Associate	\$205.00 per Hour
Architect	\$175.00 per Hour
Interior Designer	\$140.00 per Hour
Senior Job Captain	\$155.00 per Hour
Job Captain	\$140.00 per Hour
Project Coordinator	\$125.00 per Hour
Technical Support	\$95.00 per Hour
Administrative/Clerical	\$85.00 per Hour