

COLDBROOK
FOUNDATION
PROPERTIES

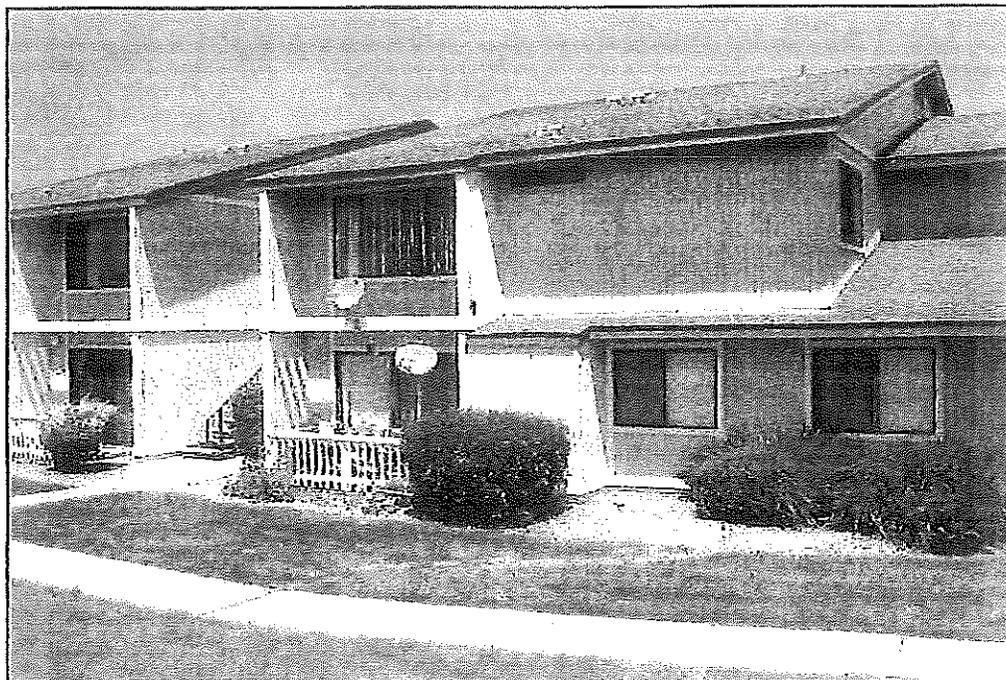
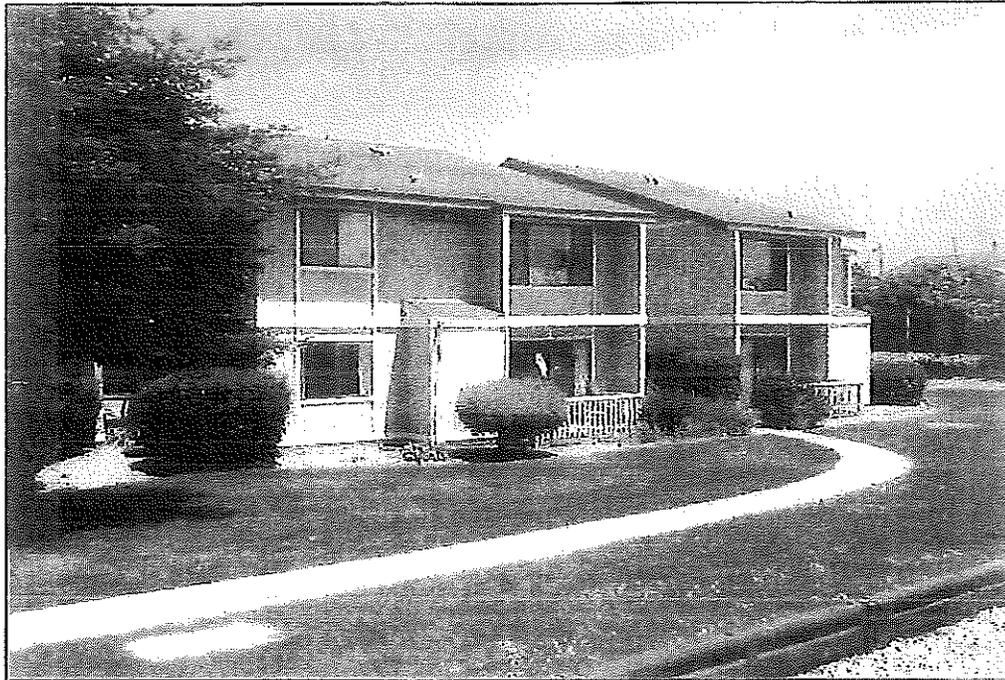
Walnut Apartments
311 Walnut Avenue
Fort Bragg, CA

Juniper Terrace Apartments
800 Jasper Court
Yreka, CA

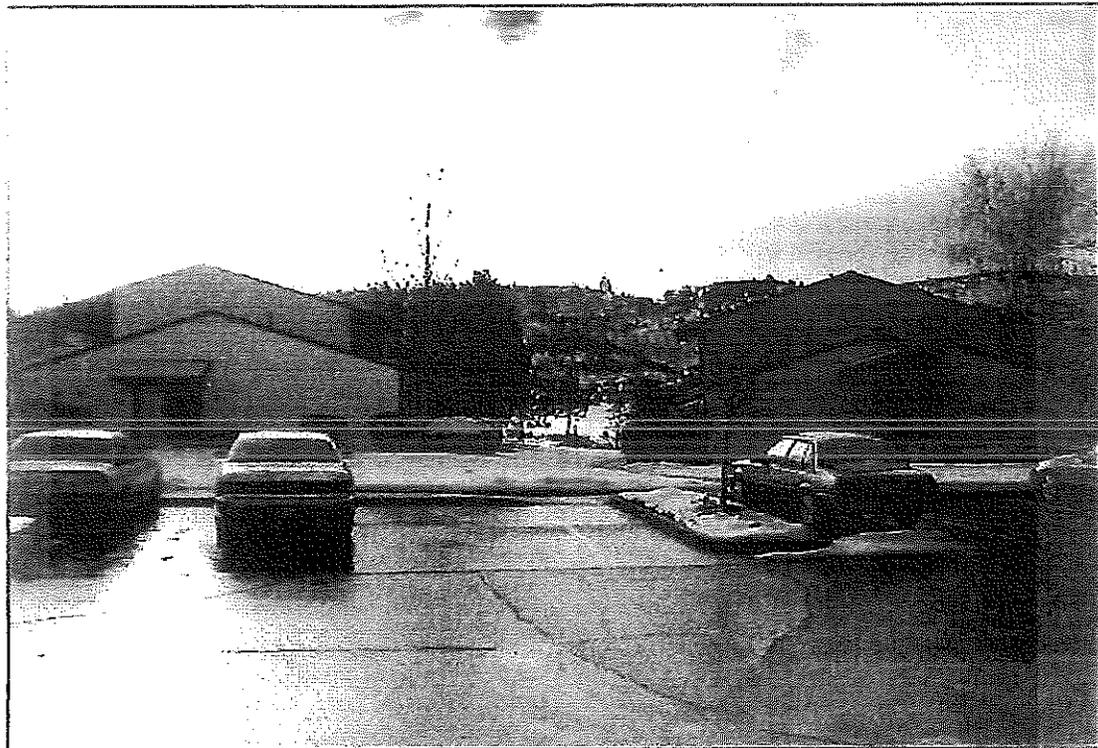
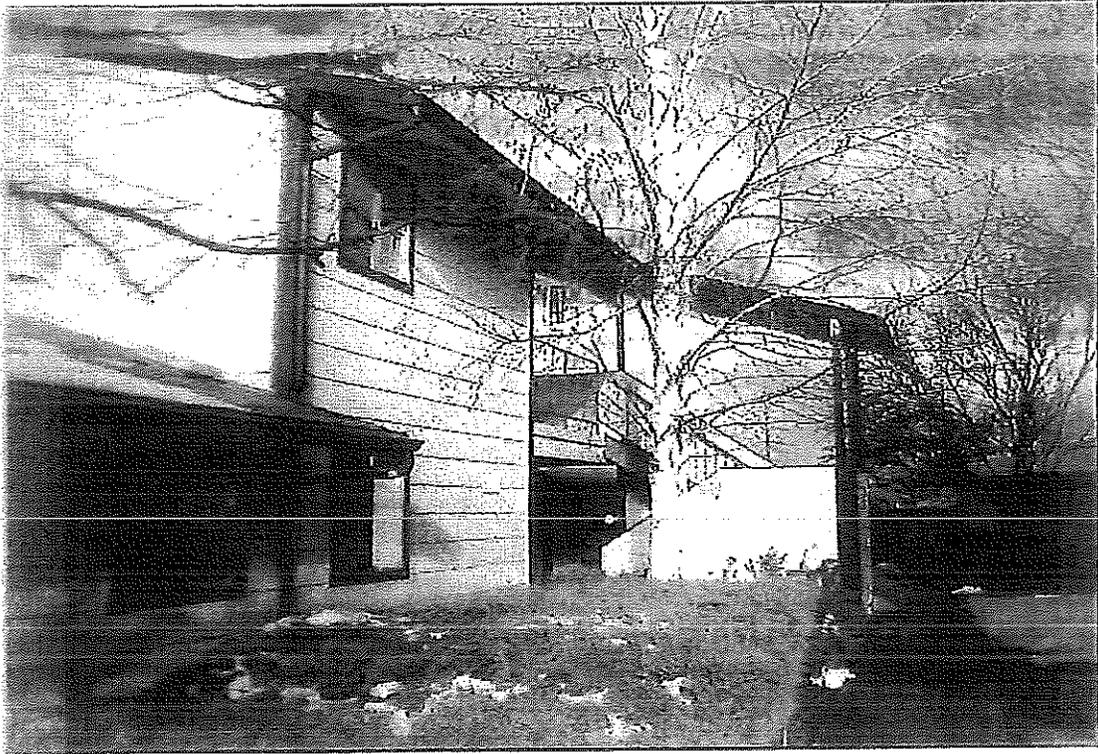
Village Park Apartments
100 Village Drive
Brentwood, CA

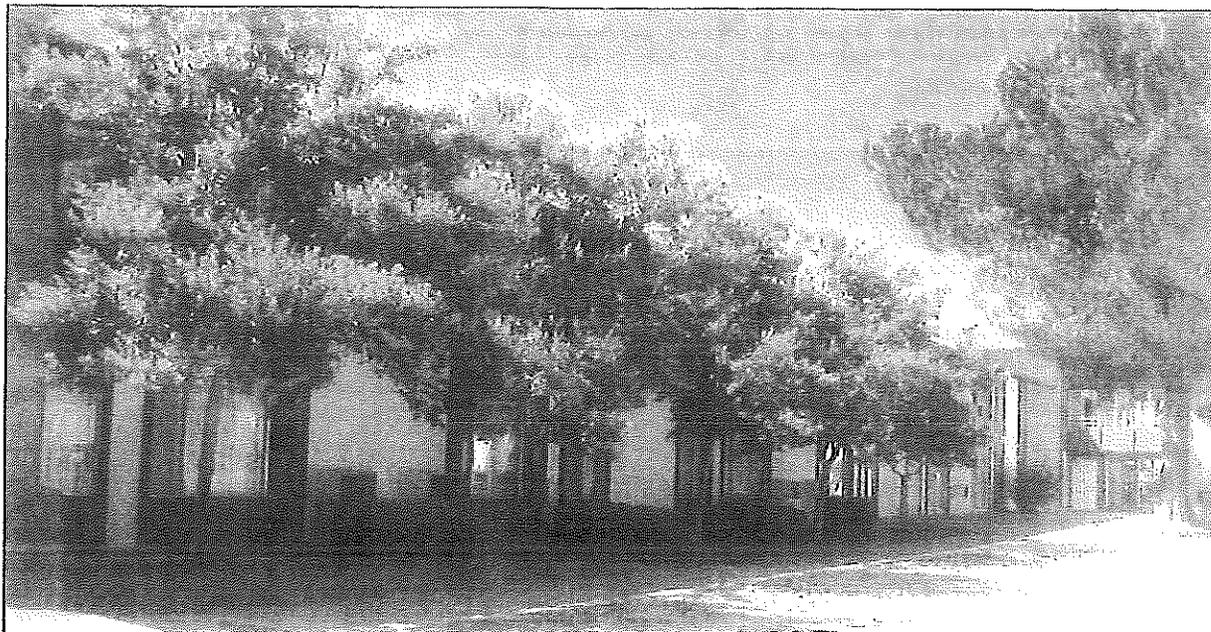
Manchester Apartments
1919 Manchester Drive
San Leandro, CA

Walnut Apartments



Juniper Terrace Apartments

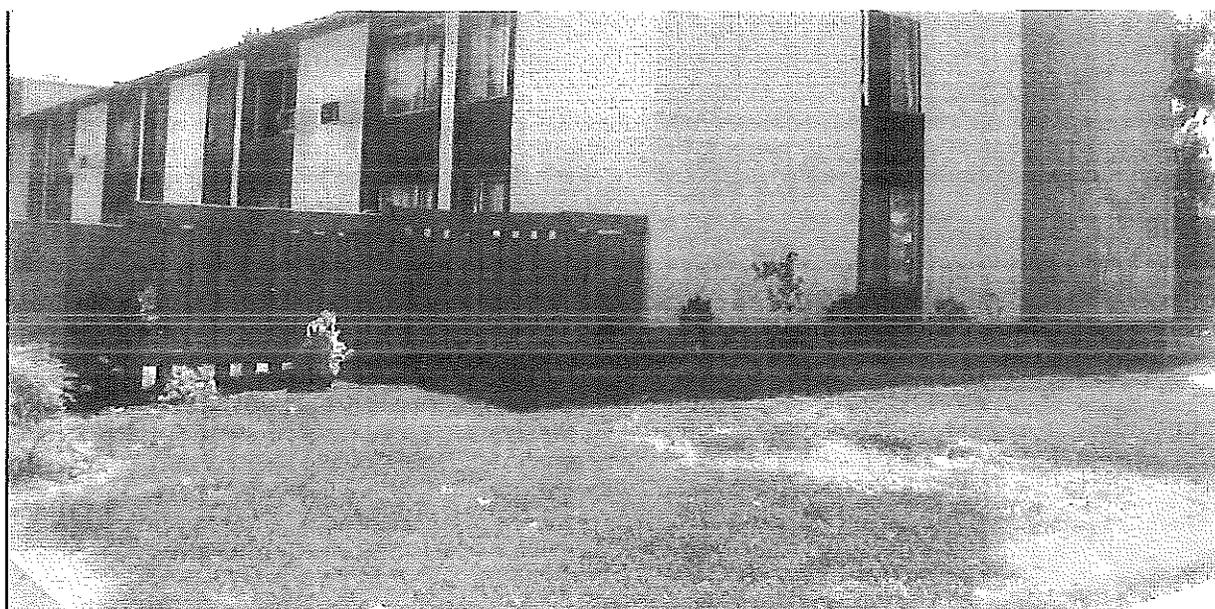


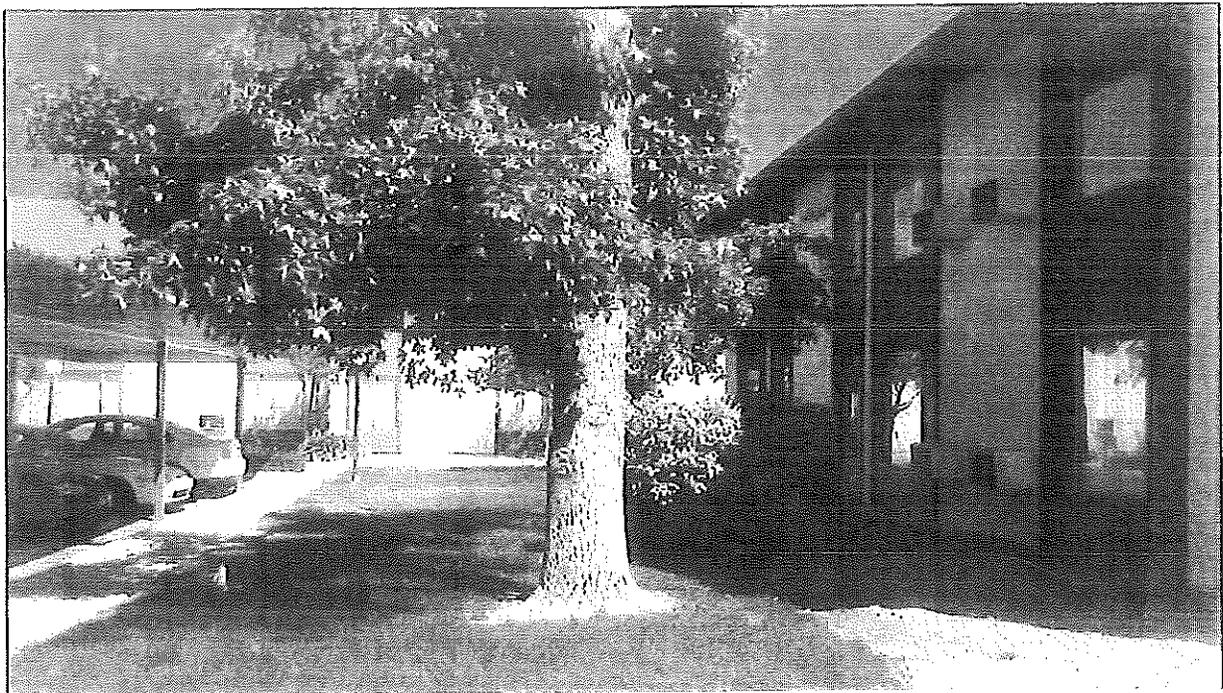
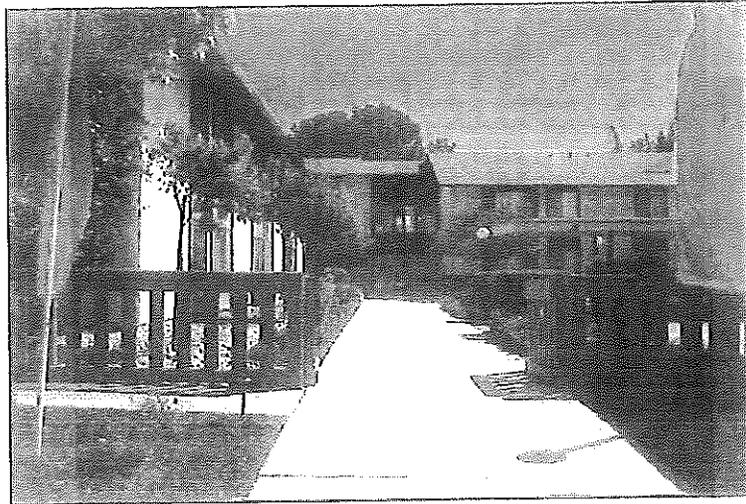


Village Park Apartments



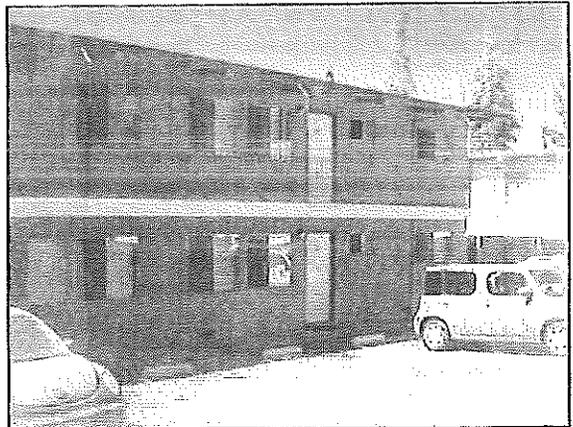
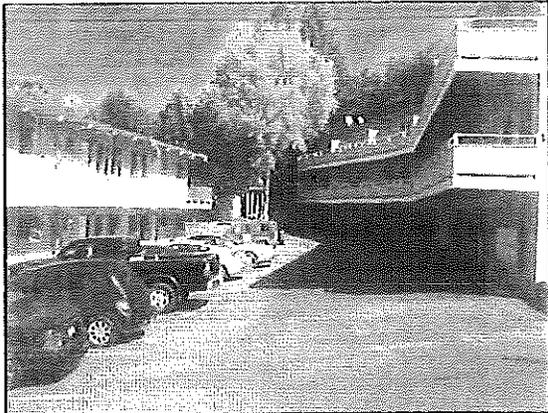
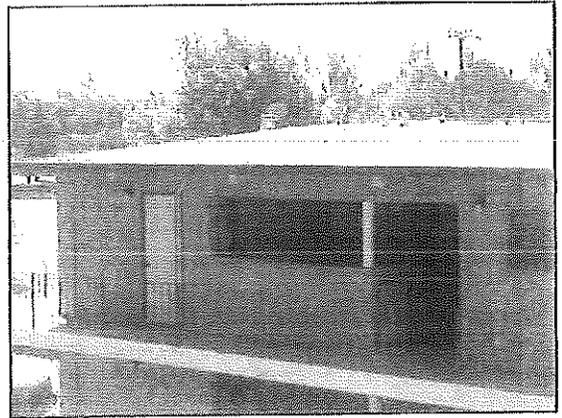
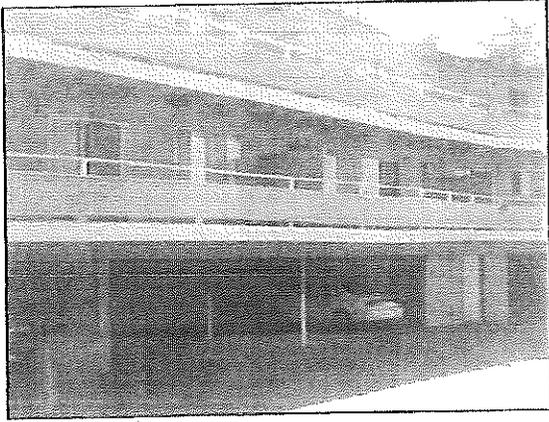
Village Park Apartments





Village Park Apartments

Manchester Apartments



**MEMORANDUM
TO
CITY
COUNCIL**

**Coldbrook Foundation
History
and
Property Owned**

MEMORANDUM FROM THE COLDBROOK FOUNDATION

TO: City Council
c/o Kathy Lawton
Housing Manager
City of Suisun City, CA

FROM: Tom Seaman
Coldbrook Foundation

DATE: April 9, 2013

Thank you for working with us in our attempt to acquire and preserve Continental Apartments for the community of Suisun City.

The Coldbrook Foundation is a nonprofit corporation organized January 23, 1998 and is exempt from taxation under Internal Revenue Code Section 501(c)(3). Its specific nonprofit purpose is the promotion of the availability of safe and decent housing to low-to-moderate income families through both rental and home ownership.

In 2005, the Coldbrook Foundation was asked by the California Affordable Housing Agency (CalAHA) to acquire two multifamily properties. Both properties are existing affordable housing assets with federal rent subsidies through the United States Department of Agriculture. CalAHA is a joint powers authority comprised of 18 housing authorities located throughout California. Similar to what is being proposed for Continental Apartments, financing was provided using tax-exempt 501(c)(3) bonds issued by CalAHA. One key difference is that USDA was willing to subordinate their federal financing to our bonds in the interest of preserving an otherwise at-risk property.

In 2011, the Coldbrook Foundation acquired a 52-unit multifamily property located in Brentwood, CA. The property was financed using short-term 501(c)(3) bonds issued by CalAHA exactly as is being proposed for Continental Apartments. The long-term strategy is to rehabilitate the property using LIHTC programs. Processing for LIHTC's is expected to commence in the next couple of months in anticipation of the January 2014 allocation round.

On March 30 of 2013, the Coldbrook Foundation closed escrow on a 44-unit family rental property in the San Leandro area of Alameda County. Continental Apartments and the 49-unit John-Parker Apartment portfolio in the Rodeo community of Contra Costa County will follow this acquisition. All three of these current acquisitions will

follow the same repositioning strategy, that is, initial acquisition using short-term tax-exempt bonds followed by a permanent repositioning strategy using LIHTC's.

The Coldbrook Foundation is in contract for the acquisition of a 34-unit failed condominium project located in Los Banos, CA. The property was taken back by a private lender, completed, and leased to new tenants. Coldbrook's strategy is to finance the property using short-term 501(c)(3) bonds issued by CalAHA, and later market the individual units to low-to-moderate income households.

The following is a table of the properties described above:

	<u>PROPERTY</u>	<u>TYPE</u>	<u>DATE ACQUIRED</u>	<u>REHAB</u>
1.	Juniper Terrace Apartments 800 Jasper Place Yreka, CA	Multifamily 55 Units Senior/Disabled	2005	Yes \$85,786.35 (Determined by Physical Needs Inspection)
2.	Walnut Apartments 311 Walnut Street Ft. Bragg, CA	Multifamily 56 Units Family	2005	Yes \$835,850 (Determined by Physical Needs Inspection)
3.	Village Park Apartments 100 Village Drive Brentwood, CA	Multifamily 52 Units Family	2011	Yes Initial: \$24,636 LIHTC: Scope of Rehab as yet Undetermined
4.	Manchester Apartments 1919 Manchester Road San Leandro, CA	Multifamily 44 Units Family	2013	Yes Initial: \$165,000 LIHTC: Scope of Rehab as yet Undetermined
5.	John-Parker Apartments 100-150 John Street 512-518 Parker Avenue Rodeo, CA	Multifamily 49 Units Family	Pending	Yes Initial: \$225,590 LIHTC: Scope of Rehab as yet Undetermined

6.	Continental Apartments 1101 Crystal Street Suisun City, CA	Multifamily 76 Units Family	Pending	Yes Initial: \$392,790 LIHTC: Scope of Rehab as yet undetermined
7.	Court of Fountains 502 N. Mercy Springs Rd. Los Banos, CA	Condominiums 34 Units Family	Pending	No Sale to Low-to- Moderate Income Families

Specific to Continental Apartments, the short-term bonds will include \$225,590 for immediate and short-term repair items identified by the Physical Needs Inspection. The current owner and seller is also contributing \$167,200 to that fund, so in combination there will be \$392,790 in total funds available for this purpose. A copy of the Immediate & Short Term Repairs table is attached for your reference.

I have also included a proforma for the bonds themselves. This proforma includes a Sources & Uses of funds at the top of the page and an Income & Expense Estimate at the bottom of the page. These numbers, of course, are preliminary and will not be final until the bonds are sold.

Third-party management companies professionally manage all properties owned by the Coldbrook Foundation. Walnut Apartments and Juniper Terrace Apartments are managed by FPI, Inc. in Folsom, CA. Village Park Apartments and Manchester Apartments are managed by the Lapham Company in Oakland. It is anticipated that Lapham Company will also manage Continental Apartments once it is acquired.

The Coldbrook Foundation acquires properties for preservation and long-term ownership. It has never sold a property and has no plans to do so in the future.

I hope this is sufficient to address the questions from the City Council. If you would like anything else, please contact either Tom Lewis or me.

TOM

CONTINENTAL
APARTMENTS

5-Year Revenue Bonds

Sources & Uses of Funds

Income & Expense Estimate

**Continental Apartments, Suisun City, California
Coldbrook Foundation**

5-YEAR REVENUE BONDS

PROPERTY SUMMARY:

Units	76	Purchase Price	\$4,000,000
Year Built	1966	Price per Unit	\$52,632
Average Monthly Rent	\$641	Appraised Value	\$4,570,000

SOURCES & USES:

USES:

Property Acquisition	@ Lump Sum	Proj Fd	\$4,160,000
Immediate Needs	@ Lump Sum	Proj Fd	\$225,590
Appraisal	@ Lump Sum	Proj Fd	\$6,000
PNA & Phase I	@ Lump Sum	Proj Fd	\$6,000
Title & Escrow + Settlement Items	@ Lump Sum	Proj Fd	\$32,000
Underwriter's Fee	@ 1.75% of all Bonds issued	COI	\$86,800
Issuer's Fee	@ 0.25% of all Bonds issued	COI	\$12,400
Issuer's & Borrower's Counsel Fee	@ Lump Sum	COI	\$23,500
Bond & Disclosure Counsel Fee	@ Lump Sum	COI	\$55,000
Issuer's Bond Advisor Fee	@ Lump Sum	COI	\$49,600
Printing	@ Lump Sum	COI	\$4,000
Trustee	@ Lump Sum	COI	\$7,500
Reserve Fund, Series B	@ One Year's Interest	Res Fd	\$192,000
Reserve Fund, Series B-T	@ One Year's Interest	Res Fd	\$10,400
LIHTC Review Consultant	@ Lump Sum	COI	\$2,000
Original Issue Discount (OID)	@ 1.75% of all Bonds issued	\$98.50	\$86,800
Capitalized Interest Reserve	@ 0.00% of all Bonds issued		\$0
Miscellaneous	@ Lump Sum	COI	\$410
<i>Total Uses:</i>			<u>\$4,960,000</u>

SOURCES:

Series "2013B" Bonds (Tax-Exempt)				
Amount				\$4,800,000
Interest Rate (Base)	Yield: 4.148%	4.00%		
Term in Years		5		
Payment	interest only \$192,000	\$192,000		
				<u>\$4,800,000</u>
Series "2013B-T" Bonds (Taxable)				
Amount				\$160,000
Interest Rate (Base)	Yield: 5.409%	6.50%		
Term in Years		5		
Payment	interest only \$10,400	\$10,400		
Debt Coverage Ratio		1.50		
				<u>\$160,000</u>

INCOME, EXPENSES AND DEBT SERVICE

INCOME:

Income from Rents:	\$7,691 /Unit/yr	\$584,496
Plus: Other Income		\$348
Less: Vacancy & Collection Loss @ 6%		(\$46,760)
Effective Gross Income:		\$538,084

EXPENSES:

Operating Expenses @	\$3,614 /Unit/yr	(\$274,655)
Replacement Reserves @	\$0 /Unit/yr	\$0
Credit: Property Taxes @ 100 %		\$43,653
Total Expenses:		(\$231,002)

NET OPERATING INCOME:

\$307,082

Series "B" Bonds: Tax Exempt		(\$192,000)
Series "B-T" Bonds: Taxable		(\$10,400)
Annual Interest Earnings on Reserves @ 0.50%		\$1,012
Annual Bond Related Fees (Trustee @ 8bps)		(\$3,968)
Total Debt Service	target DSP for 1.20x \$255,902	(\$205,356)

NET SPENDABLE INCOME:

\$101,726

Debt Service Coverage Ratio 1.50

**CONTINENTAL
APARTMENTS**

Immediate Repairs

Short Term Repairs

BASIS

TABLE 1 - IMMEDIATE & SHORT TERM REPAIRS

Property Name: Commercial Apartments
 1161 Crystal Street, 1117 School Street and 1101 West Street
 City, State, Zip: San Jose, California
 Site Survey Date: 11/13/2012
 Report Date: 12/13/2012
 Property Type: Multifamily
 Number of Buildings: 3

Number of Floors: 2
 Building Area: 33,844
 Number of Units: 76
 Property Age: 44
 Loan Term: 10
 Analyze Term: 12

ITEM	ITEM	QUANTITY	COST	UNIT	IMMEDIATE COST	SHORT TERM COST	COMMENTS OR ADDITIONAL DISCUSSION
SITE							
Paving	Asphalt paving	10,150	\$3.00	SF	\$30,450		Significantly damaged asphalt paving was observed at the street parking area along Crystal Street. This entire area needs to be replaced, new slope should be provided to reduce water drainage issues, new subgrade installed and compacted and a new wearing course installed. Paving shall be restriped following the paving requirements.
Paving	Asphalt paving	36,600	\$0.45	SF		\$11,970	Repair other asphalt damage at open parking areas. Seal minor cracks with a traffic seal sealer. Install a new storm coat and parking stall markings throughout the open parking areas located at each building.
Paving	Concrete paving	600	\$5.00	SF		\$3,000	Replace damaged concrete paved entrance drive aprons.
Paving	Concrete wheel stops	1	\$500	A few		\$500	Remove and replace damaged concrete wheel stops as needed throughout the parking areas.
Paving	Pedestrian walkway	600	\$3.00	SF		\$1,800	Cracking, settling and other damage was observed at the pedestrian walkway throughout the site. The conditions appear to be due previous settlement. Remove and replace any significantly damaged walkways and seal minor cracks to prevent water intrusion and future settlement. Seal all top hazards were observed. Clean moss growth to prevent slip/fall hazards.
Landscaping	Tree removal/trimming	1	\$5,000	A few		\$5,000	The deep rooting trees may be resulting in the soil settlement along the south portion of the site. Other trees have rotted in heavily walkways in the recent past. Remove a portion of the trees to prevent future walkway damage and soil settlement. Trim any overgrown trees to avoid clogged gutters.
Accessories	Signage	1	\$10,000	A few		\$10,000	Install Property Identification signage of each parcel as well as directional signage throughout the site. Property is hard to locate with current signage provided. Adding minimum sign and additional common area directional signage will assist emergency personnel and the general public to better identify the Property.
Accessibility	Parking signs	5	\$1,500	Signs		\$7,500	For the total number of parking stalls provided, a total of five designated parking stalls, including one van accessible parking stall, are required for the Property. Conformity, signage, directional, accessibility, signage, a marked path of travel, curb cuts (not ramps), and transition warnings are required throughout, located the van accessible stall on the shortest route to the loading office entrance.
ACCESSIBLE							
Facades	Replace dry rot or damaged siding and trim	76	\$2,200	Units		\$167,200	Several areas of warped, damaged or dry rot infested wood and siding components were observed. Survey all exterior and replace damaged wood, window trim and other components as needed. Remove and replace all composition siding due to deterioration and warping. Replacing basic finishes are beginning to fail. Obtain a pre-qualified contractor for all new siding and trim components. Replace damaged soffits as needed.
Facades	Exterior paint	76	\$600	Units		\$44,600	The building finishes are exhibiting signs of wear including peeling paint and faded coloring. Address all full job in the near future.
Facades	Replace / repair windows	50	\$425	Each		\$21,250	Recent window replacement has been needed due to rot and failure and poorly operating single glazed aluminum frames. Some window installations appear to have been done sub standardly with gaps between the frame and siding. Evaluate all recent window replacements and repair or replace as needed. Survey all windows and replace a portion of the original fixtures.
Roof/Drainage	Repair or replace damage	1	\$2,500	A few		\$2,500	Repair or replace loose or damaged composition shingles at the building exterior. Clear clogged gutters as needed.
Exterior Stairs	Repair/modify stairs	12	\$2,300	Stairs		\$27,600	Install metal sheets at open fires to prevent slip hazards. Install code conforming handrails and pick-up spacing. Install conforming nosings (slip warning) at bottom head and top feet of all exterior stairs.
Stair Landings	Replace rotted landings	2,200	\$3.00	SF		\$17,600	Evidence of rotted framing, cracking topping or recent repairs were noted at several stair landings and elevated walkways. Survey all structures and replace damaged concrete topping as needed. Replace damaged wood framing as needed. Seal gaps at elevated walkways to prevent water intrusion. Install an elastomeric waterproofing membrane at landings and walkways to prevent future rot and damage.
Finishes/Ort	Wood Deterioration Field Survey	76	\$45.00	Units		\$3,420	Due to the current dry rot damage and previous water intrusion at the stair landings, siding and wood trim elements, a full Wood Deterioration Field survey is recommended for the Property.
Accessibility	Laundry room	1	\$1,000	A few		\$1,000	Reconfigure equipment to provide conforming clearances for wheel chair access at the laundry room interior. Provide one front loading washer and dryer with controls at the front of the equipment for accessibility conformance.
Accessibility	Common area elevators	2	\$2,300	Each		\$4,600	The laundry room and office entry thresholds are non-conforming for accessibility guidelines and should be replaced.
MECHANICAL/ELECTRICAL							
Plumbing	Install seismic restraints at water heaters	1	\$500	A few		\$500	Install code conforming seismic restraints at all water heaters. Patch damaged or replace missing drywall at water heater closets to prevent fire stop hazard.
Electrical	Install smoke and carbon monoxide detection	76	\$75	Units		\$5,700	Install carbon monoxide detectors in all units and smoke detectors in all unit bedrooms.
ADA	Audio/visual alarms	1	\$1,000	A few		\$1,000	To better comply with accessibility guidelines, provide the be alarms in the laundry room and office area.
DETAILING COSTS							
					TOTAL	\$11,470	\$393,120
					GRAND TOTAL		\$392,232

LAPHAM COMPANY

Company Description
April 4, 2013

SINCE 1911

THE LAPHAM COMPANY, INC.

4844 Telegraph Avenue, Oakland, California 94609 • 510-594-7600 • Fax 510-594-7611

April 4, 2013

Mr. Tom Scaman
Housing Solutions
5865 Alhambra Valley Road
Martinez, California 94553

RE: LAPHAM COMPANY

Dear Mr. Scaman:

The Lapham Company is a California corporation and has been in business serving the real estate investment and management needs of our clients in the Oakland/East Bay Area since 1911. I joined the firm in 1981 as a Broker/Manager and purchased the company in 1986. Our current management portfolio includes properties in Reno, Truckee, Davis, Sonoma County, El Cerrito, Contra Costa County, Berkeley, Alameda, Hayward, Castro Valley, and San Leandro. But the majority of our management portfolio is multifamily properties in Oakland. We manage office properties and retail, but the vast majority of our management portfolio – over 95%, is dedicated to multifamily projects. Our management portfolio includes properties owned by individual investors, families – in a few cases, the third generation of families that we have represented, and corporate entities.

We manage single family homes, single buildings as well as multiple holdings for our clients. We have managed two of Oakland's high-rise luxury apartment buildings; 1200 Lakeshore (174 units) for two years to sale, and Park Bellevue Tower (152 units) for over 10 years including through the conversion from apartments to condominium operations and full sale-out. We currently manage one of the oldest multifamily residential buildings in Oakland, and we have managed one of the newest buildings in Oakland until it was sold. We have provided broad consulting services to a wide range of client projects in several cities in California and in other western states.

The current value of the properties in our management portfolio exceeds \$1.75 Billion, and is comprised of approximately 4,650 individual residential units in over 170 buildings.

We provide our clients with a comprehensive investment real estate asset management service, and for our typical client, we purchase, operate, and when the investment goals have been achieved, we bring the property to market for sale. We also work in close collaboration with the region's top investment property brokers, having relationships with some that span over 30 years. Over the years, we have developed our operating systems and protocols to most efficiently and cost-effectively operate the properties for which we are responsible.



REAL PROPERTY ASSET MANAGEMENT
Email: info@laphamcompany.com
www.laphamcompany.com
DRE# 00931216

Given that the typical building that we manage in this market is about 60+ years old, we have carefully developed capital improvement project management procedures that are responsive to the needs of our clients. We have 22 people in our main office located in the Temescal area of Oakland which is centrally located to most of our portfolio of managed properties, and immediately proximal to Highways 24, 980, 13, 580, and 80. Our staff includes Field Inspectors, a Leasing Department Manager, Field Leasing Agents, four people in our accounting department, five asset/property managers, two apartment turnover managers, our administrative staff and dozens of resident managers. We have a 24 hour emergency answering service with assigned on-call manager for Tenant use and convenience.

Over the years, residential investment property ownership and management has evolved significantly. Private property rights and related liabilities are substantially impacted by the copious amount related legislation in California and elsewhere, particularly in the landlord-tenant arena. There are dozens of new laws that impact the ownership and management operation of investment residential real property each year; some sponsored by and beneficial to the housing provider industry, but most presenting new requirements, risks, and exposures to our clients as owners and ourselves as operators of properties. Local laws, planning and development restrictions, and political priorities have great impact as well.

Accordingly, we believe that successful property management is for the most part a very localized phenomenon, particularly in geographic areas of aggressive political activity such as the Oakland / Greater Bay Area markets. While there are certain aspects of successfully operating residential property that are common across all cities and states, broader success requires a firm knowledge of local laws, practices, politics and even personalities of political leaders. A great example is how the local courts handle unlawful detainer actions as opposed to other jurisdictions in California and the letter of eviction law. To best serve our clients, we know that we must be constantly well informed and vigilant as to potentially harmful or beneficial pending litigation, and directly involved with the decision makers where and when possible.

We require and provide excellent training to our management personnel, and strongly encourage direct and purposeful involvement in those organizations and entities that can influence our collective business. Apartment building resident managers become employees of Lapham Company as a service to our clients. Accordingly, Lapham Company assumes the responsibilities as employer for those personnel. Lapham Company is an active member of the Oakland Chamber of Commerce, California Chamber of Commerce, Oakland Association of Realtors, California and National Association of Realtors, California Apartment Association and the local Rental Housing Association affiliate, Northern California Commercial Association of Realtors, The Institute of Real Estate Management, and The Alameda County Taxpayers Association.

We have been involved in leadership and support the operations of these associations which have common interests, and provide very valuable assistance and intervention in the legislative process. I was the Landlord Representative on the Oakland Rent Board, appointed by two Oakland Mayors to three successive two year terms, and I was on the three person committee that reviewed and re-wrote Oakland's Rent Adjustment Program Ordinance for approval and ratification by City Council in 1995. The current law contains all of those modifications ... and many more.

I am a California licensed Real Estate Broker, and a Certified Property Manager (CPM) as designated by the Institute of Real Estate Management (IREM) since 1993. I have enclosed by resume herewith for your information. I have also carried licensing in Nevada. All of our management staff are real estate licensees and hold the California Certified Residential Manager (CCRM) designation, or have designations pending. I was the 1990 President of the Oakland Association of Realtors, and was a Director of the California Association of Realtors (CAR) for ten years.

I also served as a director of the California Apartment Association. I have been President of the Alameda County Taxpayers Association for ten years, and I am now serving on the Board of Directors and Executive Committee of the Oakland Jobs and Housing Coalition – a very influential body comprised of large property developers, business leaders, and large property owners in Oakland. I have long relationships with members of City Council and certain senior City staffers. We have excellent working relationships with members of the Community and Economic Development (CEDA) building inspection services division and with inspectors in the Fire Prevention Services section of the Oakland Fire Department.

Our company management team includes our General Counsel and our Associate Broker who also holds an EJD degree.

I am pleased to share any additional information about our company, our experience, or our qualifications with you as you may require. I can be reached at 510-594-7600 x102 or at Jon@Laphamcompany.com.

Thank you.

Yours truly,



Jon M. Shahoian, CPM
President

JMS/jp

encl

THE LAPHAM COMPANY, INC.

Company Name: The Lapham Company, Inc.

Main Office Address: 4844 Telegraph Avenue
Oakland, California 94609
510-594-7600
510-594-7611 fax
LaphamCo@Laphamcompany.com
www.LaphamCompany.com

Principal: Jon M. Shahoian, CPM
President

Branch Offices: 11070 Highway 267, Suite A
Truckee, California 96161

Year Founded: 1911, reincorporated 1986

Staff: 10 Administrative/Professional - incl
105 Resident Management Personnel
1 Broker/Officer, 1 Broker,
4 Agent Licensees
Certified Property Manager Designee
Certified Property Manager Candidates

Portfolio: 173 multifamily properties, 4,650 units

3 Office buildings – 48,000 sq. ft. +/-
2 shopping centers – 23,500 sq. ft. +/-
1 mobilehome park – 117 spaces
Misc. properties ranging from SFR, small
retail, chain (Albertsons), US Post Office
net lease, U.S. Government office,
University of California property
2 Condominium Associations

Estimated Portfolio Value: \$1,750,000,000

Operations:

Centralized bookkeeping and accounting and management reports, code compliance, employee training, administrative dispatch processing and documentation. Bulk purchasing power and trade discounts with contractors, suppliers and vendors

If any additional information is required, please contact me at 510-594-7600.

Thank you.



Jon M. Shahoian, CPM
President

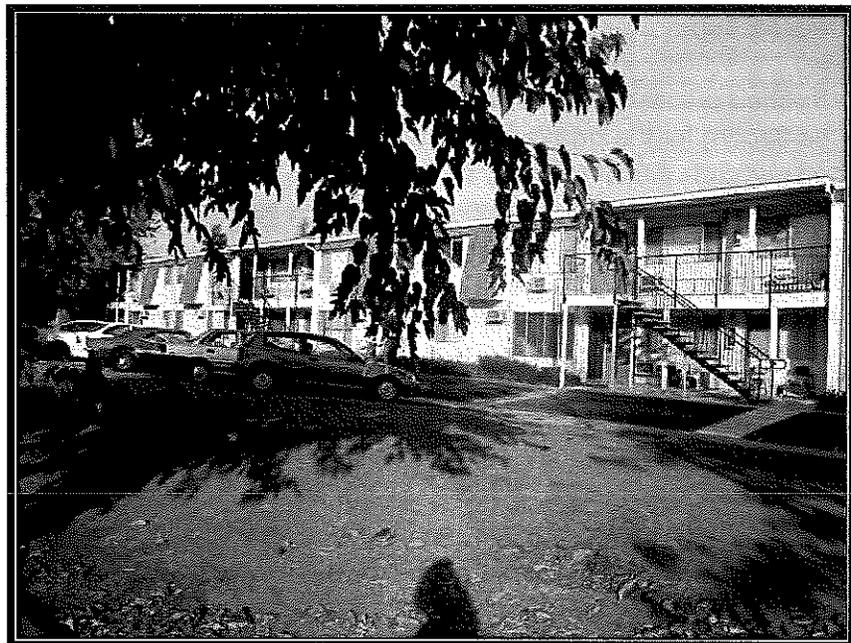
BASIS Architecture
& Consulting

PHYSICAL NEEDS ASSESSMENT

For

CONTINENTAL APARTMENTS

1101 Crystal Street, 1117 School Street & 1101 West Street
Suisun City, California 94585



PREPARED FOR

HOUSING SOLUTIONS, LLC.
5865 Alhambra Valley Road
Martinez, California 94553

December 13, 2012

BASIS ARCHITECTURE AND CONSULTING INC
PO BOX 150539
SAN RAFAEL, CALIFORNIA 94915
www.basisarch.com

December 13, 2012

Mr. Tom Seaman
HOUSING SOLUTIONS, LLC
5865 Alhambra Valley Road
Martinez, California 94553

**Subject: PHYSICAL NEEDS ASSESSMENT
CONTINENTAL APARTMENTS
1101 Crystal Street, 1117 School Street & 1101 West Street
Suisun City, California 94585**

Dear Mr. Seaman

Attached please find *Basis Architecture & Consulting Inc.'s (BASIS), PHYSICAL NEEDS ASSESSMENT* (the *Report*) for the above-mentioned asset (the *Property*). During the property investigation and research, *BASIS'* property surveyor met with agents representing the *Property*, or agents of the owner, and reviewed the property and its history. The *Report* was completed according to the terms and conditions authorized by you.

This *Report* is addressed to *HOUSING SOLUTIONS, LLC*, such other persons and/or entities as may be designated by *HOUSING SOLUTIONS, LLC*, and their respective successor or assigns.

There are no third party beneficiaries (intended or unintended) to this *Report*, except as expressly stated herein.

BASIS is an independent contractor, not an employee of either the issuer or the borrower, and its compensation was not based on the findings or recommendations made in the *Report* or on the closing of any business transaction.

Thank you for the opportunity to prepare this *Report*, and assist you with this project. Please call us if you have any questions or if *BASIS* may be of further assistance.

Respectfully Submitted,

BASIS ARCHITECTURE AND CONSULTING INC



M. Samantha Speer
Director of Due Diligence



Charles Pick, Architect
President

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Attachments

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 Maps

 Other Documentation

1.0 EXECUTIVE SUMMARY

Property Name	CONTINENTAL APARTMENTS
Property Address	1101 Crystal Street, 1117 School Street & 1101 West Street Suisun City, California
Site Improvements	Concrete paved walkways, landscape and asphalt paved parking encompass the Property.
Site Configuration	Two rectangular shaped parcels. The site area was reported to be approximately 2.61 acres. The Assessors Parcel Numbers are 0032-162-150-01 and 0032-161-060-01.
Built Improvements	Three two story wood framed apartment buildings.
Parking	Approximately 114
Rentable Units	76 one bedroom / one bathroom units
Age	1968 date of construction; effective age 44 years
Overall Condition	Good to Fair

PROPERTY BUILDINGS & SQUARE FOOTAGES		
ADDRESS OR NAME	NO. OF FLOORS	APPROXIMATE GROSS SQUARE FOOTAGE
1101 Crystal Street	2	~17,931
1117 School Street	2	~7,659
1101 West Street	2	~11,779
Total:		~37,369*

UNIT TYPES AND MIX				
TYPE	QUANTITY	VACANT UNITS	DOWN UNITS	APPROXIMATE RENTABLE SQUARE FOOTAGE
One Bedroom / One Bath (small)	28	4	0	12,124
One Bedroom / One Bath (large)	48	2	0	24,720
Totals:	76	6	0	36,844*

*Square footage estimated or obtained from site visit, questionnaire, and rent roll

Estimated Costs

TOTAL IMMEDIATE COSTS	\$91,670
TOTAL SHORT TERM COSTS	\$301,120
GRAND TOTAL	\$392,790
RESERVE TERM	
Cumulative Total (Uninflated)	\$737,555
Annual Cost Per Unit (Uninflated)	\$809
Cumulative Total (Inflated)	\$854,824
Annual Cost Per Unit (Inflated)	\$937

History

The Property, known as the Continental Apartments, is located in the City of Suisun City, Solano County, California at 1101 Crystal Street, 1117 School Street and 1101 West Street. The Property was reportedly built in 1968. The Property consists of a 76-unit, 36,844 net rentable square foot apartment complex with three apartment buildings on two parcels totaling 2.61 acres.

A Pre-Survey Questionnaire was forwarded to the designated property contact. The information requested in the questionnaire assists in BASIS's research of the Property to obtain pertinent property data; discover existing physical deficiencies, chronic problems, the extent of repairs, if any, and their costs; and pending repairs and improvements. The Pre-Survey Questionnaire was completed and is attached herein.

Life Safety Issues and Code Compliance

There is no retroactive requirement for code based building upgrades; therefore, the applicable building code for a particular structure is the one that was in force at the time of original construction (or subsequent remodel in the affected spaces only).

COMMENTS	
Building Department	No outstanding code violations were reported to exist on the Property.
Flood Zone	The Property is located in Flood Zone AE defined as an area within a special flood zone (1% chance of annual flooding) based on review of Community Panel # 06095C0456E, dated: 5/4/2009.
Zoning	The Property is located in Zone multifamily residential within the Downtown Waterfront Planned Unit Development district.
Fire Department	No outstanding fire code violations were reported to exist on the Property.

Conclusions

The Property appears to be in overall Good to Fair condition. It is BASIS's professional opinion that the Remaining Useful Life (RUL) of the Property is estimated to be not less than 40 years, based on its current condition and maintenance status, assuming the recommended Immediate Repairs or Replacement Reserves are completed, and appropriate routine maintenance and replacement items are performed on an annual or as-needed basis.

The following hazards are neither usual nor anticipated in the region that the Property occupies: landslides, sinkholes and excessively expansive soils.

The following notes are based on observations made during our site visit:

- Management staff, including at least one full-time supervisor, is responsible for the maintenance of most systems and repairs of building.
- Outside service contractors provide pest control and rubbish removal maintenance.

The following is suggested:

- Periodic (at least annual) inspection of all roof drainage should be performed. Blocked drains can cause significant damage.
- Management should be diligent in maintaining the watertight integrity at the roof areas and the building exteriors.
- In-unit inspections should be performed by management on an annual basis to observe tenant care of apartment finishes and fixtures. All items damaged should be repaired to maintain safety and functionality. Cases of tenant abuse and neglect can also be acted upon and significant property damage minimized.

Systems Summary

- Copper domestic water supply plumbing was observed.
- Sewer plumbing was observed to consist of ABS materials.
- No visible evidence of failed or failing fire retardant treated plywood.
- Electrical service was observed to be 40 - 60 amps to the units.
- Copper branch wiring was reported and observed.

2.0 OBJECTIVES

The purpose of our observation and resulting report is to assess the general condition of the buildings and site with regard to the ASTM E2018-08 and Fannie Mae DUS guidelines. The specific objectives are to:

- Identify and locate significant defects, deficiencies and items of deferred maintenance.
- Identify obvious and significant deficiencies concerning common building and safety code compliance.
- Establish a conservative cost estimate to correct such defects, deficiencies, deferred maintenance and violations.
- Establish a conservative replacement reserve sufficient to address capital needs at the Property during the term of 12 years.
- Provide a summary of the physical attributes of the Property.

At the Property we met with and interviewed the following individuals who provided access to the various Property areas:

Mr. Raymond Price, Manager

(707) 422-0648

The following municipalities were interviewed or over the phone and/or online research was conducted as part of this report.

Suisun City Building and Public Works Department

(707) 421-7349

Suisun City Planning Department

(707) 421-7335

Suisun City Fire Department

(707) 421-7205

Solano County Assessor's Office

online research

3.0 PROCEDURES AND LIMITATIONS

On November 13, 2012 BASIS conducted an on-site evaluation of the Property to determine the condition of the various components for this report update. During the site visit, BASIS did not gain access to all areas, operate any specific equipment or perform any tests. The findings in this report are not based on comprehensive engineering studies, as BASIS 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 the Housing Solutions, LLC (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 BASIS 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.

BASIS 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, BASIS cannot assume liability if actual conditions vary from the information contained herein.

The staff of BASIS has prepared whose seal(s) this report for the Client under the professional supervision of the principal and/or senior staff and signatures appear hereon. Neither Charles Pick, nor any 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 PROPERTY DESCRIPTION

4.1 Site

Access Pedestrian access to the Property is provided via the adjacent concrete sidewalks at the perimeters of the parcels.

Comments: This system is rated in good condition overall. No problems were observed or reported. Replacements are not anticipated during the 12-year term.

Entry and Driveways Vehicular access is provided via several concrete paved entrance drives at the perimeters of the Parcel. Crystal Street is an open on street parking area is that is also part of the Property.

Comments: Overall this system is rated in good to fair condition. Cracking was observed at driveways and parking areas. Repairs and replacements are recommended. Refer to Table 1 for details. Based on the observed conditions and the estimated remaining useful life (RUL) additional paving repairs are anticipated during the 12-year term.

Parking The Property is improved with parking for approximately 114 vehicles. No accessible parking stalls are provided. The parking areas are asphalt paved with cast-in-place concrete curbs. Parking stalls are located at the north and south perimeters of the buildings and along Crystal Street.

Comments: The parking area surfaces and striping is in fair condition, with indications of cracks and wear. Crystal Street paving is significantly damage and flood during rain due to poor slope and drainage. Refer to Table 1 for details.

Based on the estimated RUL, paving repairs, sealing and restriping of parking stalls are anticipated during the 12-year term.

Walkways Concrete walks are provided for pedestrian traffic from the parking areas and from the adjacent streets.

Comments: The sidewalks appear to be in good to fair condition overall. Recent replacements have been required due to settlement and heaving. Additional lifting, cracking and other damage presents trip hazards. Walkway repairs and replacements are recommended. Refer to Table 1. Based on the estimated RUL, additional walkway repairs and replacements are anticipated during the 12-year term.

Utilities The City of Suisun reportedly provides water and sewer service to the Property. Pacific Gas and Electric provides natural gas and electricity service to the Property. Storm water flow from the site is controlled via surface sheet flow to adjacent streets. One storm drain inlet was observed at the west perimeter of the West Street building. The drainage system is the responsibility of the Property owner.

Comments: There were no reported or observed problems with the utilities. The utilities appear to be configured and operated in a manner consistent with their intended use, adequate for the use type, and appear to be in good condition. Based on the age of the Property, a general allowance has been provided for partial utility replacements during the 12-year term.

Lighting Building mounted flood lights and incandescent light fixtures illuminate the site.

Comments: Varied ages of lighting were observed. Based on the limited lighting provided, replacements other than routine maintenance are not anticipated during the 12-year term.

Landscaping The Property has moderate landscaping including trees, shrubs, groundcover and bushes. An automatic irrigation system is present in the landscaped areas.

Comments: The landscaping appears to be in good to fair condition overall. Some repairs and tree removal are recommended. Refer to Table 1. During the 12 year term, landscape replacements and irrigation repairs should be performed as part of routine maintenance.

Fences/Trash Site fencing consists of limited chain link fixtures at the south perimeter of the West Street building. Solid waste is collected in commercial grade trash dumpsters located within wood framed enclosures.

Comments: The wood trash enclosures are showing signs of wear and are anticipated for replacement during the 12 year term.

Signage Building mounted addresses are provided. Individual apartment numbers are installed on unit doors.

Comments: This system is rated to be in good to fair condition overall. Installation of a monument signage is recommended to identify the Property at each separate parcel. Directional signage will also help emergency personnel and the general public to find the Property more promptly. Refer to Table 1 for details.

Repairs other than routine maintenance are not anticipated during the 12-year term.

Pool No pool is provided at the Property.

Comments: Non-Applicable (N/A)

Mail Wall mounted, locking aluminum mailboxes are located at each building.

Comments: This system is rated to be in good condition overall. No problems were observed or reported with this system. Based on the estimated RUL, replacements are anticipated during the 12 year term. Utilize accessible mailboxes and outgoing mailboxes upon replacement.

Tot Lot Not provided at the Property.

Comments: N/A

Other Amenities No other site amenities are not provided at the Property.

Comments: N/A

4.2 Architecture

Carports/
Garages

Not provided for the Property.

Comments: N/A

Foundation

The majority of the Property substructures were not visible due to the surrounding grade. Based on BASIS's visual survey the Property buildings are constructed with concrete perimeter and interior footings and reinforced concrete slabs on grade.

Comments: No foundation problems such as differential settlement or slab leaks, were reported or observed. Based on the current conditions, replacements are not anticipated during the 12 year term

Framing

The superstructures are partially obscured from view by interior and /exterior finishes. The walls, upper floors and roofs are constructed with wood joists, studs and plywood sheathing and decking.

Comments: Based on the overall appearance and observed general condition of the buildings, the superstructures appear to be sound and in good condition.

Exterior areas of the Property buildings to which access was provided, and in which building elements were readily observable, were visually surveyed for the presence of termites or termite activity. No observations were conducted within concealed locations (construction elements behind exterior or interior wall finishes, and other building components, etc.). No disassembly of systems or building components or physical or invasive testing was performed. BASIS renders no opinion as to the property condition at un-surveyed and/or inaccessible portions of the Property.

No problems were noted or reported. Fire retardant treated plywood was not reported or observed. No termite activity was observed. However, due to the recent water intrusion and extensive dry rot damage, a Wood Destroying Pest survey is recommended. Refer to Table 1. Repairs other than routine maintenance are not anticipated during the 12-year term.

Roofing

Access was not provided to the flat roof areas; however, according to management and the questionnaire, the roofs were replaced in 2001 and 2009. Flat areas are covered with a built up membrane. The upper level building exteriors have composition shingles installed at an exterior siding material.

Comments: The roofs appear to be in good condition overall. Based on the estimated RUL of the roofing and comp shingles, partial replacements are anticipated during the 12 year term.

Basements/
Attics

The Property has no full basement or accessible attic spaces.

Comments: N/A

Exteriors

During the site survey, representative building facades were viewed from the surrounding grade and from windows at upper floors. In depth analysis of the façades is beyond the scope of work for this Report. The primary exterior materials consist of painted composite siding, composition shingles, and wood trim.

Comments: The estimate of the façade condition is based on representative observed areas of the exterior walls and the age of the improvements. Those portions of the façades observed appear to be in good to fair condition. Damaged siding, trim, dry rot, peeling paint and otherwise damaged components were observed. Refer to Table 1. Replacement Reserves are recommended for exterior painting, during the 12-year term.

Doors

The exterior doors consist of average-quality, residential-grade solid wood or insulated metal doors with knob-style hardware and dead bolts. Metal security screens are provided. The entry to the leasing office is via a dual glazed vinyl framed sliding glass door.

Comments: Aside from normal wear, the observed doors appear to be in good condition and replacements are not anticipated during the term. The entry thresholds and doors at the leasing office and laundry room entrance are non-conforming for accessibility. Refer to Table 1. Based on the estimated RUL, some exterior door replacements are anticipated during the 12-year term.

Windows

Horizontal sliding, single pane windows in aluminum frames are provided at the apartment units and the laundry room. A limited number of replacement windows have been installed and are either retrofit or replacement type dual glazed aluminum or vinyl framed assemblies.

Comments: The original windows are approaching the end of their useful lives as evidenced by the need for recent replacements. Some of the replacement windows appear to have not been installed to code. Refer to Table 1 for details. Based on the age, additional replacements are anticipated during the 12-year term.

Patios/Balconies Patios or balconies are not provided at the Property.

Comments: N/A

Stairs/Landings Steel framed stairs with precast concrete treads and wrought-iron railings provide access to the upper level units. Elevated walkways are wood framed with a lightweight concrete topping and wrought iron guardrails.

Comments: Cracks at the landings, dry rot damaged landings, and damaged treads were observed at the exterior stairs. Stair upgrades due to non-conforming handrails, open treads that present a trip hazard and lack of contrasting nosings. Stair landing replacements and stair upgrades are recommended. Refer to Table 1. Replacements are not anticipated during the 12-year term.

Common Areas The Property has interior common areas consisting the leasing office and one laundry room. The interior areas are finished with average-quality materials consistent with similar property use types. The finishes generally consist of painted drywall walls and ceilings and vinyl tile or laminate floors. The laundry room contains five washers and dryers that are vendor owned and maintained.

Comments: The common areas are in good to fair condition. Accessibility upgrades are recommended; refer to Table 1. Based on observed condition, EUL and reported ages, common area refurbishment are not anticipated during the 12-year term.

4.3 Mechanical / Electrical

Plumbing	<p>The observed domestic water supply piping is copper and the waste lines were observed at the cleanouts to be ABS materials.</p> <p>Comments: There were no currently reported or observed problems with the plumbing system components, operation or capacities. Replacements other than routine maintenance are not anticipated during the term.</p>
Water Heaters	<p>Reportedly, a total of six (6) central, gas-fired, 100-gallon, 75,000 BTU rated water heaters supply domestic hot water to the Property. Seismic restraints are provided.</p> <p>Comments: There were no reported or observed problems with the plumbing system components, operation or capacities. The water heaters are varied in age and lack code conforming seismic restraints. Table 1 includes costs to install seismic restraints and to patch damaged drywall in the water heater rooms. Based on their average EUL and current condition, replacement of the water heaters is anticipated during the 12-year term.</p>
Heating & Cooling	<p>The apartment units are each heated by wall-mounted, gas-fired, heaters with thermostats in the living areas. Air conditioning is provided by through wall electric units. Ventilation fans are provided at unit bathrooms.</p> <p>Comments: There were no reported or observed problems with the HVAC system sizes or operation. The observed mechanical equipment appears to be in good to fair condition, appears to be well maintained. Based on the age of the wall-mounted heaters and air conditioners, partial replacements are anticipated during the 12-year term.</p>
Electrical	<p>The building mains are rated at a minimum of 400 amperes. The units are individually metered and supplied with 40 to 60-amp, 240 volt, three wire service. Copper wiring was reported and observed. Circuit breakers are installed to provide overload protection. Electrical panels were observed with correct labeling. GFCI outlets were observed at some kitchens and bathrooms.</p> <p>Comments: There were no reported or observed problems with the electrical system sizes or capacities. Based on the gas fired heating and central gas fired water heating equipment, the required electrical draw for the units is greatly reduced.</p> <p>According to the <i>Fannie Mae Underwriter</i> guidelines: 1) "Properties with a per unit ampere of less than 60 amperes are not generally acceptable. The Lender may determine such properties are acceptable if heating and</p>

cooking are serviced by other than electricity and the Lender is satisfied that the marketing of the Property is not adversely affected by the limited electrical service."

The level of electrical power required to service the unit is based on the size of the unit (i.e.: number of square feet) and includes two small appliance package units in the kitchen (the refrigerator is connected to one) and the other major equipment located in the unit. Also of consideration is the way in which individuals normally live. That is to say, it would be unreasonable to assume that the average person would turn on all the equipment in their unit at any given time. The amount of equipment in the unit which requires electrical power is not necessarily the most critical issue. Our electrical engineer estimates that typically between 6 and 8 amps are in fact running on a continuous basis.

The National Electric Code (NEC) require a minimum electrical service of 30 amps to dwelling units. It is not uncommon for multifamily projects with gas heating and hot water systems, to be designed with 30 amps of electrical service, even by today's standards, and it is our opinion that no further investigation is required.

Replacements other than routine maintenance are not anticipated during the 12-year term.

Elevator

The Property has no elevators.

Comments: NA

Fire/Life/ Safety

Hardwired smoke detectors, and building mounted fire extinguishers are provided at the Property. The units have smoke detectors in the living areas only. Carbon monoxide detectors are not provided.

Comments: ADA compliant audible/visual alarms were not observed at the laundry room or office. Due to the presence of gas water heaters and heaters for the units, installation of carbon monoxide detectors is recommended. Install smoke detectors in the unit bedrooms. Refer to Table 1 for details. Additional smoke / carbon monoxide detector replacements and repairs are anticipated as part of routine maintenance during the 12-year term.

4.4 Dwelling Units

Floor Coverings	<p>The unit floor covering consists of vinyl at the kitchens, bathrooms. Carpet is provided at most of the living rooms and bedrooms.</p> <p>Comments: Based on their observed condition, reported age and average EUL, Replacement Reserves are recommended for carpet flooring replacement during the 12-year term.</p>
Walls/Ceilings	<p>Painted drywall walls were observed at the unit interiors. Painted drywall walls with an orange peel texture were observed at the kitchens and bathrooms and spray applied acoustic finishes are installed over drywall in the remaining living areas.</p> <p>Comments: This ceilings and walls observed were in good to fair condition overall. Paint unit interiors during the 12-year term as needed as part of turnover and routine maintenance.</p>
Doors	<p>Interior doors consist of hollow-core wood with wood faces and are hung in painted wood frames. Closet doors wood mirrored bypass assemblies.</p> <p>Comments: This system is rated to be in good to fair condition overall. No problems were observed or reported. Repairs other than routine maintenance are not anticipated during the 12-year term.</p>
Window Treatments	<p>Mini-blinds or vertical blinds are installed at the unit windows.</p> <p>Comments: The system is rated to be in good to fair condition overall. No problems were observed or reported. Replacements other than routine maintenance are not anticipated during the 12-year term.</p>
Cabinets	<p>The original kitchen cabinets and vanities are laminated particleboard boxes with laminated particle board fronts.</p> <p>Comments: Damaged cabinets and vanities were observed at several units and replacement is recommended in the near future. Cabinet replacements have already been completed in some of the unit interiors. Based on the reported age and the observed conditions, cabinet and vanity replacements are anticipated during the 12-year term.</p>
Countertops & Sinks	<p>The kitchen sinks are drop-in stainless steel or porcelain glazed cast iron single basin fixtures in laminate counters. The bathrooms contain cultured marble counters with integral sinks.</p>

Comments: This system is rated to be in fair condition overall. Counter damage was observed at several kitchens and bathrooms and several recent replacements have been completed. Based on the observed conditions, counter replacements are anticipated during the 12-year term.

Appliances

Each apartment is provided with an electric range, vented or recirculating range hood, refrigerator, and garbage disposal.

Comments: Based on the observed conditions and ages, appliance replacements are recommended during the 12-year term.

Tubs/showers/
Enclosures/Fixtures

The apartment bathrooms contain premolded fiberglass tubs and surrounds and residential grade faucets, shower heads, and water closets. Glass doors are provided at some of the shower stalls.

Comments: The bathroom finishes and fixtures observed appeared to be in fair condition with evidence of their age including worn tub and surround finishes, deteriorated caulking and original plumbing fixtures. Based on the age, costs are provided for replacements during the 12-year term.

5.0 IMMEDIATE AND SHORT TERM REPAIRS



TABLE 1 - IMMEDIATE & SHORT TERM REPAIRS

Property Name: Continental Apartments
 Address: 1101 Crystal Street, 1117 School Street and 1101 West Street
 City, State, Zip: Suwan, California
 Site Survey Date: 11/13/2012
 Report Date: 12/13/2012
 Property Type: Multi-family
 Number of Buildings: 3

Number of Floors: 2
 Building Area: 36,844
 Number of Units: 76
 Property Age: 44
 Loan Term: 10
 Analysis Term: 12

ITEM	ITEM	QUANTITY	COST	UNIT	IMMEDIATE COST	SHORT TERM COST	COMMENTS OR ADDITIONAL DESCRIPTION
SITE							
Pvm'l/Pkg	Asphalt paving	10,150	\$3.00	SF	\$30,450		Significantly damaged asphalt paving was observed at the street parking stalls along Crystal Street. This entire area needs to be repaved, new slope should be provided to reduce water drainage issues, new subgrade installed and compacted and a new wearing course installed. Parking stalls should be restriped following the paving installations.
Pvm'l/Pkg	Asphalt paving	26,600	\$0.45	SF		\$11,970	Repair other asphalt damage at open parking areas. Seal minor cracks with a traffic rated sealant, install a new slurry coat and parking stall markings throughout the open parking areas located at each building.
Pvm'l/Pkg	Concrete paving	800	\$5.00	SF		\$4,000	Replace damaged concrete paved entrance drive aprons.
Pvm'l/Pkg	Concrete wheel stops	1	\$500	Allow		\$500	Remove and replace damaged concrete wheel stops as needed throughout the parking areas.
Pvm'l/Pkg	Pedestrian walkways	800	\$8.00	SF	\$6,400		Cracking, settling and other damage was observed at the pedestrian walkways throughout the site. The conditions appear to be due previous soil settlement. Remove and replace any significantly damaged walkways and seal minor cracks to prevent water intrusion and further settlement. Several trip hazards were observed. Clean moss growth to prevent slip fall hazards.
Landscaping	Tree removal/trimming	1	\$5,000	Allow		\$5,000	The deep rooting trees may be resulting in the soil settlement along the south portion of the site. Other trees have resulted in heaved walkways in the recent past. Remove a portion of the trees to prevent future walkway damage and soil settlement. Trim any overgrown tree limbs to avoid clogged gutters.
Amenities	Signage	1	\$10,000	Allow		\$10,000	Install Property identification signage at each parcel as well as directional signage throughout the site. Property is hard to locate with current signage provided. Adding monument sign and additional common area directional signage will assist emergency personnel and the general public to better identify the Property.
Accessibility	Parking stalls	5	\$1,500	Stalls		\$7,500	For the total number of parking stalls provided, a total of five designated parking stalls, including one van accessible parking stall, are required for the Property. Conforming slopes, dimensions, access aisles, signage, a marked path of travel, curb cuts (not ramps), and transition warnings are required throughout. Located the van accessible stall on the shortest route to the leasing office entrance.
ARCHITECTURE							
Facades	Replace dry rot or damaged siding and trim	76	\$2,300	Units		\$167,200	Several areas of warped, damaged or dry rot infested wood and siding components were observed. Survey all exteriors and replace damaged wood, window trim and other components as needed. Remove and replace all composition siding due to delamination and warping indicating these finishes are beginning to fail. Utilize a pre finished non rot material for all new siding and trim components. Replace damaged soffit areas as needed.
Facades	Exterior paint	76	\$850	Units		\$64,600	The building finishes are exhibiting signs of wear including peeling paint and faded coloring. Anticipate a full paint job in the near future.
Facades	Replace / repair windows	50	\$425	Each		\$21,250	Recent window replacements have been needed due to sealant failures and poorly operating single glazed aluminum fixtures. Some window installations appear to have been done sub standardly with gaps between the frame and siding. Evaluate all recent window replacements and repair or replace as needed. Survey all windows and replace a portion of the original fixtures.
Roof/Drainage	Repair or replace damage	1	\$2,500	Allow		\$2,500	Repair or replace loose or damaged composition shingles at the building exteriors. Clear clogged gutters as needed.
Exterior Stairs	Repair/modify stairs	12	\$2,300	Sets	\$27,600		Install infill blocks at open risers to prevent trip hazards. Install code conforming handrails and picket spacing. Install contrasting nosings (visual warnings) at bottom tread and top riser of all exterior stairs.
Stair Landings	Replace rotted landings	2,200	\$8.00	SF	\$17,600		Evidence of rotted framing, cracking topping or recent repairs were noted at several stair landings and elevated walkways. Survey all structures and replace damaged concrete topping as needed. Replace damaged wood framing as needed. Seal gaps at elevated walkways to prevent water intrusion. Install an elastomeric water proofing membrane at landings and walkways to prevent future rot and damage.
Termites/Dry Rot	Wood Destroying Pest Survey	76	\$45.00	Units	\$3,420		Due to the current dry rot damage and previous water intrusion at the stair landings, siding and wood trim elements, a full Wood Destroying Pest survey is recommended for the Property.
Accessibility	Laundry room	1	\$1,000	Allow		\$1,000	Reconfigure equipment to provide conforming clearances for wheel chair access at the laundry room interior. Provide one front loading washer and dryer with controls at the front of the equipment for accessibility conformance.
Accessibility	Common area entries	2	\$2,300	Each		\$4,600	The laundry room and office entry thresholds are non-conforming for accessibility guidelines and should be replaced.
MECHANICAL /ELECTRICAL							
Plumbing	Install seismic restraints at water heaters	1	\$500	Allow	\$500		Install code conforming seismic restraints at all water heaters. Patch damaged or replace missing drywall or water heater closets to prevent fire sto hazard.
Life/Safety	Install smoke and carbon monoxide detectors	76	\$75	Units	\$5,700		Install carbon monoxide detectors in all units and smoke detectors in all unit bedrooms.
ADA	Audible/visual alarms	1	\$1,000	Allow		\$1,000	To better comply with accessibility guidelines, provide strobe alarms in the laundry room and office areas.
DWELLING UNITS							
None							
					TOTAL	\$91,670	\$301,120
					GRAND TOTAL	\$392,770	

6.0 REPLACEMENT RESERVE

7.0 ACCESSIBILITY

A screening for compliance with the American with Disability Act (ADA), Fair Housing Act Amended (FHAA), was performed. This screening is intended to identify basic compliance issues and is not intended to provide a detailed analysis of compliance. A screening for UFAS/Section 504 of the Rehabilitation Act of 1973 compliance was not provided for this property.

ADA

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 Property's public accommodation areas consist of the office and laundry room.* Repair or upgrade recommendations are included on Table 1.

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

Uniform Federal Accessibility Standard (UFAS)/Section 504

At some government funded or assisted properties, common, non-leased areas of the building(s), such as walkways, parking areas, bathrooms, and other common areas and facilities may be subject to accessibility requirements. Projects subject to this regulation constructed after August 10, 1982 are required to have 5% of the units are fully accessible. Common areas must be accessible. Projects constructed before that are "encouraged" to provide 5% fully accessible units during renovation/rehabilitation/repair. *The Property is not subject to Section 504/UFAS requirements.*

Fair Housing Act Amended

The scope of this report is limited to a very general overview of the Property improvements based upon the requirements of the Fair Housing Act (FHA) Guidelines in an attempt to identify clear and unequivocal violations of the Act. It is not intended for use or reliance as an audit for purposes of determining strict compliance, but is a tool to identify whether or not a full compliance audit may be appropriate.

Applicability

The Fair Housing Act Amended (FHAA) is a civil rights law that forbids discrimination on the basis of race, color, religion, sex, national origin, familial status and disability. The Fair Housing Act does not require any renovations to existing buildings. The Fair Housing Act design and construction requirements apply to "covered multifamily dwellings" designed and constructed "for first occupancy" after March 13, 1991. A building was not designed or constructed for first occupancy if:

- It was occupied by March 13, 1991
- If the last building permit or renewal of a building permit was issued on or before June 15, 1990
- Buildings where the last building permit was issued on or before June 15, 1990 are not covered by the design and construction requirements. Even if the last building permit was issued after June 15, 1990, if the property was occupied before March 13, 1991, it is not covered. HUD adopted these dates to allow time for the requirements to be considered during the design and construction phase of new properties.
- The "first occupancy" language in the statute has been defined in HUD's Fair Housing Act regulations as "a building that has never before been used for any purpose." This means buildings that are rehabilitated are not covered by the design and construction requirements even if the rehabilitation occurs after March 13, 1991 and even if it is substantial rehabilitation.

Construction Requirements

In order to be in compliance with the Fair Housing Act, there are seven basic *design and construction requirements* that must be met. For the purpose of performing this assessment, BASIS has separated the requirements of FHA compliance into eight (8) compliance requirements/questions as follows:

Requirement 1 - An accessible building entrance on an accessible route.

All covered multifamily dwellings must have at least one building entrance on an accessible route unless it is impractical to do so because of the terrain or unusual characteristics of the site.

- An accessible route means a continuous, unobstructed path connecting accessible elements and spaces within a building or site that can be negotiated by a person with a disability who uses a wheelchair, and that is also safe for and usable by people with other disabilities.
- An accessible entrance is a building entrance connected by an accessible route to public transit stops, accessible parking and passenger loading zones, or public streets and sidewalks.

Requirement 2 - Accessible common and public use areas.

Covered housing must have accessible and usable public and common-use areas. Public and common-use areas cover all parts of the housing outside individual units. They include – for example – building-wide fire alarms, parking lots, storage areas, indoor and outdoor recreational areas, lobbies, mailrooms and mailboxes, and laundry areas.

Requirement 3 - Usable doors (usable by a person in a wheelchair).

All doors that allow passage into and within all premises must be wide enough to allow passage by persons using wheelchairs.

Requirement 4 - Accessible route into and through the dwelling unit.

There must be an accessible route into and through each covered unit.

Requirement 5 - Light switches, electrical outlets, thermostats and other environmental controls in accessible locations.

Requirement 6 - Reinforced walls in bathrooms for later installation of grab bars.

Reinforcements in bathroom walls must be installed, so that grab bars can be added when needed. The law does not require installation of grab bars in bathrooms.

Requirement 7 - Usable kitchens and bathrooms.

Kitchens and bathrooms must be usable - that is, designed and constructed so an individual in a wheelchair can maneuver in the space provided.

Requirement 8 - Complaints

There can be no complaints regarding access by occupants of the property. If there are any known complaints, action is required to mitigate tenant needs regarding access if deemed feasible and reasonable.

Observations

Based on the 1968 date of construction, FHAA does not apply to the Property.

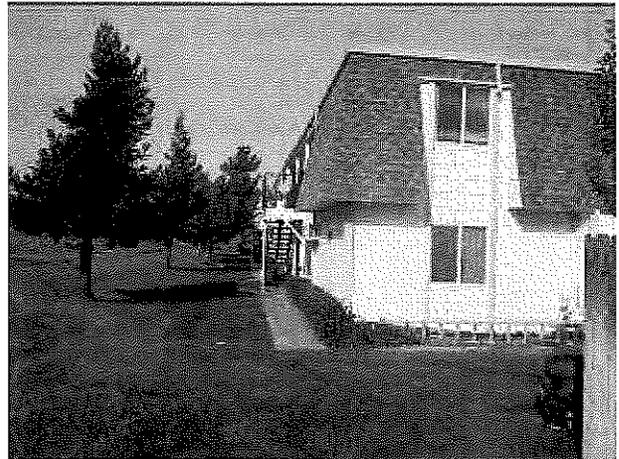
APPENDICES

PHOTOGRAPHS

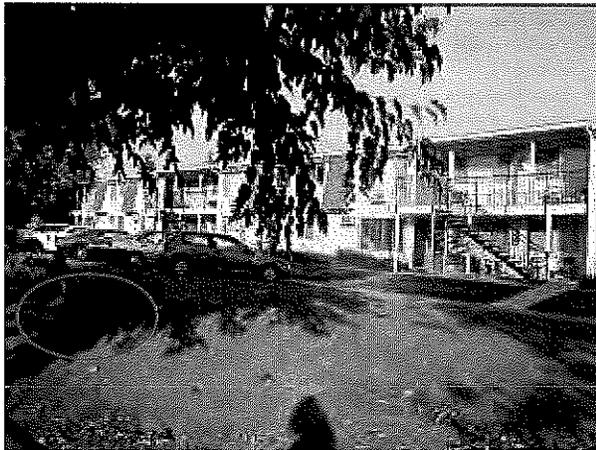
Continental Apartments, Suisun, CA
Conditions as of: November 13, 2012



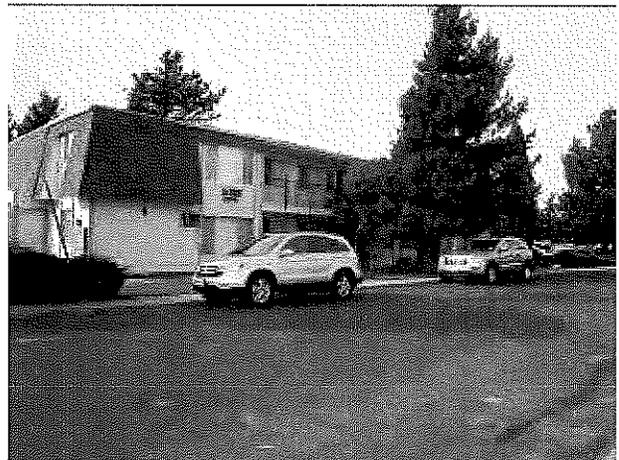
1. Open area at north perimeter of Crystal Street building



2. View north down west perimeter of the Property at the 1101 West building



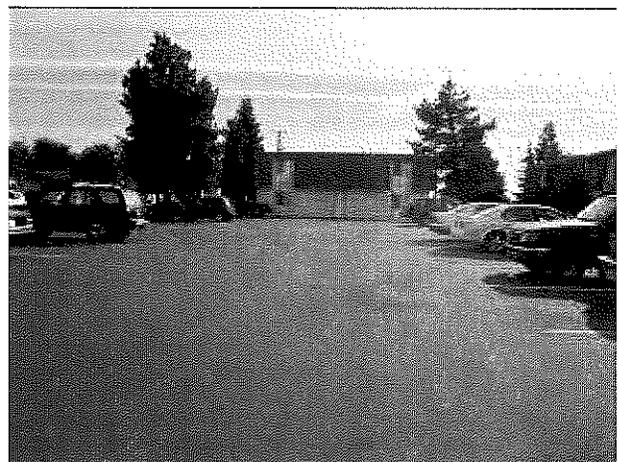
3. View towards 1101 Crystal Street west perimeter; note damaged paving



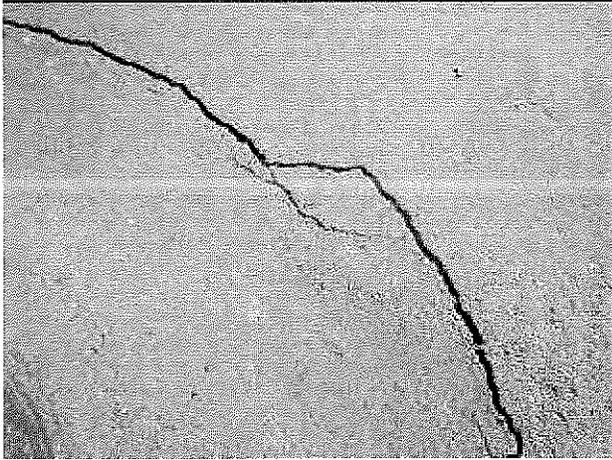
4. View west towards the east perimeter of the Property along School Street, the 1117 School Street building is shown



5. Wood trash enclosure and dumpster at West Street parking area



6. Open parking area located to the north of the 1117 School Street building



7. Typical asphalt crack noted at the parking areas



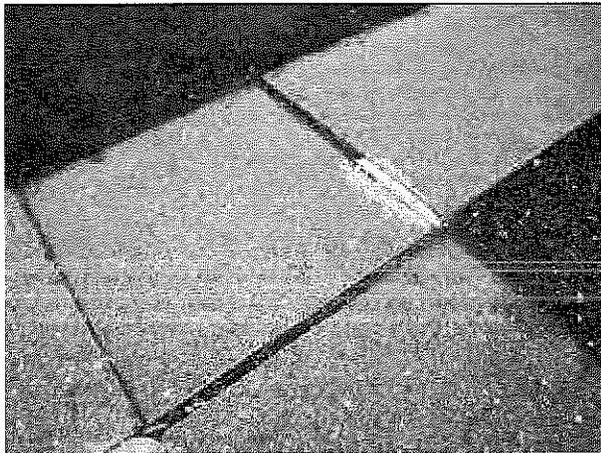
8. Damaged asphalt and concrete wheel stop at open parking area



9. Significantly damaged paving at street parking along Crystal Street, which is considered part of the Property



10. Cracked concrete drive apron



11. Settled and heaved walkway



12. Off set / trip hazard at walkway 1101 Crystal

Continental Apartments, Suisun, CA
Conditions as of: November 13, 2012

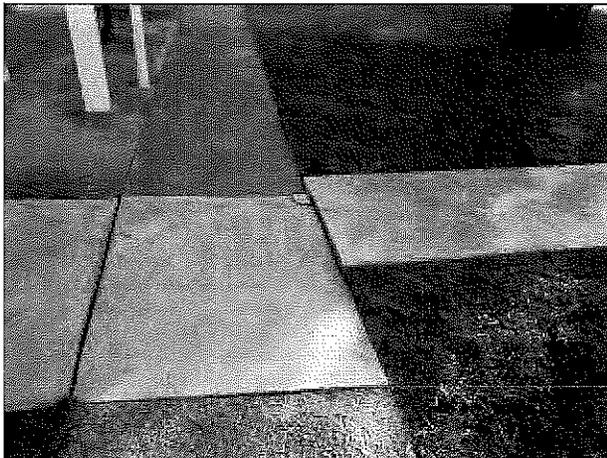
BASIS



13. Moss growth at walkways; slip hazard. Also note rotted electrical meter enclosure. 1101 West Street; north perimeter



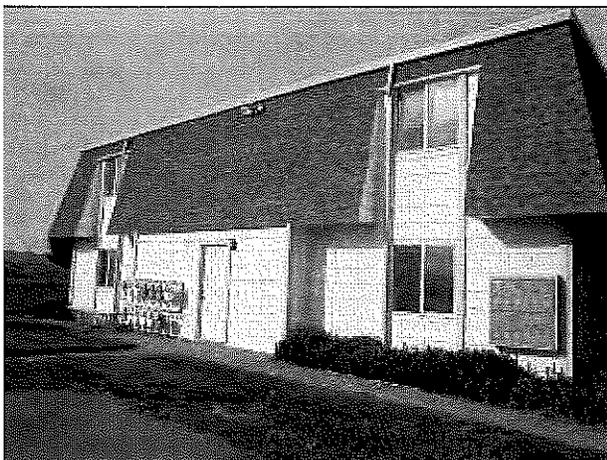
14. Typical landscaping, walkways, and building finishes



15. Recently replaced walkway at laundry room entrance; additional damage noted



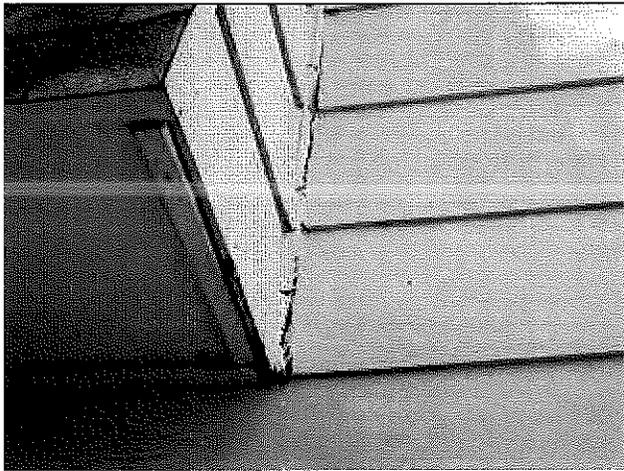
16. Open landscaped areas at the south perimeter of the Crystal Street building. Deep rooting trees are resulting in settlement of soils



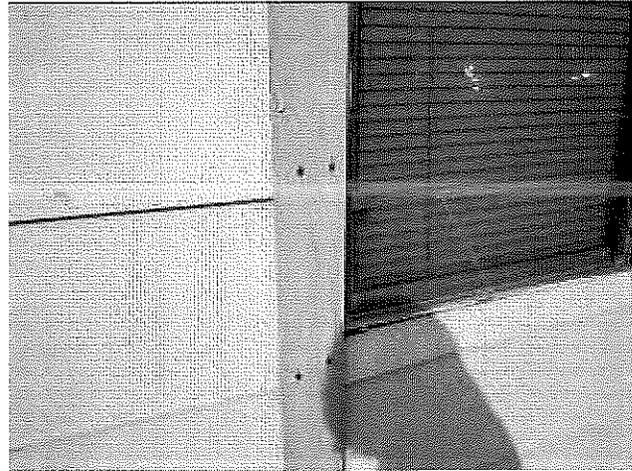
17. The buildings have metal mailboxes, asphalt shingles and composite siding exteriors



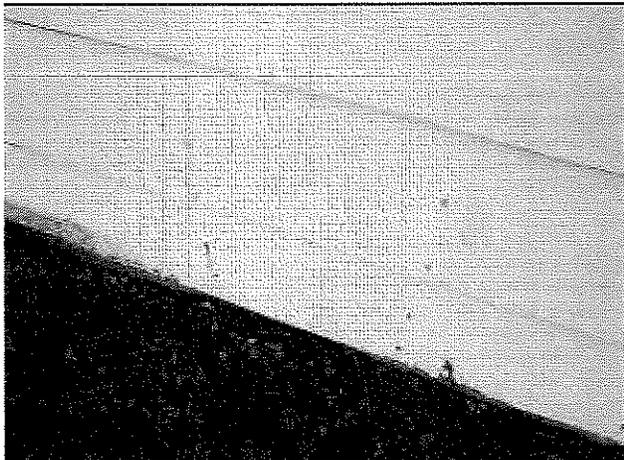
18. The leasing office entry threshold exceeds allowable limits for accessibility guidelines



19. Damaged siding and paint at building exteriors



20. Damaged siding and paint at building exteriors. Rusted and popping nails indicate water intrusion



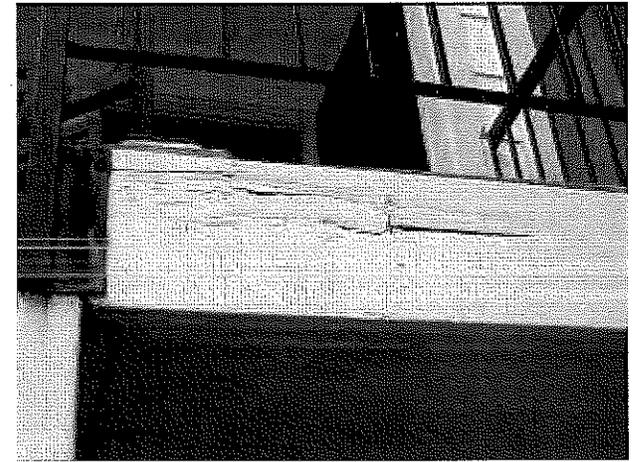
21. Damaged siding, rusted nails and weathered finishes



22. Evidence of dry rot or termites at wood trim components



23. Loose shingles, replacement window and loose wood trim

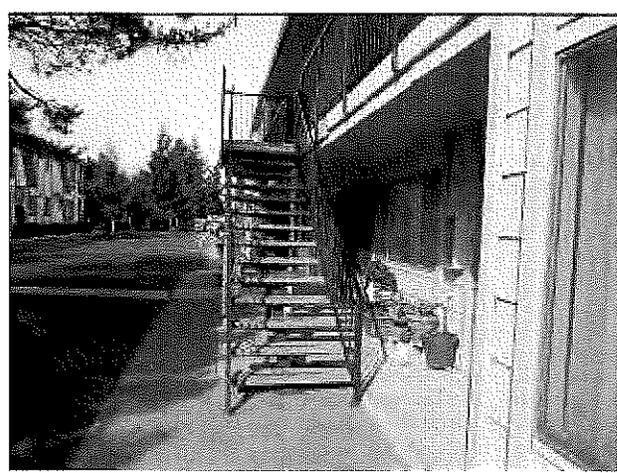


24. Rotted stair landing at Crystal Street building

Continental Apartments, Suisun, CA
Conditions as of: November 13, 2012



25. Warped siding at soffit area; north façade of School Street building



26. Typical exterior stairs



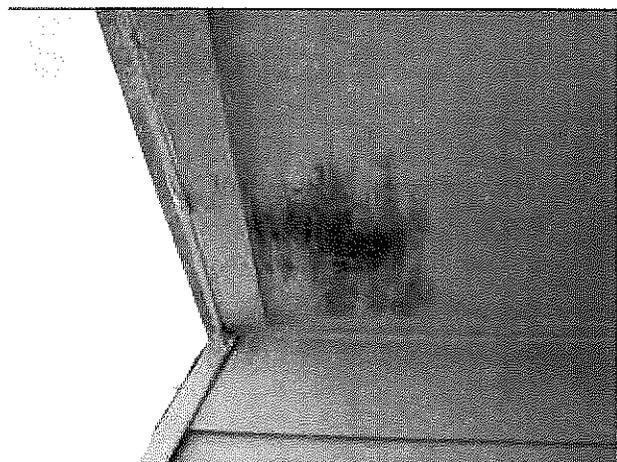
27. Gap at siding and retrofit window; west façade of the West Street building



28. Cracked elevated walkway and recently replaced stair landing at the Crystal Street building



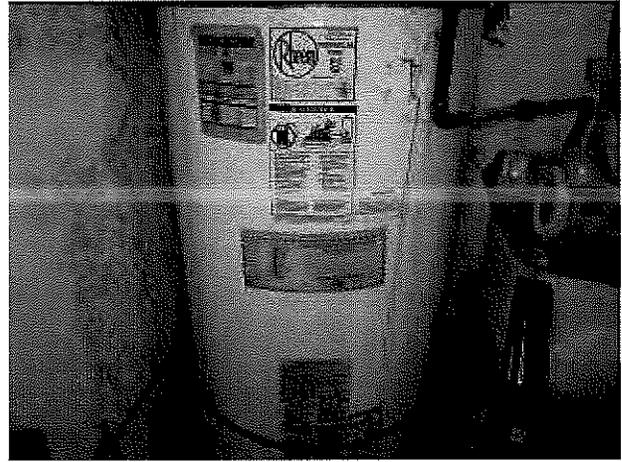
29. Gaps at exterior wall to elevated walkway at west façade of the West Street building



30. Damaged soffit from bat infestation



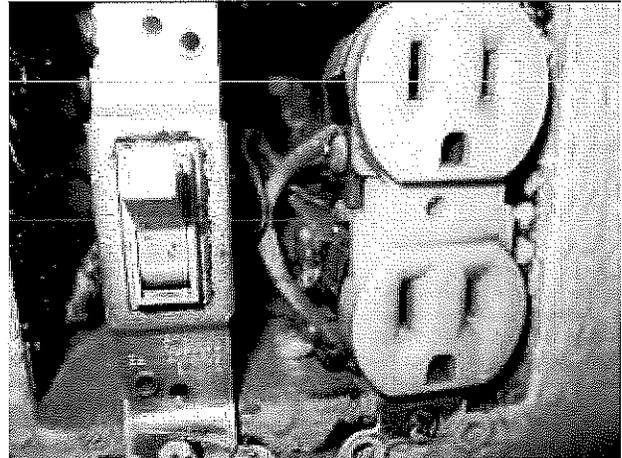
31. Clogged gutter and replaced window



32. Typical gas fired water heater; note seismic restraints are not code conforming



33. Individual electric meters



34. Copper wiring verified

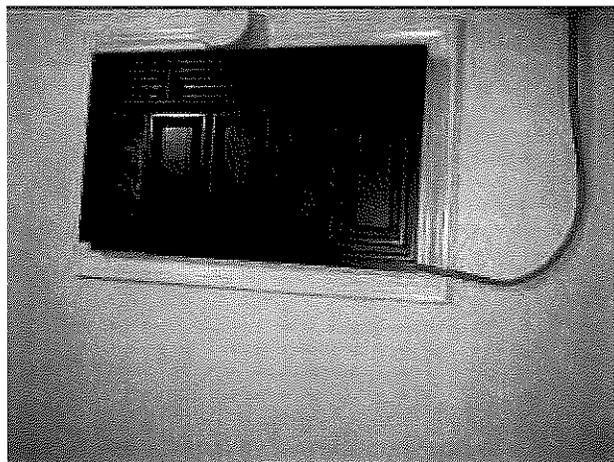


35. 50 amp main breakers for unit electrical meters

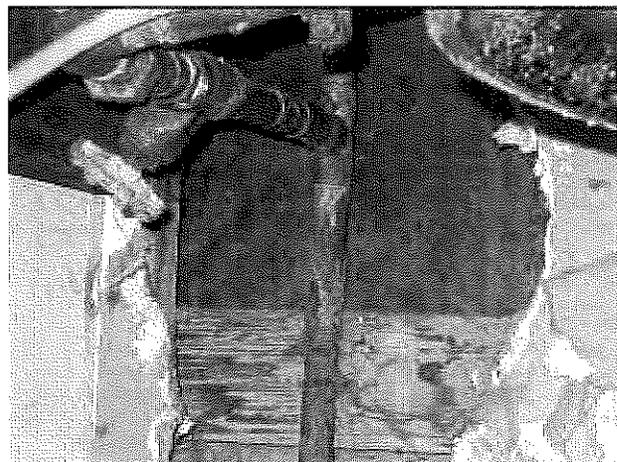


36. Gas fired wall heaters for unit heating

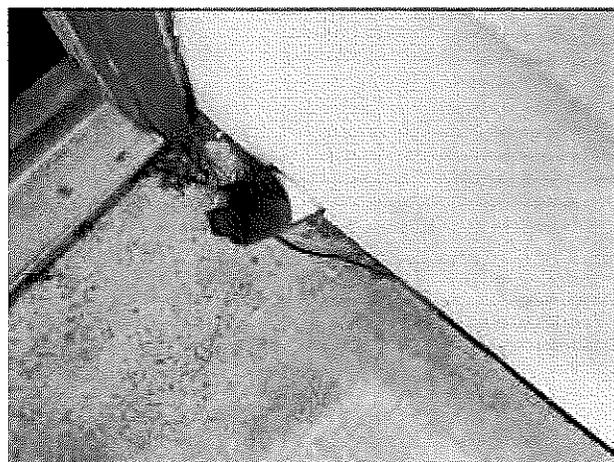
Continental Apartments, Suisun, CA
Conditions as of: November 13, 2012



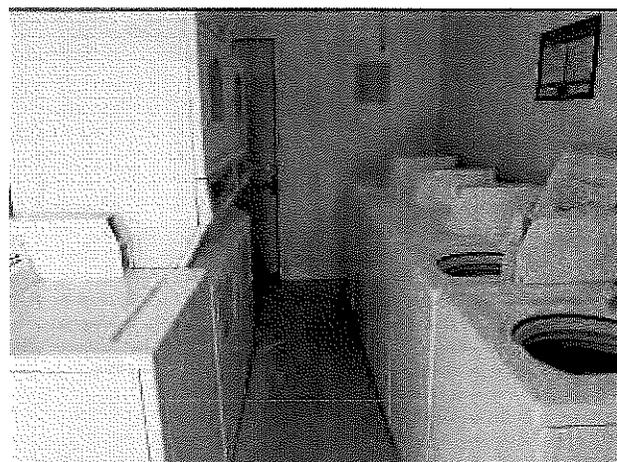
37. Older air conditioner at leasing office



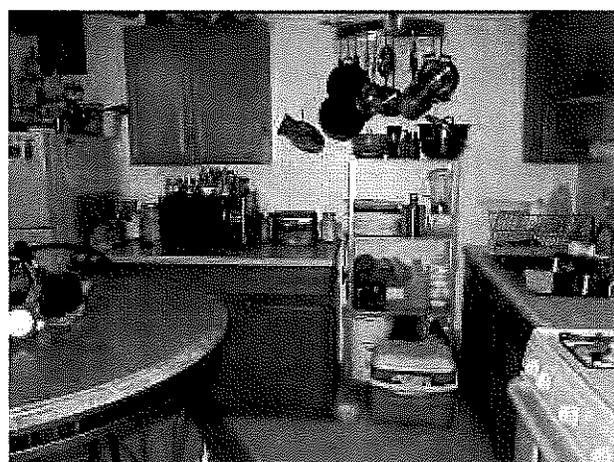
38. Copper water lines and missing drywall in water heater closet



39. ABS waste line clean out at laundry room



40. Interior of laundry room



41. Unit kitchen with newer cabinets



42. Kitchen with older and newer cabinets



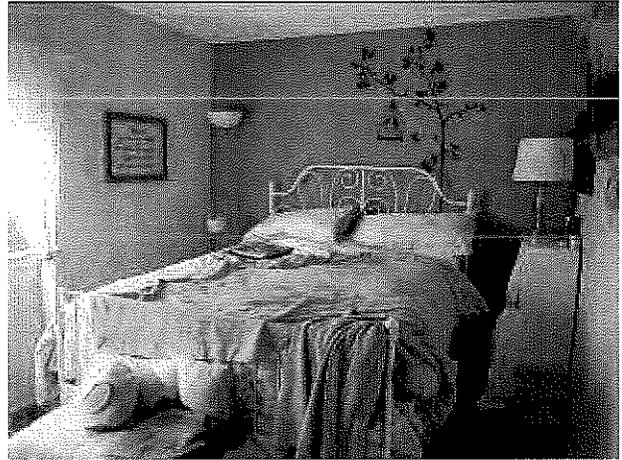
43. Bathroom finishes



44. Worn tub finishes and older plumbing fixtures
observed in some units



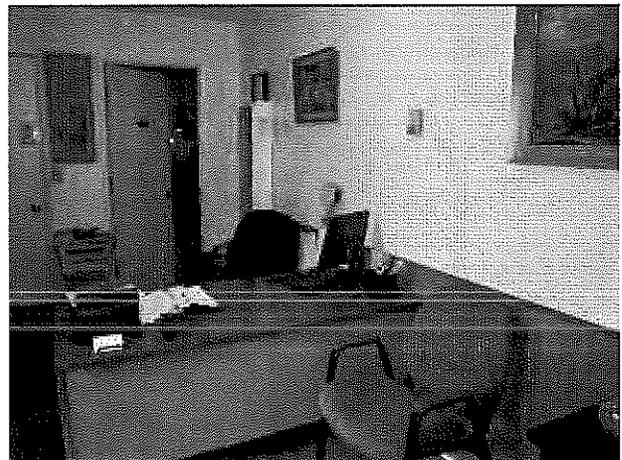
45. Older flooring noted at some unit interiors



46. Unit bedroom finishes



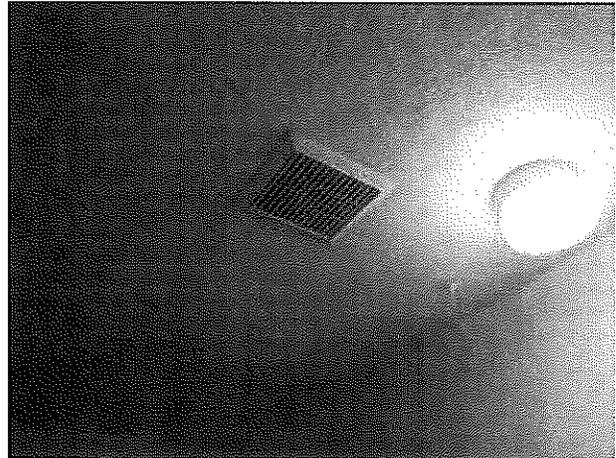
47. Poor condition of window sealants



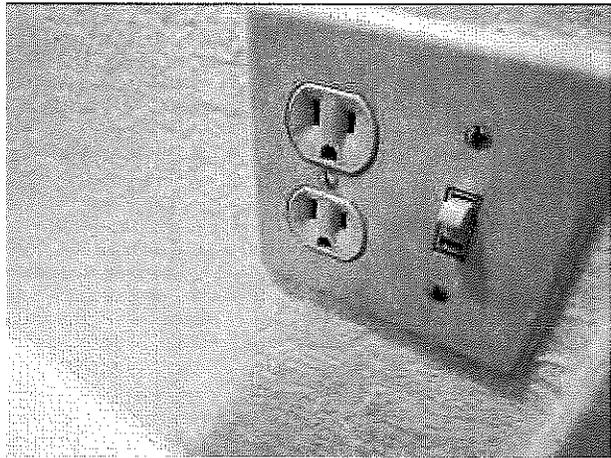
48. Interior of leasing office



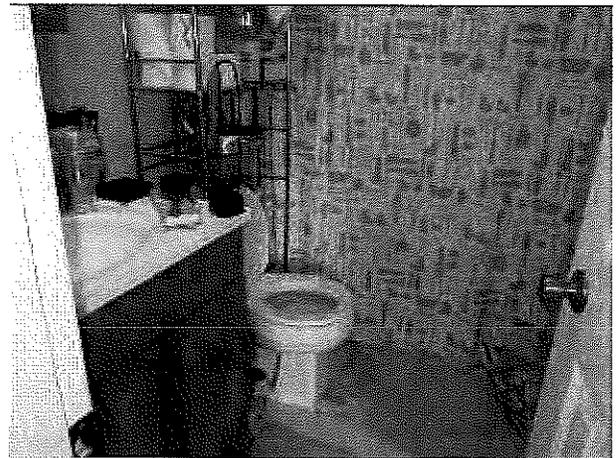
49. Unit range hoods are not vented in some locations



50. Bathroom ventilation fans and unit interior lighting

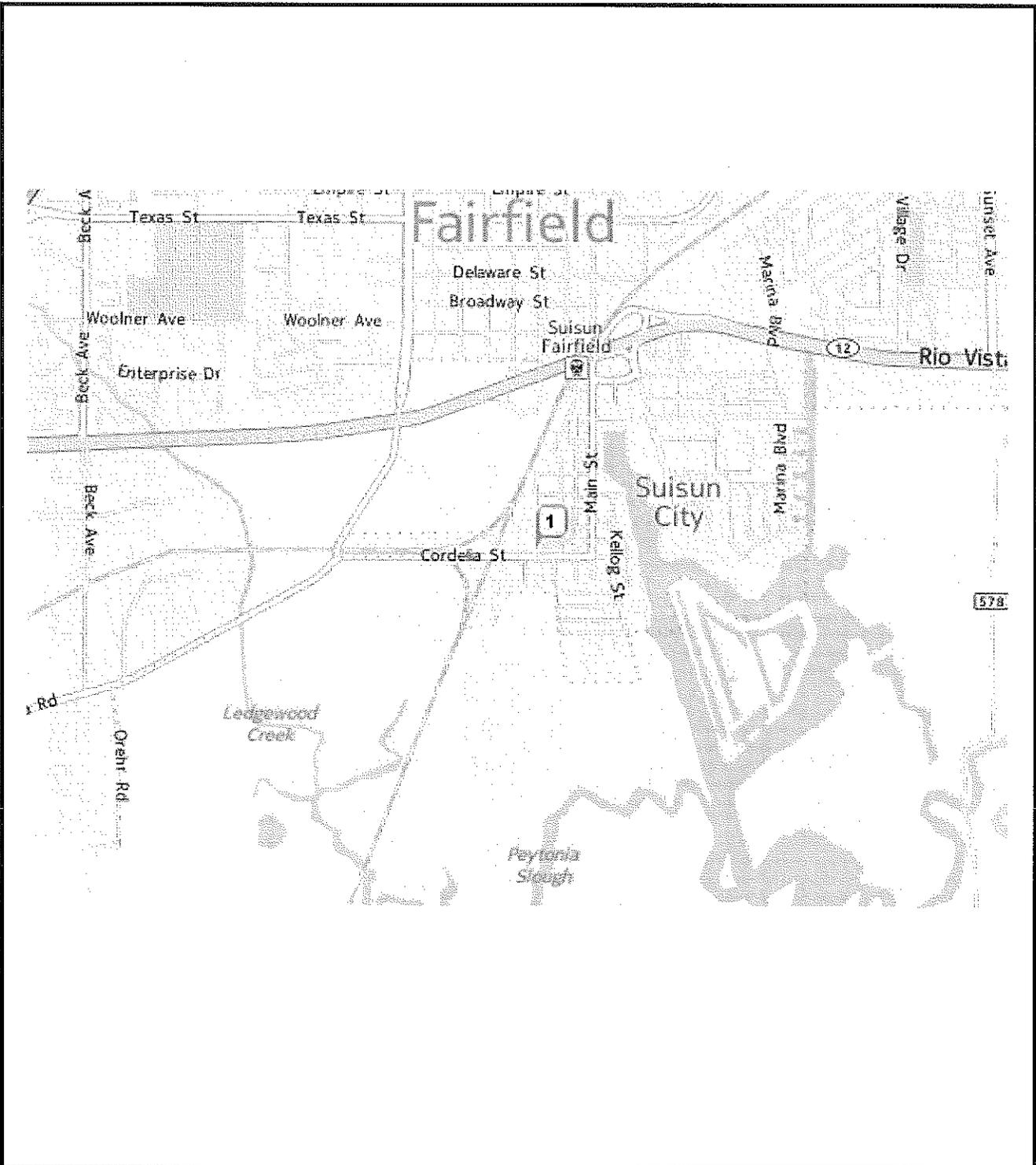


51. GFCI outlets are not provided in all "wet" locations



52. Bathroom with newer vanity

MAPS



VICINITY MAP

BASIS Architecture
A Consulting

CONTINENTAL APARTMENTS
1101 Crystal Street, 1117 School Street &
1101 West Street
Suisun City, California 94585

N



NOT TO SCALE



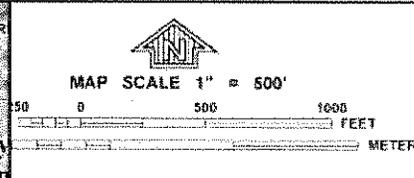
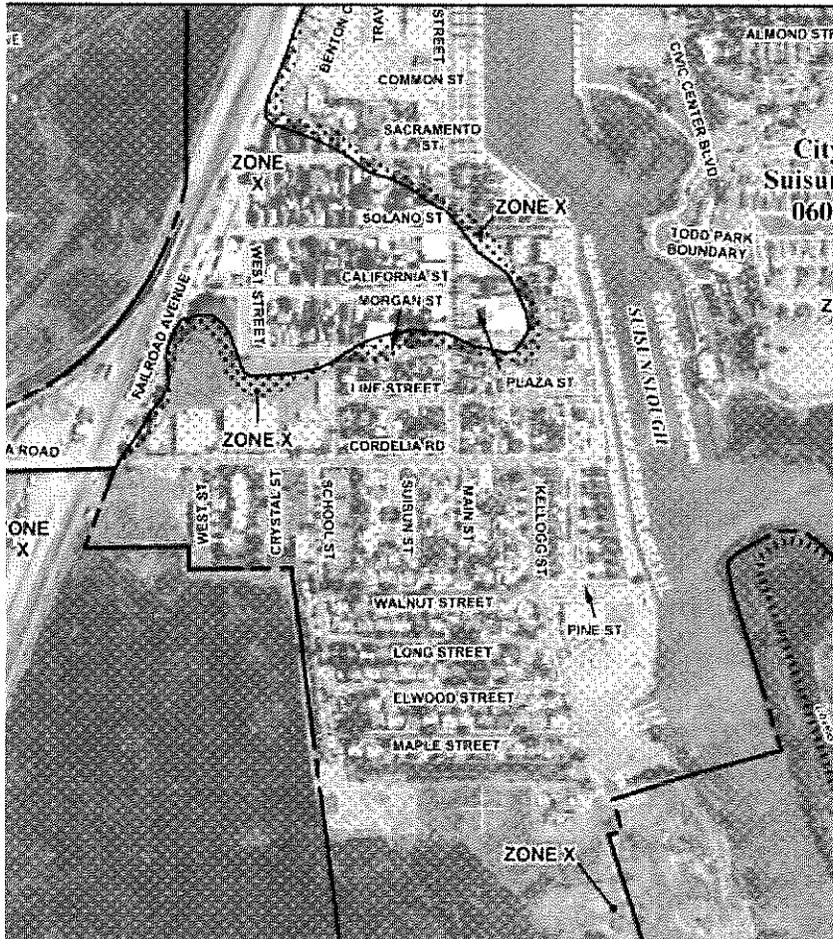
SITE PLAN

BASIS Architecture
& Consulting

CONTINENTAL APARTMENTS
1101 Crystal Street, 1117 School Street &
1101 West Street
Suisun City, California 94585



NOT TO SCALE



NFP

PANEL 0456E

FIRM
FLOOD INSURANCE RATE MAP

SOLANO COUNTY,
CALIFORNIA
AND INCORPORATED AREAS

PANEL 456 OF 730

SEE MAP INDEX FOR FIRM PANEL LAYOUT

ADDRESS	DATE	REASON	STATUS
1101 WEST ST	05/04/09	NEW	1
1117 SCHOOL ST	05/04/09	NEW	1
1101 WEST ST	05/04/09	NEW	1

NOTE: The map number shown here should be used when citing this map. The Community Number shown here should be used for FEDERAL REGULATIONS for the Flood Insurance Program.

MAP NUMBER
0609SC0456E

EFFECTIVE DATE
MAY 4, 2009

Federal Emergency Management Agency

This is an official copy of a portion of the above referenced flood map. It was extracted using FIRM Online. This map does not reflect changes or amendments which may have been made subsequent to the date on this title block. For the latest product information about National Flood Insurance Program flood maps, check the FEMA Flood Map Store at www.fema.gov.

FLOOD MAP

BASIS Engineering & Consulting

CONTINENTAL APARTMENTS
1101 Crystal Street, 1117 School Street &
1101 West Street
Suisun City, California 94585



NOT TO SCALE

OTHER DOCUMENTATION

Rent Roll
02 - Continental Apartments
As of Date: 10/30/2012
Select By: Move In Date

Unit	Unit Type	Tenant Code	Tenant Name	Unit Sqft	Market Rent	Actual Rent	Deposit	Move In	Past Due	NSF	Late
C-01	1bedrg	luc-01	Luckett, Karen	515.0	725.00	750.00	750.00	01/17/04	0.00	0	0
C-02	1bedrg	wri-02	Wright, Josh	515.0	725.00	700.00	700.00	12/01/07	0.00	1	0
C-03	1bedsm	rog-03	Rogers, Kayla	433.0	695.00	695.00	695.00	05/29/12	0.00	0	0
C-04	1bedsm	hai-04	Haigh, Eugene	433.0	695.00	695.00	695.00	07/01/04	0.00	0	0
C-05	1bedrg	bos-05	Bostock, Travis/Rothney, Tera	515.0	725.00	700.00	850.00	03/01/11	0.00	1	0
C-06	1bedrg	lac-06	Carrio, Ramon	515.0	725.00	700.00	354.00	10/11/95	-7.00	0	0
C-07	1bedrg	hay-07	Hayship	515.0	725.00	725.00	725.00	09/16/11	0.00	0	0
C-08	1bedrg	tay-08	Taylor, Latrice	515.0	725.00	700.00	700.00	09/10/11	0.00	0	0
C-09	1bedsm		VACANT	433.0	695.00				0.00	0	0
C-10	1bedsm	bag-10	Baglin, Charles	433.0	695.00	675.00	675.00	04/05/10	925.00	0	0
C-11	1bedrg	whi-11	Whitney, Thomas	515.0	725.00	725.00	762.00	05/01/08	0.00	0	0
C-12	1bedrg	hau-12	Houghton, Harry	515.0	725.00	700.00	700.00	09/08/06	0.00	0	0
C-13	1bedrg	bix-13	Bixler, Timothy Jim	515.0	725.00	700.00	700.00	02/12/04	0.00	0	0
C-14	1bedrg	jan-14	Janzen Elizabeth/Hood, Joel	515.0	725.00	725.00	725.00	05/04/12	0.00	0	0
C-15	1bedsm	wil-15	Wilkes	433.0	695.00	700.00	700.00	01/01/02	0.00	0	0
C-16	1bedsm	tse-16	Tse, Phoebe	433.0	695.00	675.00	675.00	06/16/06	0.00	0	0
C-17	1bedrg	ben-17	Benson, Amelia	515.0	725.00	700.00	700.00	02/04/11	0.00	0	0
C-18	1bedrg	ben-18	Benson, Amanda	515.0	725.00	700.00	850.00	06/12/09	0.00	3	0
C-19	1bedrg	tap-19	Tapia, Claudia/Smithson, Dust	515.0	725.00	725.00	725.00	07/01/12	0.00	0	0
C-20	1bedrg	foo-20	Fores, Rafael Jose/ito	515.0	725.00	725.00	725.00	12/01/08	712.00	4	0
C-21	1bedsm	bay-21	Bay, Hugo	433.0	695.00	675.00	675.00	04/15/11	0.00	0	0
C-22	1bedsm	cho-22	Choi, Min	433.0	695.00	675.00	675.00	11/13/09	0.00	0	0
C-23	1bedrg	whi-23	White, Bernadette/Robinson,	515.0	725.00	700.00	1,050.00	02/04/09	0.00	1	0
C-24	1bedrg	fre-24	Freitas, Nanci	515.0	725.00	700.00	700.00	05/01/11	50.00	0	0
C-25	1bedrg	rey-25	Reyes, Amanda	515.0	725.00	725.00	725.00	04/04/12	0.00	0	0
C-26	1bedrg	rod-26	Rodrigues, Tara	515.0	725.00	725.00	725.00	09/01/11	0.00	0	0
C-27	1bedsm	cel-27	Celestian, Rufus	433.0	695.00	695.00	695.00	06/26/12	0.00	0	0
C-28	1bedsm	cho-28	Choi, Jasmine	433.0	695.00	675.00	675.00	04/01/11	0.00	0	0
C-29	1bedrg	jon-29	Jones, Karneeka	515.0	725.00	700.00	700.00	02/12/10	0.00	1	0
C-30	1bedrg	smi-30	Smith, Linda	515.0	725.00	700.00	700.00	01/01/11	-1.00	0	0
C-31	1bedrg	dun-31	Duncan, Mildred	515.0	725.00	725.00	875.00	10/01/11	0.00	0	0
C-32	1bedrg	sch-32	Schrupp, Evan	515.0	725.00	700.00	700.00	07/04/10	0.00	0	0
C-33	1bedsm		VACANT	433.0	695.00				0.00	0	0
C-34	1bedsm	tho-34	Thomas, Crystal	433.0	695.00	675.00	825.00	04/01/11	0.00	0	0
C-35	1bedrg	mac-35	Manager's Apartment	515.0	0.00	0.00	0.00	01/01/98	0.00	0	0
C-36	1bedrg	fol-36	Foley, Pally	515.0	200.00	200.00	0.00	02/01/06	0.00	0	0
S-A	1bedrg	figa-a	Figaniak, Nancy	515.0	725.00	700.00	850.00	12/29/07	0.00	0	0
S-B	1bedsm		VACANT	433.0	695.00				0.00	0	0
S-C	1bedsm	can-c	Carnan, Angelito	433.0	695.00	675.00	675.00	10/15/12	0.00	0	0
S-D	1bedrg	lewi-d	Lewis	515.0	725.00	750.00	700.00	10/25/02	0.00	0	0
S-E	1bedrg	alva-e	Alvarado, Diane	515.0	725.00	725.00	725.00	10/01/05	0.00	0	0
S-F	1bedsm	stew-f	Stewart, Terry	433.0	695.00	675.00	675.00	08/03/07	130.00	0	0
S-G	1bedsm	kacs-g	Kaci, Omar	433.0	695.00	675.00	675.00	03/09/06	0.00	0	0
S-H	1bedrg	whit-h	Whitener, Rae Berta	515.0	725.00	750.00	750.00	09/01/02	0.00	0	0
S-I	1bedrg	john-i	Johnson, Ebone	515.0	725.00	725.00	725.00	10/01/11	0.00	0	0
S-J	1bedsm	cars-j	Carriari, Carlo	433.0	695.00	675.00	675.00	07/24/06	0.00	0	0
S-K	1bedsm	jeu-k	Jeu, Chris	433.0	695.00	695.00	695.00	07/10/12	0.00	0	0
S-L	1bedrg	maho-l	Mahoney, Michael/Hughes, Meg	515.0	725.00	725.00	725.00	10/01/12	0.00	0	0
S-M	1bedrg	javi-m	Javius, Sheri	515.0	725.00	700.00	700.00	01/01/10	50.00	0	0
S-N	1bedsm	josh-n	Joshea, Marie	433.0	695.00	675.00	682.00	10/12/10	11.00	0	0
S-O	1bedsm	biss-o	Bissett, Shane	433.0	695.00	695.00	845.00	09/01/08	0.00	0	0
S-P	1bedrg	oriol-p	Oriol, Ftuben	515.0	725.00	725.00	725.00	10/27/12	0.00	0	0
W-A	1bedrg	pere-a	Perex, Shannon & Anthony	515.0	725.00	700.00	700.00	05/18/03	0.00	1	0
W-B	1bedsm	vawt-b	Vawters, Laveme	433.0	695.00	695.00	845.00	06/01/10	0.00	0	0
W-C	1bedrg	mim-c	Mir, Muhammad	515.0	725.00	725.00	725.00	02/20/12	0.00	0	0
W-D	1bedrg	coit-d	Cortez, Jose	515.0	725.00	700.00	700.00	03/02/11	0.00	0	0
W-E	1bedsm	reid-e	Reid, Rhonda	433.0	695.00	695.00	695.00	06/01/12	95.00	0	0
W-F	1bedrg	jarv-f	Jarvis, Lila/Oswald, Ryan	515.0	725.00	725.00	725.00	07/01/12	725.00	0	0
W-G	1bedrg	wall-g	Wallace, Kevin	515.0	725.00	700.00	700.00	12/01/10	0.00	1	0
W-H	1bedsm	hick-h	Hicks, Antanay	433.0	695.00	695.00	695.00	10/10/11	695.00	0	0
W-I	1bedrg	fras-i	Fraser, Shelby/Bulleman, Janic	515.0	725.00	725.00	725.00	07/10/12	0.00	0	0
W-J	1bedrg	smth-j	Smith, Wanda	515.0	725.00	700.00	700.00	04/03/09	0.00	0	0
W-K	1bedsm	mont-g	Montgomery, Erika	433.0	695.00	675.00	675.00	09/01/10	375.00	0	0
W-L	1bedrg	coll-l	Collins, Duane	515.0	725.00	725.00	875.00	09/10/11	0.00	0	0
W-M	1bedrg	mart-m	Marth, Chris	515.0	725.00	700.00	700.00	02/02/09	0.00	0	0
W-N	1bedsm	kama-n	Kamakeesina, Edward	433.0	695.00	695.00	695.00	04/21/12	0.00	0	0
W-O	1bedrg		VACANT	515.0	725.00				0.00	0	0
W-P	1bedrg	harv-p	Harvey, Tanya	515.0	725.00	725.00	875.00	09/04/12	0.00	0	0
W-Q	1bedsm	mend-q	Mendoza, Richard	433.0	695.00	695.00	695.00	07/01/05	0.00	0	0
W-R	1bedrg	meld-r	Meldrum, Michael	515.0	725.00	700.00	700.00	04/14/10	0.00	0	0
W-S	1bedrg	madi-s	Madiqah, Saadiqah	515.0	725.00	700.00	700.00	05/01/05	0.00	0	0

Rent Roll
02 - Continental Apartments
As of Date: 10/30/2012
Select By: Move In Date

Unit	Unit Type	Tenant Code	Tenant Name	Unit Sqft	Market Rent	Actual Rent	Deposit	Move In	Past Due	NSF	Late
W-T	1bedsm		VACANT	433.0	695.00				0.00	0	0
W-U	1bed1rg		VACANT	515.0	725.00				0.00	0	0
W-V	1bed1rg	foot-v	Footg	515.0	725.00	800.00	795.00	11/07/00	-15.00	0	0
W-W	1bedsm	domi-w	Dominquez, Melinda	433.0	695.00	695.00	695.00	04/02/07	0.00	0	0
W-X	1bed1rg	ande-x	Andezs, Amanda	515.0	725.00	725.00	875.00	03/10/12	475.00	0	0
76			Total	36,844.0	53,010.00	48,145.00	49,435.00		4,220.00	13	0
70			Total Occupied	34,062.0	48,780.00	48,145.00					
92.11			% Occupied	92.50	92.02	90.82					
6			Total Vacant	2,762.0	4,230.00						
7.89			% Vacant	7.50	7.98						

Note: Household size and household income are in tenant files.



PNA/CNA - PRESURVEY QUESTIONNAIRE

Please fill out and sign this questionnaire. Email to sspeer@basisarch.com or fax a copy to (866-532-6905). Please review **documentation request below**. For questions not applicable please respond "N/A." Attach additional pages if necessary. Lack of information on this form may be considered a limitation to the findings of the survey.

Property Name: Continental Apartments
Address: 1101 Crystal, 1101 West, 1117 School, Suwan City
Property Owner: Fairfield Investors Purchase Date: 1/14/83
On-Site Property Contact: Raymond Price Telephone: 707-422-0648
Fax: 707-422-0648 Email: _____

1. What is the County Assessor Parcel# or Legal Description (attach full copy): See attached
2. What is the Municipality or City/County that has jurisdiction over the property? Suwan City / Solana County
3. What is the size of the Property lot or lots, in acres? _____
4. How many total parking spaces (and HCP spaces) are present at the property? Break out number of open, Carport, and garage enclosed stalls. 76 open spaces plus private street parking
5. How many buildings comprise the Property? 3
6. What is the **gross and net rentable square footage** of the building(s)? net 36,844 sq ft
7. What is the date of construction of the building(s)? When was the building(s) first occupied? 1968
8. How many tenant spaces or apartments are at the Property? The apartments

If the property is apartments, please **provide a unit and type count by bedroom and square feet**:
See attached rent roll

9. Please list, to the best of your knowledge, any deficiencies or problems with the site, parking area, amenities or utilities: None

10. Please list, to the best of your knowledge, any structural, water infiltration, mold, roof, plumbing, HVAC, Fire Alarm or electrical deficiencies or problems: None

11. During the last five years, have any major capital improvements been made to the site or building(s)? If so, please explain, with the approximate cost: Please See attached Memo re Exhibit C - Due Diligence item # 13



PNA/CNA - PRESURVEY QUESTIONNAIRE

Does the property have	Y or N	Does the property have	Y or N
Polybutylene piping	N	Compressed wood or composite board siding	Y
Galvanized steel water lines	N	EFS exterior finishes	
ABS sanitary lines	Y	Fire Retardant Treated plywood	N
Aluminum branch wiring	N	Cadet/Encore electric heaters installed 1982-99	N
Omega (Central or CSC) brand sprinkler heads	N	GE or Hotpoint dishwashers installed 1983-89	N

Please list any deficiencies noted during any Building, Fire or Health Department inspections in the last 1-2 years: _____

None

12. When were the fire alarm systems and/or sprinkler system (if any) last tested? _____
 Please provide copies of recent testing / certification for all life/safety systems.

13. Please list the following utility providers:

Electricity: PG&E
 Water: City of Solano
 Storm Drainage: _____
 Sanitary Sewer: _____

Natural Gas or Oil: PG&E
 Trash Hauler: Solano Garbage
 Frequency of Pick-ups: 3 times per week

14. If you are performing or planning any repairs or replacement work to the property that will exceed \$2,000 please explain, with the approximate cost. on going kitchen remodels \$2200-\$2300 per kitchen

DOCUMENT AND INFORMATION CHECKLIST

Please provide the following information (as much as possible in electronic format) so we can proceed with the survey of the property.

- As-Built or original blue prints for the structures, ALTA surveys, reduced scale site plan - see attached
- Certificate of Occupancy
- Original building permits or permits for recent major structural repairs/modifications or upgrades, roofing replacements, etc.
- Façade inspection compliance (if applicable)
- Assessor's tax card
- Copies of active violations from City Building, Planning or Fire Department - none
- Current occupancy report or rent roll - attached
- Capital expenditures for last five years - attached listing of capital equipment Also see #11
- Warranties on major systems such as roofing or HVAC - roof warranty requested
- List of unit square footage and common area square footage see rent roll
- Copies of previously completed appraisals, Phase I Environmental or Physical / Capital Needs Assessments completed for the Property
- Current title report
- List of Furnishings, Fixtures and Equipment (including quantities) that is owned by the Property (including commercial grade kitchen equipment), if applicable

No stoves, 76 refrigerators, 76 air conditioners, 12 multiunit water heaters, Vertical blinds

JBD Property Holdings, Ltd.
1799 Bayshore Highway Suite#208
Burlingame, CA 94010
650-692-4420

November 1, 2012

Memo: re EXHIBIT C - Due Diligence List
From: Jeanne Brown
To: Whom it may concern

All items not noted below are enclosed in this mailing.

Item #6 - All units have stoves and refrigerators.

Item #7 - There are no recorded liens or encumbrances against the property.

Item #8 - BayRisk Insurance broker is preparing your request. I will forward the email to Jon as soon as available.

Item #10 - There are no investigative reports in our files.

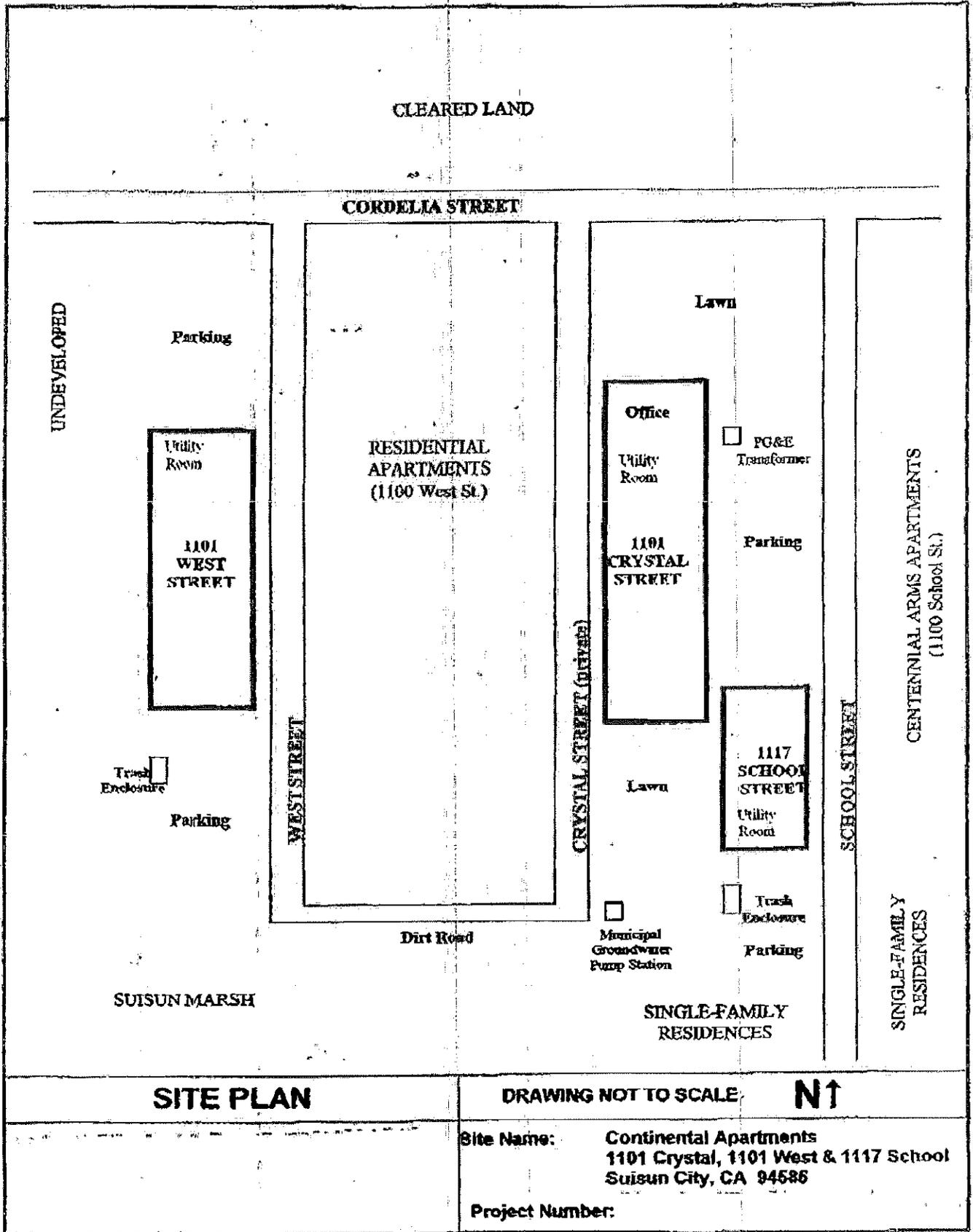
Item #12 - We do not maintain replacement logs.

Item #13 - List of recent capital improvements.

- 2005 Driveways and sidewalks replaced on 2 out of 3 streets.
- 2009 New roofs on 2 out of 3 buildings. The other roof was replaced in 2001.
- 2010 Replaced exterior staircases and landings.
- Ongoing kitchen and bathroom remodeling. 85% complete.

Item #14 - There are no structural alterations.

Item #16 - Three units are in eviction. Crystal #10, Crystal #20 and West #F



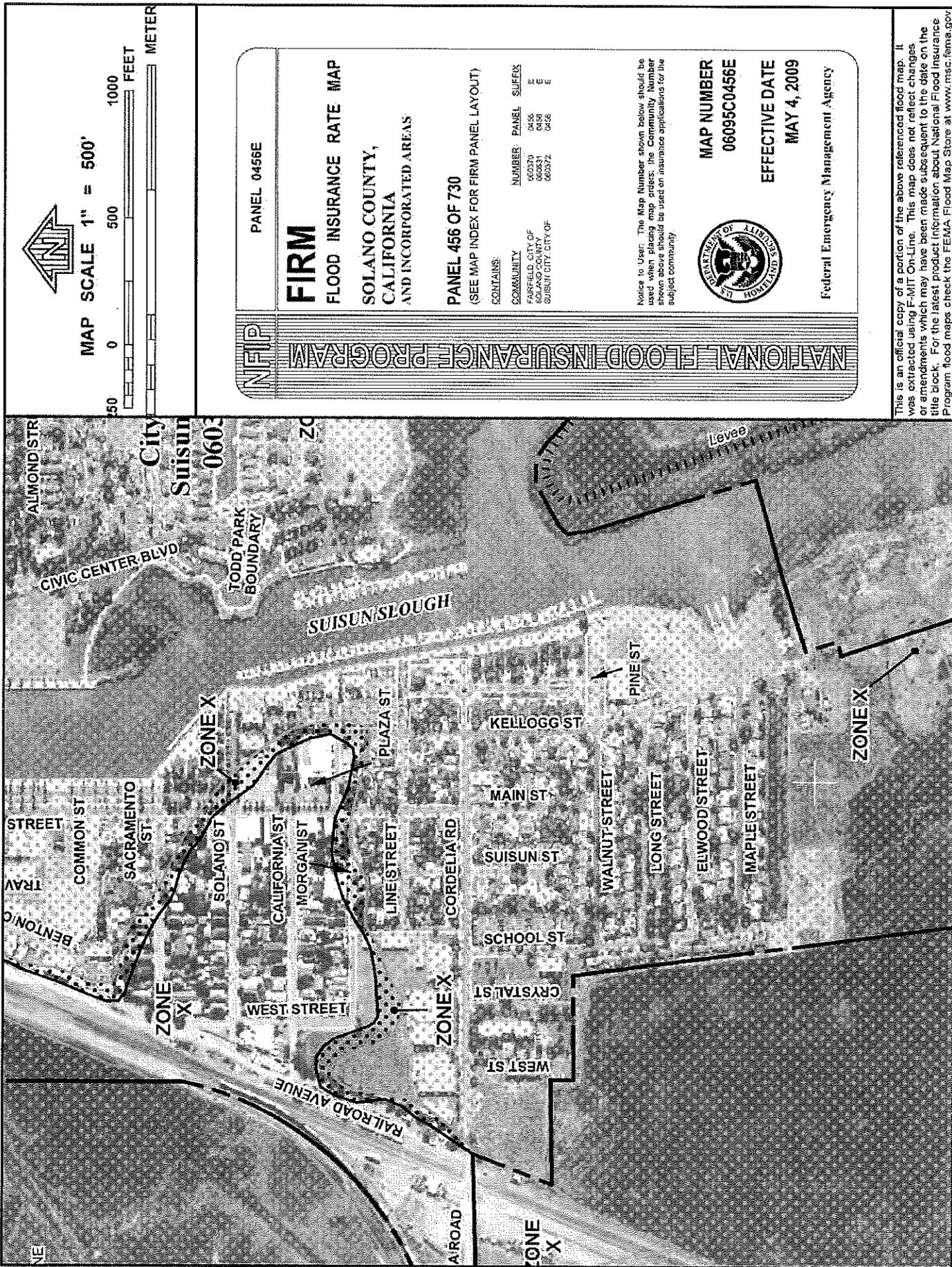
SITE PLAN

DRAWING NOT TO SCALE

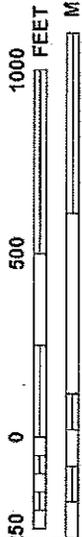


Site Name: Continental Apartments
1101 Crystal, 1101 West & 1117 School
Suisun City, CA 94586

Project Number:



MAP SCALE 1" = 500'



PANEL 0456E

FIRM
FLOOD INSURANCE RATE MAP
SOLANO COUNTY,
CALIFORNIA
AND INCORPORATED AREAS

PANEL 456 OF 730
(SEE MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINS:

COMMUNITY	NUMBER	PANEL	SUFFIX
FARFIELD, CITY OF	060370	0456	E
SOLANO COUNTY	060331	0456	E
SUISUN CITY, CITY OF	060372	0456	E

Notice to User: The Map Number shown below should be used for all map orders. The Community Number shown above should be used on insurance applications for the subject community.



MAP NUMBER
06095C0456E

EFFECTIVE DATE
MAY 4, 2009

Federal Emergency Management Agency

This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program, flood maps check the FEMA Flood Map Store at www.msc.fema.gov.

