

## CONSTRUCTION PROGRESS REPORT NO. 1



### SUMMER PLACE PHASE 1 CRESECENT CITY, CALIFORNIA

Date Issued: December 19, 2011

Project No. 1134

Prepared For:

CLIENT

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December 19, 2011

CLIENT

Re: Summer Place Phase 1  
Crescent City, California

ENGINEER Project No. 1134

Dear Mr. Client:

Submitted herewith is one electronic copy of our current Construction Progress Report for the above referenced project.

If you have any questions or should you require any additional information, please contact this office.

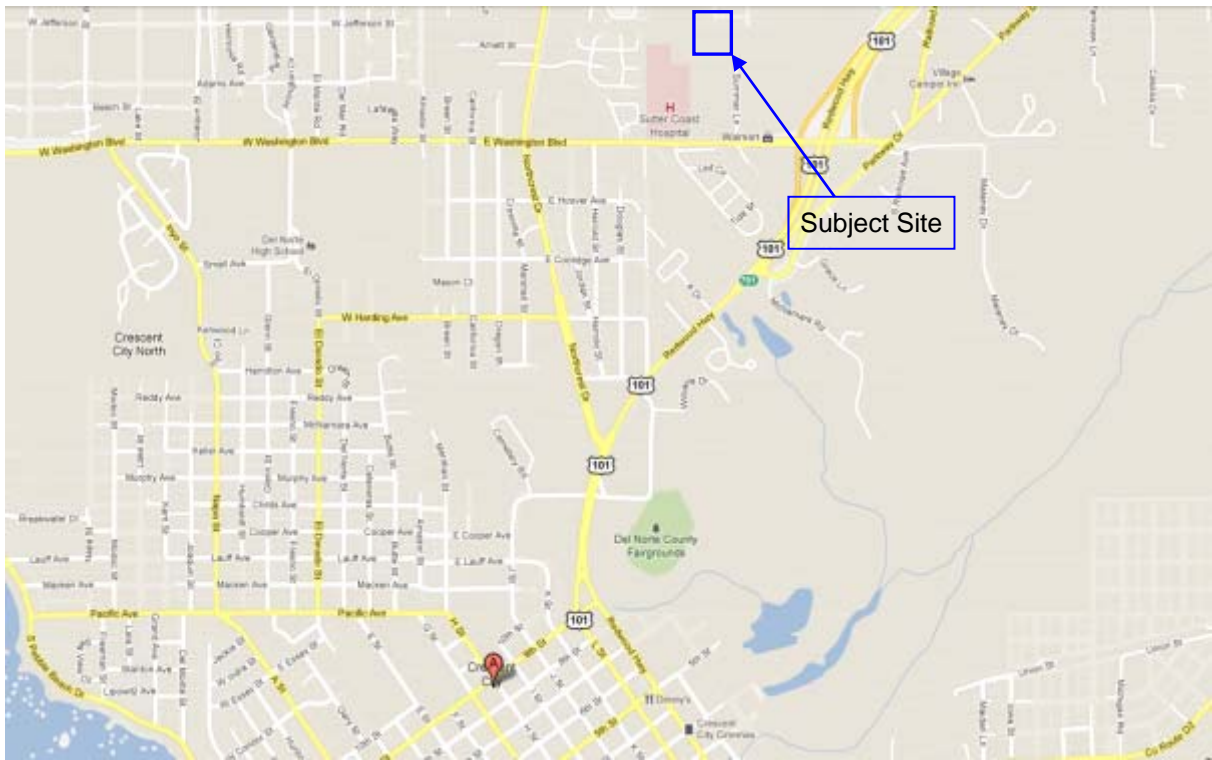
Very truly yours,  
**Engineer**

President

Cc:

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## LOCATION MAPS



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## GENERAL INFORMATION

Report By: Engineer

Date: December 19, 2011

Project Name: Summer Place Phase 1

Project Address: Summer Lane  
Crescent City, California

Report Number: 1

Observation Date: Decemeber 7, 2011

Attendees: Engineer  
Jim Rueben – Contractor

Application for Payment Number: 2

    Date: October 27, 2011

    Period To: October 25, 2011

Construction Commenced: August 15, 2011 (approximate)

### Note:

**The Architect of Record has signed our copy of the Application for Payment. Signature by the Architect of Record on the first page of the Application includes certification that based on onsite observations the quality of work is in accordance with the Contract Documents.**

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**PROJECT DATA**

**Project Name:** Summer Place Phase 1

**Project Location:** Summer Lane  
Crescent City, California

**Owner:** Owner  
3 Sylvie Way  
Woodland, CA 95973

**Architect:** Keith Architect  
160 25th Street  
Fresno, CA 94304

**Structural Engineer:** Keith Architect  
160 25th Street  
Fresno, CA 94304

**Mechanical/Electrical Engineer:** Keith Architect  
160 25th Street  
Fresno, CA 94304

**Civil Engineer:** Consulting  
30 Natomas Street  
Fresno, CA 95630

**General Contractor:** Owner  
3 Sylvie Way  
Woodland, CA 95973

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## BUDGET SUMMARY

1. Application for Payment No. 2 is attached within our report Appendix.

	<u>Contractor's Application</u>	<u>Consultant's Recommendation</u>
a. Contract Sum	7,790,160.00	7,790,160.00 (4b)
b. Change Orders	0.00	0.00 (7)
c. Revised Contract Amount	7,790,160.00	7,790,160.00
d. Total Completed to Date	1,337,533.00	1,337,533.00 (4e)
e. Value of Stored Materials this Period	0.00	0.00 (6)
f. Total Completed to Date and Stored Materials	1,337,533.00	1,337,533.00
g. Retainage to Date	133,753.00	133,753.00 (4a)
h. Total Completed to Date Less Retainage	1,203,780.00	1,203,780.00
i. Previous Certificates of Payment	0.00	0.00 (4c)
j. Current Payment Due	1,203,780.00	1,203,780.00
k. Balance to Complete (Including Retainage)	6,586,380.00	6,586,380.00
l. % Contract to Date	17.20%	17.20%

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2. a. **Potential Overruns:** None at this time.  
b. **Value of Potential Change Orders:** None at this time.  
c. **Total Estimated Additional Funds Required:** None at this time.
  3. a. **Original Owner's Contingency:** Unknown (see 4d).  
b. **Remaining Owner's Contingency:** Unknown (See 4d).  
c. **Original Contractors Contingency:** \$370,960 (See 4e).  
d. **Remaining Contractor's Contingency:** \$370,960 (See 4e).
  4. **Comments:**
    - a. Retainage is being held at 10% for all trades.
    - b. The contract amount was obtained from the current application for payment and should be verified with Bank records.
    - c. Application for Payment 1 was not provided. Based on Application No. 2, previous payment is not reflected; therefore work in place was not invoiced. This should be verified with Bank records.
    - d. A Development Budget was not provided this period; therefore, the Owner's Contingency amounts could not be verified. According to Owner, a complete draw package will be provided in January, 2012.
    - e. The Contractors Contingency amount is shown on the Application for Payment. Contingency remains unused.
    - f. Soft Costs were not submitted with the current draw, but will reportedly be included with the January, 2012 draw package.
    - g. Based upon onsite observations and review of the current Application for Payment and supporting documentation supplied by the Borrower, and excluding Pending Change Order issues, it is our opinion the balance to complete amount (including Retainage) as contained on the Application for Payment, is adequate for project completion at this time.

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5. **Lien Waivers:** No Lien waivers were provided this period at there have been no fundings to date.
  6. **Stored Material:** No stored material funding was requested this period.
  7. **Change Orders:** No change orders have been submitted or reported.



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## CONSTRUCTION SUMMARY

The subject project is Phase I of a three phase development of an apartment complex located in Del Norte County, California, near Crescent City. Phase I includes construction of 56 apartment units in 7, eight-plex buildings, a separate manager's unit located above a community building, and a garage/workshop on 155,232 square feet of a 441,530 square foot site. Total gross building area for this phase is calculated as approximately 62,672 square feet. The unit mix includes 32 two-bedroom units with 902 square feet, 16 three-bedroom units with 1,136 square feet, eight four-bedroom units with 1,336 square feet, and a manager's three-bedroom unit with 1,336 square feet. The Community Building is listed at 3,300 square feet and the Maintenance/ Garage Building is listed with 308 square feet.

Building materials utilize concrete slab-on-grade first floors; conventional wood framed walls, second floors, ceilings, and roof truss structures; Hardie Plank siding, Hardie Shingle siding, Hardie Trim, stucco soffits and wall finishes around patios and second floor decks. Windows are specified to be dual glazed vinyl with low-e glass with an average U-factor of 0.33; and an average SHGC of 0.29. The roof is to be composition shingle with high wind exposure installation.

Plans submitted indicate the property, which consists of a vacant parcel with a total area of approximately 10.14 acres or about 441,530 square feet, will be partially developed by Phase I. The site is relatively rectangular in shape; and has no frontage along any street. Undeveloped areas surround the site on three sides, and a partially developed residential project adjoins the site to the east. An off-site access street is proposed from the southeast corner of the site and extending about 600 feet to the east to intersect Summer Lane.

Site development includes earthwork and excavation, fine grading, utility installations, curbing and walkway installations, paving and striping, landscaping, CMU property line walls, and wood enclosure fencing. Utility connections are proposed to connect to existing underground branch locations on the eastern property line. On-grade parking is proposed for 120 vehicles, with six spaces designated for the disabled. The proposed development will include a tot lot and an older children's playground in this first phase of the development. A basketball court is proposed in Phase II of the project. Landscaping at this time appears to be minimal, with most areas designated as "Lawn".

Off-site work includes a new asphalt pavement access street, concrete curb and gutter and concrete sidewalk from the edge of the site to Summer Street with street signage and street lighting as required. Additional work at Summer Street includes new curbs and curb ramps, street lighting, signage, and associated repairs to asphalt pavement.

The following is a brief description of the observed work in place and stored materials by Application for Payment line item:

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## **General Requirements/Prevailing Wages/General Overhead/Builders Profit/Insurance**

The General Conditions line item provides for the general project overhead costs such as mobilization, insurance, supervision, security, and temporary protection. This line item should generally track the project completion percentage. The current Application includes a request for 18%, which is slightly higher than the overall completion percentage of 17%.

General Contractor Overhead and Fee were also requested at 18%, which is slightly higher than the overall project completion percentage.

### **Site Work**

The site conditions are predominately moist due to sporadic precipitation; however, access in and around the site and productivity appears relatively unaffected.

The main entrance road is graded with stone base in place. Curb and gutter is mostly complete with exception of approximate 50' sections that tie into Summer Lane. Sidewalk is poured at approximately 75% of the south side of the access road. Storm drain and drain inlets are installed. On site access roads and parking areas are rough graded. Curb and gutter forming and pouring is in progress on the north side of the property heading south. Grading around the buildings will require fine grading in preparation for hardscape and landscaping.

Underground sanitary and storm sewer lines were tied into the City with all building lateral ties complete. The water main is tied into the City, on site saddle valves, backflows and lateral feeds are stubbed to the buildings. The gas main is tied into the City and lateral stubs to each building complete. Electrical vaults are set and conduits are mostly installed and stubbed into each building. Wet utilities are signed off by the City and dry utilities will reportedly be signed off December 7.

### **Concrete**

Building foundations and slabs are poured.

### **Finish Carpentry**

No work has been done to date.

### **Carpentry and Siding**

Rough framing is complete at all buildings. Siding is scheduled to complete at Building A within the next few days.

### **Roof and Insulation**

Roofing is complete at Buildings B, D, E, F, G and H. Roofing at Building A and C is scheduled to be complete within the next few days.

### **Doors and Hardware**

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Exterior doors and frames are installed at all buildings.

**Windows and Window Coverings**

Exterior windows are installed at all buildings.

**Finishes and Sheetrock**

No work has been done to date.

**Finishes and Paint**

No work has been done to date.

**Finishes Flooring**

No work has been done to date.

**Fire/Sprinkler Alarm**

Fire sprinkler installation is complete at Buildings H and G, and in progress on the first floor of F.

**Specialty**

No work has been done to date.

**Equipment**

No work has been done to date.

**Cabinets and Countertops**

No work has been done to date.

**Mechanical Plumbing**

Plumbing waste and vent lines are mostly complete in all buildings. Water lines are complete on the first floor of all buildings and in progress on the second floors. Gas lines are mostly complete at all buildings. Tub enclosures are staged in all units and being set in Building H.

**Mechanical HVAC**

Vent line stub outs and condenser line sets are complete at all buildings.

**Electrical**

Rough electrical is in progress and in various stages of completion at Buildings A, B and C. Work includes box mounting, wiring, and service panel installation.

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## CONSTRUCTION STATUS

### Quality of Construction:

- a. Status: Appears adequate and within industry standards
- b. Construction Defects: None observed

### Site Protection Methods:

- a. The site is reportedly locked during non-working hours. A motorhome trailer is located on site and is being used by a day laborer for off-hours site security.

**Permits:** There are eight building permits issued for the project—Buildings A, B, C, D, E, F, G and H. All are dated 6/02/2011. See copies in Appendix.

**Certificate of Occupancy Status:** None at this time.

**Comments:** None at this time

**Material Testing:** Not applicable this period.

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## **SCHEDULE SUMMARY**

Contract Completion Date:	<b>September 16, 2012</b>
Consultant's Estimated Completion Date:	<b>June-July 2012</b>
Contractor's Estimated Completion Date:	<b>May-June 2012</b>
Total Overall % of Work including this Application:	<b>17.2%</b>
Scheduled Overall % of Work for this Application:	<b>6.0%</b>
Reason for Delay:	<b>N/A</b>

### **Comments:**

- a. The Notice to Proceed, dated September 16, 2011, was provided. See copy in the Appendix.
- b. A schedule dated July 12, 2011 was submitted in preparation of the Plan and Cost review. See copy in the Appendix.
- c. A Progress Chart is provided that represents the percentage of completion as it relates to the required, scheduled and actual completion dates. See chart in the Appendix.
- d. Based on the progress observed, it appears that the project will be complete sooner than originally represented. According to the site Superintendent, a projected completion date of May-June is what they are targeting.

### **Manpower Adequacy by Trade:**

Adequate work was observed on site. Trades present during the time of inspection include concrete, mechanical, electrical, plumbing, and roofing.

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## CONSULTANT CERTIFICATION

In our opinion, the Application for Payment validly represents the value of work completed to date and stored materials (see Appendix). The current Application for Payment requests funds in the amount of \$1,203,780. We recommend disbursement of \$1,203,780 if the bank agrees with our comments.

Engineer's involvement with this project is limited to a review of the contract documents as contained in the List of Data Received portion of the Plan and Cost Review and subsequent site visits concerning the project status during construction. The Plan and Cost Review does not constitute a warranty by us or any of our agents, representatives or designees as to the technical sufficiency of adequacy or safety of the structure or any of their component parts, including, without limitation, fixtures, roofing, equipment or furnishings, nor shall such reports or site observations constitute such a warranty as to the sub-soil conditions involved in the project or any other physical condition or feature pertaining to the project. It should be clearly understood that Engineer is not a project manager, project architect, or project supervisor.

All acts, including any failure to act, relating to this project by any of our agents, representatives or designees are performed solely for the benefit of the lending institution to aid in their disbursement of funds from the construction loan and not for the benefit of any other person, including without limitation, owner, contractor, purchasers, tenants or any other parties. The certifications, endorsements and comments contained in this and future reports concerning this project should be used with the above understanding and in no way imply that the project has been built in accordance with contract documents. The responsibility of quality control and adherence to contract documents is the responsibility of the project team. It should be understood that Engineer is not part of the project team.

Material substitutions resulting from value engineering and changes to the materials and systems within this project are not evaluated for adequacy or performance. In addition, change order dollar amounts are not reviewed by this office for their appropriateness. This office will not be reviewing test results for the project; however, test results will be discussed with the contractor during site visits with comments contained in construction monitoring reports.

In taking action on the Application for Payment, Engineer has relied upon the accuracy and completeness of the information furnished by the Contractor and Borrower. We have made an arithmetic verification of the documentation submitted. We have not made exhaustive continuous onsite inspections.

**This report is addressed to CLIENT only.** This report has no other purpose and may not be relied upon by any other person or entity without the written consent of Engineer.

**Engineer**

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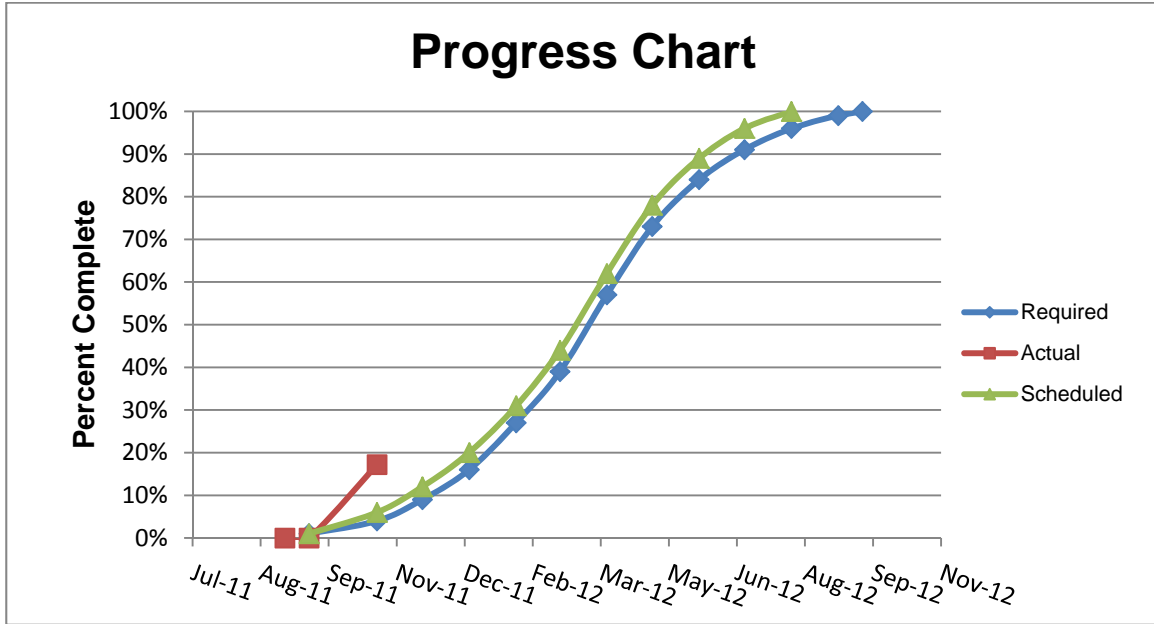
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President

# APPENDIX

Progress Chart  
Application for Payment No. 2  
Lien Waivers  
Building Permits  
Notice to Proceed  
Site Plan  
Project Schedule  
Photographs

**PROGRESS CHART**



Application for Payment No.	Period To	Percent Complete
1	September 30, 2011	0.0%
2	October 31, 2011	17.2%



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## PHOTOGRAPHS



1. Main entrance off of Summer Lane.



2. Storm drain inlet.



3. Curb, gutter and sidewalk at main entrance drive.



4. Building A (Community Center)



5. Stored lumber.



6. Underground electrical conduit installation.



7. Access road and placing between buildings.



8. Electrical conduits and vault.



9. Water and gas stub to building.



10. Water main valves and backflow.



11. Fire hydrant and curb/gutter forms at Building E.



12. HVAC condenser lines and gas meter stubs.



13. Building B



14. Building H and G, and security trailer.



15. Interior unit electrical panel.



16. Interior lavatory waste and water lines.





17. Overhead water and sprinkler lines.



18. Tub enclosure.