

CNA Specialists

Architect (CA #26812, WA #9860, TX #21206, MD #16194, HI #15065), RAS #1300, REAC #M30167 (inactive)

September 11, 2015

Board of Directors
Alimur Park Homeowners Association
4300 Soquel Drive #229
Soquel, CA 95703

RE: Project Capital Needs Assessment (PCNA) for Alimur Park, 4300 Soquel Drive, Soquel, CA 95073

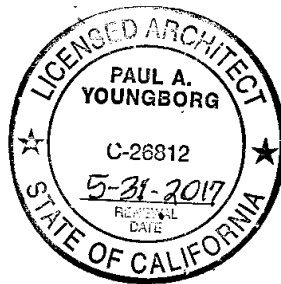
Dear Board of Directors,

Attached is our PCNA for Alimur Park. Although the spreadsheet is in PDF, we will email you an interactive copy of the spreadsheet that you can use to do projected "what-if" analysis in future years.

Thank you for the opportunity to provide this PCNA.



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Physical Needs Assessment

Project: Alimur Mobile Home Park, Soquel, CA

Date: August 30, 2015

EXECUTIVE SUMMARY

The property known as Alimur Mobile Home Park (MHP) is located at 4300 Soquel Drive, Soquel, Ca and is a mobilehome park with 147 spaces. The property was built in 1957. There are also 3 apartment units on the property. The property is wired for 50 ampere service to the park-owned meter boxes and many homes are currently operating at 30 AMPs. There are water, sewer, telephone, and television utilities available at each site. There are several common areas which include the asphalt roadways and parking areas, landscaped areas, concrete walkways, retaining walls, site lighting on short poles, a storm drainage system, a community room which includes an office, pool with patio areas, and a second building that has a game room, laundry, and electrical equipment room.

The purpose of this report is twofold: (1) to evaluate the condition of the common areas of the subject property as of the effective date of the report and (2) to estimate the capital requirements necessary to operate the common areas of the subject property for the next 20 years. This report should not be used for any other purposes.

The scope of this assignment consists of a capital needs assessment of the subject property including (1) a review of the status of major building systems, (2) a photographic record of the property, (3) a review of required capital improvements to bring it up to "like new" condition, and (4) an estimate of required replacements to the subject property after completion of rehabilitation.

The intended user of this report is the Alimur Park Homeowners Association (APHOA). No other person or entity may use this report for any reason whatsoever without the express written permission of CNA Specialists or APHOA.

This assessment was conducted by individuals trained and experienced in building construction. The inspection included a review of pertinent documentation (as-built drawings, etc.), and interviews with representatives of APHOA and the current property owner. This assessment included a review of buildings, foundations, roofs, exterior/interior walls, mechanical systems, doors and windows, interior elements, landscaping, paved areas and utilities.

This written report is in a format consistent with the publication by Fannie Mae: "Physical Needs Assessment, Guidance to the Property Evaluator" <https://www.efanniemae.com/mf/guidesforms/pdf/forms/III-12.PDF> and HUD requirements which are as follows:

- (A) This PNA/CNA includes a narrative of Property Evaluator's findings, opinions, and recommendations along with photographs of the physical needs assessment inspection. The narrative shall include a summary of the Physical Needs Over Time, including the: (1) quantity, (2) unit cost, (3) total cost and (4) comments about each item necessary to maintain the project for 20 years.
- (B) The PNA/CNA has been prepared by a Property Evaluator that is a California Licensed Architect (# C-26812) and has personally completed PNAs, CNAs, and HUD GPNAs on over 2,000 properties in 27 states. He has: (1) the appropriate license as an architect and is regularly in

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the business of performing PNAs/CNAs for lender or investor clients; (2) is aware of, understands, and correctly employs those recognized methods and techniques that are necessary to produce a credible and complete report; (3) communicates each analysis, opinion and conclusion in a manner that is not misleading as to the true condition of the subject property; and (4) is an independent third party having no identity of interest with the applicant or any contractor.

- (C) The Property Evaluator has visited the project to perform the PNA/CNA, and has inspected all common areas and 100% of the apartment units.
- (D) The PNA/CNA includes an evaluation with an inflation factor for a 20-year projection (see the bottom three lines of the Excel Spreadsheet titled "Physical Needs Assessment, Materials and Conditions, Annual Cost Each Life Cycle Year)."
- (E) The PNA/CNA identifies the quantity of items that need to be immediately replaced or repaired in the column under year 1, 2015. The unit cost, the total cost, and comments about each item are included in this narrative.

This report includes a description of the overall condition of the common areas, building components and systems and conditions, and an estimate of the Expected Useful Life (EUL) and the Remaining Useful Life (RUL) of the subject property and its components. This report includes a discussion regarding significant deficiencies, deferred maintenance items, and material code violations at the subject property. The conclusions within this report are based upon a visual survey of the buildings and grounds, research of readily available documents, and conversations with people who have knowledge of the property.

Please note: The conclusions reported are based on the conditions that exist as of the effective date of this report. These factors are subject to change and may alter, or otherwise affect the findings and conclusions presented in this report.

To the best of our knowledge and belief, this report presents an accurate assessment of the condition of the subject property as of the effective date of this report, and a reasonable forecast of the capital requirements necessary to operate the subject property after completion of rehabilitation. While this analysis is based upon information obtained from sources believed to be reliable, no guarantee is made of its accuracy.

Site

Site Lighting

There are several pole mounted lights along the roadways and adjacent to the common areas of the site. The poles and light fixtures are older, but in good condition. The bulbs have been changed to compact fluorescent bulbs, however, I recommend the bulbs be replaced with new LED bulbs or other energy efficient luminaires. It was reported that the underground electrical service to these exterior site lights was in good condition and they were on a photo cell which turned them off during daylight hours. It could not be determined if lighting was adequate as the survey was

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performed during the day; however, based upon the number of exterior lighting fixtures, the lighting appeared to be adequate at the subject property.

Driveways, Parking Lots and Sidewalks

There is a roadway entrance off Soquel Avenue leading up to the main entrance to the park. The asphalt is in fair condition, and there are areas where the asphalt is showing signs of subgrade deterioration. These areas will need to be excavated, subgrade repaired, and new asphalt wearing-surface installed. At the top of the park entrance is a small parking lot with a map of the park. Adjacent to this parking area is the office and community room. From this entry parking lot there are three roads that enter the park to the left, right, and straight ahead. The storm water drainage on the site is designed to take the water from the mobilehome sites and deposit all storm water onto the roadways. The roadways slope towards the center where there is a concrete swale to divert the water down the roadway to storm drain catch basins. There are many areas of the asphalt roadways and concrete swales that are damaged and need repair. This damage could be due in part to the heavy weight of waste/recycling trucks that must travel to each mobilehome site to pick up waste and recycle materials. Also there could be areas where the subgrade is deteriorating that need to be re-compacted. It is our understanding that there is a proposal for Pacific Gas and Electric to completely replace the existing underground electric and gas distribution lines that are buried under the park's roadways. Unfortunately the asphalt roadways cannot be overlaid with asphalt as that would raise the grade of the roadways and prevent storm water run-off from the individual home sites to flow onto the roadway. In our opinion the asphalt must either be ground down before an overlay is installed or removed completely. Removing the asphalt and concrete swale completely would allow for the repair and re-compaction of the subbase under the roadways. After the asphalt and concrete swale is completed the asphalt should be seal coated periodically and striping installed as needed.

Fencing

There is a chain link fence along part of the north side of the property above Soquel Road that is in good condition. The remainder of the fencing along Soquel Road is wood post and rail fencing. There is a wood fence along the southerly property line that is of mixed condition. Some areas of this fence are newer and some areas need repair. There are also low concrete block retaining walls along part of the southerly property line under the wood fence. The westerly property line has several different types of fencing. It appears that fencing along this property line has been installed by residents over the years. We recommend that a uniform fence be installed along the westerly and southerly property lines. The easterly property line along Robertson Street has wood post and rail fencing east of the pool and along lot 200. These fences are older, but in good condition.

Retaining Walls and Earthwork

There is a concrete block retaining wall along part of the southerly property line in good condition. There is a short retaining wall at the easterly property line above Robertson Street that is leaning and may need to be replaced over term. Also there are several retaining walls constructed of what appears to be pieces of 4" concrete walkways that are stacked up similar to a "retained earth" retaining wall. Although these stacked concrete retaining walls do not appear to be engineered walls, they have "stood the test of time," survived many serious earthquakes, performed very well, and should last for many more years.

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Playground and site furniture

There is no playground at this property.

Landscaping

Landscaping consists of lawns, mature trees, and shrubs. Overall, the quality and health of the vegetation and landscaping is in good physical condition, but is overgrown in many areas. Trees should be trimmed or removed and new landscaping installed for marketability. There is no irrigation system at this property.

Signage

There is a large sign at the entry to the park that is posted with various notices. There is also a covered sign adjacent to the community room/office building that has a map of the park as well as information for residents.

Waste and Recycling Collection

Each mobilehome has its own waste and recycling bins which are put out at the roadway weekly. The waste/recycling collection company trucks mechanically empty these bins at each mobilehome space. Unfortunately the weight of these trucks has been damaging the asphalt roadways and center concrete swale. An alternate method would be for the park to install a central waste compactor. Then weekly the waste would be picked up by a small truck and trailer and deposited into the compactor. A commercial waste disposal company could pick up the waste compactor bin when it is full and replace it with an empty bin. This would eliminate the need for the heavy waste/recycling collection trucks to drive on the park roadways.

Mail Facilities

Mail is delivered to each mobilehome space individually.

Site Utilities

There is an underground cable television distribution system to each mobilehome space which is reported to be in good condition. The big issue is PG&E's intention to replace the underground electrical and gas distribution systems at the park, which may include replacing the asphalt roadways and the concrete center swales. It will be important to preserve the integrity of the underground water, sewer, and television distribution systems located under the roadways. This should be a major component of any negotiations with PG&E for this work.

Quantities of each item, unit costs, total costs, and the years when work is anticipated are included on the attached Excel spreadsheet. A comprehensive recap of items that need near term attention for the Site issues are as follows:

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Near Term Needs

Erosion and drainage repair
Fencing at property lines
Upgrade site lighting

Architectural

Structural Elements

The apartment building, garage, community room/office, and game room/laundry structures are a wood framed buildings. The Apartment building is on a raised pier and beam foundation with a concrete block perimeter foundation. The garage, community room/office, and game room/laundry are on concrete slab on grade foundations. The exterior envelope of the apartment and garage buildings is horizontal wood siding in fair condition. The community room/office and game room/laundry have what appears to be vertical redwood siding with batons. All buildings have some areas where the siding is deteriorating and should be repaired. The Apartment building and garage are painted whereas the community room/office and game room/laundry have a natural finish. There was not any significant cracking of the interior finishes of any of the building which indicates the building structures are in good condition and will last for many years.

Walls, Windows and Doors

The existing windows in the apartment and garage buildings are older single glazed wood windows in fair to poor condition. These exterior trim at these windows is deteriorating and should be repaired in the near term. Management should consider replacing these old wood windows with newer energy efficient replacement windows. Windows in the Community room/office and game room/laundry are mostly single glazed windows in aluminum frames. Some of the windows are casement windows which probably will be a maintenance problem in the future. Windows in both these buildings should be replaced over term with more energy efficient, dual glazed windows. The existing exterior doors and frames are mostly in fair to poor condition, have signs of damage or deterioration and should be replaced over term.

Building Mounted Lighting:

Currently the building mounted lighting is a combination of incandescent, halogen, and fluorescent flood lamps. We recommend that new energy efficient building area lighting be installed.

Roofing Systems:

Roofing appears to be composition shingles in good condition on all common buildings. Although there was some ceiling water damage observed, it was noted that residents and management said the damage was old and there has been no new water damage since the new roofing was installed, Roof flashing appeared to be in good condition. The gutters and downspouts will need repair. Although some were in good condition,

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others were rusting badly and need to be repaired or replaced. Fascias were in good condition and there did not appear to be excessive water damage although there were some areas that will need to be repaired over term. Some soffits are damaged and need repair.

Community Room, Offices, Laundry, and Mail Room

The community room, office, rest rooms, game room, laundry, garages, carports, and electrical equipment room are all original construction and are mostly in good to fair condition. Most finishes in these rooms are worn or damaged and need to be replaced. The mail boxes are old and should be replaced with a newer mail box system. The laundry should be upgraded for marketability.

Common Area Flooring

The carpet and resilient flooring in the common areas is becoming worn and damaged and should be replaced in most areas. The resilient flooring is mostly original construction and should be replaced soon.

Quantities of each item, unit costs, total costs, and the years when work is anticipated are included on the attached Excel spreadsheet. A comprehensive recap of items that need near term attention for the Architectural issues are as follows:

Near Term Needs

Repairs to Garages and Carport

Meter Room repairs

Common Area finish carpentry and trim repairs

Replace damaged wood siding at apartment building

Prep and Paint repaired areas

Apartment Unit exterior doors repair/replace

Windows in all areas should be replaced or upgraded

Apartment #2 patio deck and railing need repair

Mechanical and Electric

Fire Suppression and Fire Alarm systems

There are no fire sprinklers or alarm systems at this property.

Call-for-Aid system

There is no call for aid system at this property.

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Site Electrical Switchgear

There is an electrical meter and main panel room adjacent to the laundry/game room building. The north wall of this building is large stacked logs that are showing signs of deterioration. Other walls appear to be standard wood-frame construction. The roof is a low-slope roof with composition shingles. Although the roof appears to be in good condition, there seems to be staining that would indicate water intrusion into the electrical equipment room. Although this staining could be older, it is important to keep water away from the electrical equipment and this condition should be monitored and mitigated if the condition worsens. Each mobilehome space is wired for 50 ampere service to the park-owned meter boxes. It was unclear if the electrical switchgear is to be replaced or upgraded along with the PG&E future work.

Building Plumbing and Electrical Systems

All building plumbing appeared to be copper in good condition. The 119 gallon electric hot water heater is in a closet on the exterior of the apartment building and is about 10 years old and will need to be replaced soon. The hot water piping to the apartment building is exposed on the exterior of the building which could be problematic and a maintenance problem in the future. Piping in other buildings was in the walls and not exposed to the exterior. There is an 80 gallon gas hot water heater for the laundry that is about 8 years old. There is a 30 gallon gas hot water heater for the community room kitchen and restrooms that is about 9 years old and will need to be replaced soon.

Building Heating Systems

The Community room has a forced air furnace that is nearing the end of its useful life and will need to be replaced over term. The game room has an old gas wall heater that should be replaced soon.

Television System

The property has an underground television cabling system that was reported to be in good condition. However the work by PG&E may offer opportunities to upgrade the Television system to include internet and communication systems.

Quantities of each item, unit costs, total costs, and the years when work is anticipated are included on the attached Excel spreadsheet. A comprehensive recap of items that need near term attention for the Mechanical or Electrical issues are as follows:

Near Term Needs

Replace hot water heaters at Apartments, Laundry, and Community Room
Replace gas wall heater in game room
Ground fault indicators throughout all common areas should be checked for functionality

Dwellings

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Interior Elements

The three dwelling units are all in the single apartment building. Units 1 and 3 are one-bedroom units in a single story. Unit 2 is a two story three bedroom apartment. The interior walls and ceilings consist of painted gypsum wallboard (GWB) and some plaster on wood slats, observed in generally to be in good physical condition. Floor coverings within the dwelling units consist of carpet, wood laminate, and resilient flooring. The condition of the flooring is mixed. Some flooring is newer and other flooring needs to be replaced.

Kitchen cabinets are older and consist of wood cabinets in fair condition. Some cabinet finishes are deteriorating. Countertops are older plastic laminate in good condition. Kitchen fixtures include double basin stainless sinks with lever handle faucets observed in good condition.

Kitchen appliances include four-top electric ranges with ovens and frost-free refrigerators in good condition. However they are not energy efficient and recommend they be replaced with newer energy efficient appliances. There are also dishwashers and disposals in each unit.

Bathrooms are in fair condition. Bathroom fixtures include ceramic toilets, a large wood vanity with plastic laminate top and ceramic lavatories with faucets. Older toilets should be replaced with newer low-flush toilets. The tubs are cast iron tubs with ceramic tile surrounds in good condition. All bathrooms have a medicine cabinet and large mirror. Bathroom doors are in good condition, but their hardware is aging and should be replaced.

HVAC Systems

Each unit has electric baseboard heaters. These heaters are not energy efficient, are original construction, and are reaching the end of their useful life. A more energy efficient heating system should be installed such as PTAC heat pumps or other systems.

Hot Water Heaters

There is a central hot water heater for all units in a closet outside the building (see mechanical electrical above).

Plumbing Systems

Park management reported that the water service to the units is in good condition and there are few leaks or breaks reported.

Sewer systems in the buildings at this property are reported to be in good condition. Visual access to the sewer mains could not be provided. Based upon reported site conditions, the sewer connections at the property are adequate.

Electrical Systems

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Electrical service to each dwelling unit is from an electrical panel on the exterior of the building. The electric panels and meter bases are in good condition. As reported by park management and from limited visual access, the electrical wiring at the complex is copper. There is no reported history of fires or other problems associated with the wiring at this property.

Properly grounded, three-prong outlets were adequately located throughout each dwelling unit, however many receptacles located within reach of water sources which should have been ground fault circuit interrupter (GFCI) protected did not test for GFCI protection. These receptacles should be GFCI protected.

Lighting Systems

The electrical light fixtures are mostly original construction. Although many incandescent bulbs have been replaced with fluorescent bulbs, all older electric fixtures should be replaced with newer energy efficient light fixtures.

Quantities of each item, unit costs, total costs, and the years when work is anticipated are include on the attached Excel spreadsheet. A comprehensive recap of items that need near term attention for the Dwelling issues are as follows:

Near Term Needs

Apartment carpet flooring should be replaced

Unit #2 interior stairway handrail and 2nd floor railing should be upgraded to meet current code

GFI's throughout all units should be checked for functionality

Smoke detectors should be replaced

Accessibility

The site and all public areas were screened for compliance with the Architectural Barriers Act, Section 504 of the Rehabilitation Act of 1973, and the Uniform Federal Accessibility Standards (UFAS). Since this property had first occupancy before the Fair Housing Amendments Act became effective on 3/13/91, it is not subject to Fair Housing Act requirements.

Accessible Parking

There is one accessible parking space installed at this property adjacent to the office. The signage for the accessible parking is too low and needs to be raised to be 60" to the bottom of the sign. There is an accessible route to the Community room/office building.

Quantities of each item, unit costs, total costs, and the years where work is anticipated are included on the attached Excel spreadsheet. A comprehensive recap of all the capital items for handicap accessibility are as follows:

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- 1) Handicap parking signage needs to be raised to comply with government regulations.
- 2) Handicap parking pavement markings need to be repaired.

Environmental

Lead Based Paint

This building was built in 1957 before the 1978 legislation on lead based paint. Management informed us the property has not been surveyed for lead based paint and it is not suspected to be present at the subject property.

Asbestos Containing Material

This building was built in 1957 before the 1978 legislation on asbestos in construction. Although management informed us the property has not been surveyed for asbestos, it was stated that asbestos containing materials are not suspected to be present at the subject property.

Mold and Mildew

Although the inspector is not a licensed Industrial Hygienist, the subject property was visually inspected for the presence of moisture intrusion and bio-organic (mold) growth. Interior evidence of moisture intrusion or mold growth was observed during our site visit and we recommend further investigation.

Flood Zone

The subject property is located in an area that is not currently mapped as a flood zone in any published FIRM.

Pest Control

It is our understanding that the subject property is under contract with a professional exterminator and infestations were not observed or reported during the inspection.

Other Environmental Concerns

No other environmental concerns were identified at the subject property.

How Replacement Costs are Determined

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Our scope of work considered published cost data from reliable sources. When possible, we utilized actual contractor pricing in developing our cost estimates. Also, we used the FNMA expected useful life tables as a guide in our replacement reserve analysis

The opinions of probable cost presented herein were based on analysis of the materials and systems at the property and do not constitute a warranty or guarantee that all item(s) were included. Items not incorporated in the cost estimates may be operational costs, utility usage or unpredictable aesthetic upgrades.

It is important to understand that actual costs will vary depending on such factor as contractor expertise, previous contractor commitment, seasonal workload, insurance and bonding, and local labor conditions. These factors may cause wide variations in the actual costs as estimated by different bidders. In view of these limitations, the costs presented herein should be considered estimates. Once detailed scopes of work and contractor bidding have been secured, the actual costs can be determined.

As much as possible, CNA Specialists develops future rehabilitation and replacement costs from (1) our current experience working with developers involved in rehabilitation, (2) management companies' actual replacement costs, and (3) secured bids. When these are not available, then CNA Specialists references the following sources:

- RSMeans© Assemblies Cost Data
- RSMeans© Facilities Maintenance and Repair Cost Data
- RSMeans© Building Construction Cost Data

Acknowledgements

This assessment was conducted by individuals trained and experienced in building construction. The inspection included a review of pertinent available documentation and interviews with representatives of the property owner and APHOA and with residents. This assessment included a review of buildings, foundations, roofs, exterior/interior walls, mechanical systems, doors and windows, interior elements, landscaping, paved areas, and utilities.

CNA Specialists inspected the property, completed the field work, and completed the analysis and drafting of this report. The description of the property and its components is based upon visual observations. The preparation and submittal of this written report is in a format consistent with HUD requirements.

If the reader has any questions or comments, please feel free to contact us. Thank you for the opportunity of presenting this report.



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