

PARTNER

CONSTRUCTION COST TO COMPLETE

Summer Meadows

433 Hebron Road
Durham, North Carolina 27704

March 25, 2024

Partner Project Number: 24-438589.1

Prepared for:

Urban Standard Capital

New York, New York



Engineers who understand your business

EXECUTIVE SUMMARY

Scope of This Report

Partner was retained by Urban Standard Capital to determine the cost to complete of the Summer Meadows project located in Durham, North Carolina.

Assumptions

It is assumed that the documents provided for review represent the most updated and current set available for the development of the project.

The subject property consists of a 245,288-square foot (5.63-acre) rectangular shaped parcel, located at the northwest corner of the intersection of Hebron Road and Danube Lane in the City of Durham, North Carolina. Wooded areas are present to the west and south of the site, and residences are present to the north and east of the site. The site generally slopes downward from a knoll in the northwest portion of the site toward the south and east. The property is currently under construction, with significant site and building work already completed.

The project scope includes the grading and preparation of the site, and the construction of 3 new 3-story multifamily buildings totaling 111,724 gross square feet and containing a total of 83 one-, two-, and three-bedroom dwelling units. Each of the buildings will include breezeways leading to open metal stairs providing access to the upper floors. Primary access to each of the units will be off a breezeway. Each unit will be provided with a glass sliding patio door to either a ground floor patio or to a balcony. Storage closets accessed from the breezeways will be available to a portion of the residents. Building utility closets will be accessed from the breezeways as well.

Building 1 is 46,671 square feet and will contain 36 units of varying sizes, with 12 units on each floor. The building will be divided by 3 separate breezeways, each with its own stair.

Buildings 2 and 3 are each 30,474 square feet and will contain 23 and 24 units respectively, with 8 units on each floor. Building 2 will house the leasing office and an exercise/community room for the residents. The buildings will be bisected in the east-west direction on all floors by a single breezeway with stairs on each end. An intersecting breezeway running north-south is located on the ground floor of each building.

Exterior finishes will consist of fiber cement board/batten siding, fiber cement lap siding, fiber cement panel siding, and steel railing systems painted black. The drawings indicate a brick veneer wainscot which has not been installed to date and may have been deleted from the scope.

Proposed site improvements will include paved parking for a total of 166 automobiles, of which three are identified as standard accessible spaces and three as van-accessible spaces, paved pedestrian walkways, handicap ramps and signage, retaining walls, railings and bollards, bike racks, a dumpster enclosure, fire lane with permeable pavers, monument sign, site lighting, and landscaping consisting of trees, shrubs, and sod. A stormwater wetlands area will receive plants appropriate for shallow land and shallow water use; the surrounding area will be sodded.

Overall site development will include curbs gutters, and sidewalks.

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Construction Status

On March 15, Partner met on site with Abranova Real Estate employees Sarah Meckley, Financial Controller and Adam Elkhatib, Construction Project Estimator. The purpose of the site visit was to review the improvements and existing site conditions, and to assess the level of completeness. The site was walked and observed on all existing levels with the exception of the third floor of Building 1 which was inaccessible at the time of the site assessment.

The Summer Meadows site consists of a ground up multifamily development with 83 units across three buildings which are each three stories in height. Although Hebron Road extends east-west along the southern property boundary, the building footprint area is separated from Hebron Road by a large stormwater detention pond and landscaped areas. Access to the site is provided from the east end of the property via an access driveway from Danube Lane which is aligned north-south along the eastern property boundary. The three residential buildings are situated on the western two-thirds of the property with Building 3 being the easternmost structure and Building 1 being the westernmost structure. Building 1 is aligned roughly north-to-south with Buildings 2 and 3 aligned roughly east-to west. At the time of the assessment, Building 1 appeared to be the least complete of the three structures, with Building 3 being the most complete. Abranova staff indicated that a planned Certificate of Occupancy was expected to be obtained sometime in May 2024 for Building 3.

Construction Schedule

The provided construction schedule indicates that the project will be complete by June 5, 2024. However, the project is roughly 65% complete and will take several more months to complete. Based on Partner's observations made during the site visit on March 15, the approximate percentage of project completion has been assessed as follows:

- Sitework: 90%
- Building 1: 50%
- Building 2: 60%
- Building 3: 70%

If properly staffed, Partner believes the remaining scope of work can be completed by the end of November 2024, assuming no further delays and/or permit violations.

Overall Development Budget

A development budget for the overall project was provided. The development budget totals \$13,361,574.24 and is broken out as follows:

Item	Value
Acquisition Costs (Land)	\$1,725,000
Hard Costs	\$9,047,232
Soft Cost Contingency	\$40,000
Development Fee	\$360,000
Soft/Other Costs	\$2,189,342
Total	\$13,361,574

Hard Cost Disbursements to Date

Hard cost disbursements made to date total \$8,623,292, or 95.3% of the total hard costs for the project.

Cost to Complete Estimate

Partner estimates the cost to complete the remaining portion of this project to be approximately \$3,124,168.

Recommendation for Hard Cost Contingency

The owner is also the contractor; the contractor's schedule of values includes an amount for "Hard Costs" that the owner has confirmed is actually a contingency line item. The Hard Costs contingency is equal to \$450,000 or roughly 4.4% of the GMP; \$102,894 or roughly 23% remains of that contingency amount. A minimum owner's hard cost contingency reserve of 5% is typically recommended for in-progress projects to cover those unexpected costs that may arise due to such occurrences as the discovery of concealed conditions, increases to the project scope, unusual labor and/or material price increases, or errors or omissions in the drawings. Partner recommends holding 5% hard cost contingency on the amount remaining for the project.

The development budget for the project identified a soft cost contingency of \$40,000.

Outstanding Concerns

From a review of this project, the outstanding construction concerns, clarifications and recommendations are as follows:

- 1) Per Article 7.3 of the owner-contractor agreement, the contractor's fee will be equal to five percent (5%) of the cost of the work or a lump sum amount not to exceed \$500,000. Partner notes that the schedule of values does not include a line item for the contractor's fee. Clarification is recommended.
- 2) The owner-contractor agreement states that progress payments are to be submitted at the end of each month; it does not provide a number of days within which the owner shall make payment of

the certified amount to the contractor. Partner recommends a 15-day period to process each pay application to allow for proper due diligence to occur.

- 3) The owner-contractor agreement does not require retainage to be withheld during the course of construction. Retainage is considered a form of security for performance. Partner typically recommends 10% or the state maximum to be withheld for retainage.
- 4) Article 10.2.3 of the owner-contractor agreement indicates that partial (conditional) lien waivers, if required by the owner, will be provided by the constructor and not by subcontractors and suppliers. The owner does not require the provision of unconditional lien waivers. Partner typically recommends that both conditional and unconditional lien waivers be provided by the Contractor and all major subcontractors and major equipment/material suppliers throughout the project duration.
- 5) The Contractor has billed 100% of the General Conditions line item, which represents a variance of approximately 5% compared to the total 95% of the GMP spent to date. The variance is not appropriate at this stage of the construction progress. Although the contractor's billing indicates that the project is 95% complete, the actual completed work is roughly 65% complete, based on observations made during Partner's site visit of Friday, March 15, 2024.
- 6) Article 10.2.4 of the owner-contractor agreement identifies retainage as 0%. However, according to the provided Application for Payment, variable retainage equal to \$678,456.93 has been withheld by the contractor. Partner recommends clarification.
- 7) A comment noted within the schedule document indicates that a Stop Work Order was issued at the project site in January due to an erosion control issue. Partner recommends that the owner-contractor clarify the impact this stop work order had on the overall schedule and whether all impacts have been mitigated.
- 8) Upon review of the project scope, the 13-month construction duration appears to be aggressive for the construction of the 3 buildings, allowing few to no delays in the work to maintain the schedule's timeline. Partner recommends provision of a current and detailed schedule, preferably in Gantt-format, which identifies all scopes of work, both completed and in progress.
- 9) The provided drawings do not appear to indicate a location for resident mailboxes. Partner notes that brick veneer, specified on the provided drawings, was not installed on any of the buildings. Partner recommends clarification, and provision of documents related to drawing/scope of work changes.
- 10) An ALTA/NSPS Land Title Survey was not provided. Partner typically recommends that the owner provide a signed and sealed ALTA/NSPS Land Title Survey for review, certified to the lender, to verify that there are no rightful ownership, right-of-way, easement, or legal issues that will impact the project's scope of work.
- 11) The provided structural drawings do not reference the findings or recommendations of the provided Report of Subsurface Soil Investigation and Geotechnical Engineering Evaluation prepared by NV5 Engineers and Consultants, Inc. Partner recommends that the structural engineer verify that

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the values and recommendations of the provided Report of Subsurface Soil Investigation and Geotechnical Engineering Evaluation have been incorporated into the structural design.

Closing

Report Notice – Disclaimer: This report is being prepared and transmitted during a time of high uncertainty in the global marketplace due to the emergence of the COVID-19 virus. This report has been prepared in accordance with customary industry standards; however, due to the uncertain impacts of the virus on the construction industry at large, including but not limited to the possibility of delays related to sickened workforces and/or material resource shortages, any party relying on this report should understand the unique limitations to reporting, disclosures and/or opinions contained within, especially on matters directly tied to the economic/financial aspects (i.e. costs, labor rates, material costs, etc.) and/or resource availability (i.e. manpower, supplies, schedule forecast, etc.) of the project.

We appreciate the opportunity to provide these services. If you have any questions or we can assist you in any other matter, please feel free to contact me at 916-532-5064.

Sincerely,



Joe Belza
Senior Project Manager
Partner

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- A – Development Budget/Pay Application
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- C – GC Lien Waiver
- D – Construction Schedule
- E – Site Photos

1.0 Project Participants

1.1 Participant Information

Lender:	Urban Standard Capital 233 Broadway, Suite 1470 New York, New York 10279 T: 914-489-8495
Owner:	Nova at Summer Meadow, LLC 16 West Martin Street Raleigh, North Carolina 27601 T: 919-597-0223
General Contractor:	Abranova Building Company, Inc. 16 West Martin Street Raleigh, North Carolina 27601 T: 919-597-0223
Architect:	LMHT Associates 3005 Carrington Mill Boulevard, Suite 150 Morrisville, North Carolina 27560 T: 919-544-0087
Civil Engineer:	Horvath Associates, PA 16 Consultant Place, Suite 201 Durham, North Carolina 27707 T: 919-490-4991
Structural Engineer:	Henry Stewart, PE 83208 Jarvis Chapel Hill, North Carolina 27517 T: not provided
Mechanical, Electrical & Plumbing Engineer:	LMHT Associates 3005 Carrington Mill Boulevard, Suite 150 Morrisville, North Carolina 27560 T: 919-544-0087

2.0 PROJECT DESCRIPTION

2.1 Construction Scope Summary

The subject property consists of a 245,288-square foot (5.63-acre) rectangular shaped parcel, located at the northwest corner of the intersection of Hebron Road and Danube Lane in the City of Durham, North Carolina. The property is currently under construction, with significant site and building work already completed.

The project scope includes the grading and preparation of the site, and the construction of 3 new 3-story multifamily buildings totaling 111,724 gross square feet and containing a total of 83 one-, two-, and three-bedroom dwelling units. Each of the buildings will include breezeways leading to open metal stairs providing access to the upper floors. Primary access to each of the units will be off a breezeway. Each unit will be provided with a glass sliding patio door to either a ground floor patio or to a balcony. Storage closets accessed from the breezeways will be available to a portion of the residents. Building utility closets will be accessed from the breezeways as well.

Building 1 is 46,671 square feet and will contain 36 units of varying sizes, with 12 units on each floor. The building will be divided by 3 separate breezeways, each with its own stair.

Buildings 2 and 3 are each 30,474 square feet and will contain 23 and 24 units respectively, with 8 units on each floor. Building 2 will house the leasing office and an exercise/community room for the residents. The buildings will be bisected in the east-west direction on all floors by a single breezeway with stairs on each end. An intersecting breezeway running north-south is located on the ground floor of each building.

Exterior finishes will consist of fiber cement board/batten siding, fiber cement lap siding, fiber cement panel siding, and steel railing systems painted black. The drawings indicate a brick veneer wainscot which has not been installed to date and may have been deleted from the scope.

Proposed site improvements will include paved parking for a total of 166 automobiles, of which three are identified as standard accessible spaces and three as van-accessible spaces, paved pedestrian walkways, handicap ramps and signage, retaining walls, railings and bollards, bike racks, a dumpster enclosure, fire lane with permeable pavers, monument sign, site lighting, and landscaping consisting of trees, shrubs, and sod. A stormwater wetlands area will receive plants appropriate for shallow land and shallow water use; the surrounding area will be sodded.

Overall site development will include curbs gutters, and sidewalks.

2.1.1 Building/Unit Tables Summary

On-site buildings are reported as follows:

Building Type	GSF Each	Total on Site	Total GSF
Building 1	46,970	1	46,970
Building 2	32,377	1	32,377
Building 3	32,377	1	32,377
Totals		3	111,724

Dwelling units are reported as follows:

Unit Type	NRSF Each	Total on Site	Total NRSF
1 Bedroom Standard Flat/1 Bath (A)	773*	21	16,234
1 Bedroom ADA Flat/1 Bath (A HC)	773*	4	3,092
2 Bedroom Standard Flat/2 Bath (B)	1,058*	43	45,484
2 Bedroom ADA Flat/2 Bath (B HC)	1,101*	3	3,304
3 Bedroom Standard Flat/2 Bath (C)	1,263	8	10,104
3 Bedroom ADA Flat/2 Bath (C HC)	1,263	4	5,052
Totals		83	83,270

*These unit square footages are the average area of all units within each description.

2.1.2 Parking Summary

The project plans indicate new paved parking for a total of 166 automobiles, of which three are identified as standard accessible spaces and three as van-accessible spaces. A sufficient number of total, accessible and van-accessible parking spaces is reported. Parking accessibility layout and signage details are provided in the civil drawings. Bike parking for 8 bicycles will be provided.

2.2 Site Construction

2.2.1 Off-Site Construction

The proposed scope of work does not appear to include off-site construction.

2.2.2 On-Site Construction

The proposed site work scope consists of clearing and grading of the site, and the construction of a new apartment complex containing 3 apartment buildings with a combined total of 83 units, and infrastructure including underground utilities, asphalt paved roadways and parking, a Portland cement concrete dumpster pad, retaining walls, and a permanent stormwater pond. The northeast corner of the site is identified as a site for future development.

The apartment buildings will be three-story, wood-framed structures totaling 111,724 square feet, with concrete slab-on-grade floor systems. The buildings will consist of 1-, 2-, and 3-bedroom units; and a leasing office, exercise/community room, and storage closets.

The civil drawings include storm water management, soil conservation and erosion control measures. The drawings reference standard notes and details issued by Durham County.

As of the date of Partner's site visit, overall site work was approximately 90% complete. Refer to Section 5.2 of this report for a more detailed summary of the work completed.

2.2.3 Site Utilities

Utility letters indicating intent to provide service were not provided. However, this site is located in the midst of an existing suburban area with existing nearby buildings currently served by utilities, and the drawings identify the existence of utilities which will be provided to the proposed building. The concern for

availability of utilities is considered low at this time. Nevertheless, Partner recommends that will-serve letters be provided for all anticipated utility and service providers.

2.3 Building Systems and Materials

2.3.1 Foundation / Structural Framing Systems

The building's foundation system consists of a fiber-reinforced 4-inch thick concrete slab-on-grade with 6-mil poly vapor retarder over rigid insulation and a 4-inch minimum soil-treated aggregate base; and continuous, reinforced 2-foot thick concrete turn down footings, along with a system of reinforced interior concrete footings below the demising walls, stair walls and shear walls. The bottom of the perimeter footings will be at 18-inches minimum below grade. Shell and core construction will consist of wood framed exterior (R-15) and interior walls that support pre-engineered 18-inch floor trusses at 19 inches OC and roof trusses at 24 inches OC as indicated on the plans.

As of the date of Partner's site visit, all foundation and structural framing work was complete.

2.3.2 Roofing / Thermal and Moisture Protection

The roofing system will consist of pre-engineered wood roof trusses at 24 inches OC maximum with R-38 batt insulation, 1/2-inch exterior grade plywood roof sheathing with "H" clips, and architectural shingles as noted on the drawings. The shingles will have a 30-year warranty. The roof system will also incorporate ridge and eave vents, insulation baffles, flashings, and metal drip edges as required.

The lower shed roof systems will consist of standing seam metal over #30 roofing felt with ice and water shield in locations per the drawings. The metal roof system will incorporate all associated transitions, neoprene gaskets, closures, anchor clips, eave trims and gutters as noted.

As of the date of Partner's site visit, the roofing systems on all 3 buildings was substantially complete.

2.3.3 Exterior Wall Finishes

According to the provided drawings, the exterior wall finishes consist of brick veneer, fiber cement board/batten siding, fiber cement lap siding, fiber cement panel siding, and steel railing systems painted black.

As of the date of Partner's site visit, the exterior finishes were complete on Buildings 2 and 3. Siding was incomplete on Building 1. Railings at breezeways and balconies was incomplete at all 3 buildings. Partner notes that brick veneer, specified on the provided drawings, was not installed on any of the buildings. Change orders were not received; clarification is recommended.

2.3.4 Fenestration

Fenestration will consist of vinyl windows, metal doors, and combination vinyl window and door systems in like frames. All windows will be provided with insulated glass. Window sizes, configurations, and arrangements of fixed and operable panels vary by location per the drawings. Door glazing will be tempered and will be insulated to meet minimum energy code requirements for U-Value.

Minimum energy values were not documented for doors and windows. Interior doors will be wood or vinyl installed in like-material frames.

As of the date of Partner's site visit, all windows and glass patio doors were installed. Exterior unit door installation was complete at Buildings 2 and 3. Interior door and frame installation was incomplete in all of the buildings.

2.3.5 *Interior Construction and Finishes*

Finish schedules were not provided for review; finish specifications were not identified on the provided drawings or the schedule of values. Partner presumes that typical wall and ceiling surfaces will be painted gypsum wallboard (drywall).

As of the date of Partner's site visit all drywall was installed in Building 3. No interior finishes were installed in any of the buildings.

2.3.6 *Furnishings, Fixtures and Equipment (FF&E)*

Bathroom cabinets with countertops/splashes and accessories will be installed in all dwelling units. Kitchen wall and base cabinetry with countertops/splashes and a full appliance package including a refrigerator, electric range, combination microwave hood, and dishwasher will be provided in all kitchens. Each dwelling unit will be provided with a laundry closet with washer and electric dryer. Specifications for closet rods, closet shelving, and window treatments are not indicated on the drawings.

Building 2 will house a Leasing Office and Exercise room, both connected to a common vending area and toilet room.

As of the date of Partner's site visit, no cabinetry was installed in any of the buildings.

2.3.7 *Special Construction*

No special construction items were noted by Partner.

2.3.8 *Vertical Transportation*

Exterior stairs installed within open-air breezeways will be premanufactured metal, supported at top and bottom, with closed metal risers and concrete treads. Railings will be metal. Breezeway flooring at 2nd and 3rd floors will be wood-framed decking.

As of the date of Partner's site visit, stair installation was complete at Buildings 2 and 3. No stairs had been installed in Building 1. As noted previously in this report, installation of railings is incomplete.

2.3.9 *Mechanical*

Heating and cooling are provided to each dwelling unit by split system heat pumps. Air handlers will be installed in each unit's mechanical closet. Outside mechanical equipment will be installed on pads on grade provided by the mechanical contractor. Unit water heaters will be installed below each air handler; coordination is required. Bathrooms will be provided with exhaust fans rated for 50 CFM.

As of the date of Partner's site visit, the mechanical systems are in progress. No system is complete in any of the buildings.

2.3.10 Plumbing

The property will receive new domestic water supply, fire, and sanitary sewer and storm-water drain/retention systems. Water service will be provided to the units. Domestic hot water will be provided through an electric hot water heater located in each apartment unit's mechanical closet.

As of the date of Partner's site visit, the plumbing systems are in progress. No system is complete in any of the buildings.

2.3.11 Electrical

New electrical service will be provided to each apartment building. Electrical service will be 240/120V, single-phase, three-wire electrical service run from utility-owned transformers to main panels and meter banks at each building, and to panels in each unit. Dwelling units will be individually metered. Site and parking lot lighting will be served by house panels and meters at each building.

Lighting fixtures will be recessed, pendant, or surface mounted, with LED lamps. Ground fault interrupt (GFI) outlets are shown at kitchens, bathrooms, and exterior locations.

Each apartment building will be equipped with a fire alarm control panel.

As of the date of Partner's site visit, the electrical systems are in progress. No system is complete in any of the buildings.

2.3.12 Life Safety

An automatic fire sprinkler system to meet the requirements of NFPA 13 per 903.3 (via 903.2.8) will be provided. Fire protection drawings were not provided. Partner presumes that responsibility for system design and shop drawing development lies with the installing contractor.

A fire alarm control panel will be located in the utility room of each building. Manual fire alarm pull stations are not required as the building fire sprinkler system will be "*interlocked*" with the building fire alarm system. Smoke and smoke/carbon monoxide detectors are indicated in all bedrooms and outside the sleeping areas in all apartments. Fire alarm horns are indicated in bedrooms and living areas of handicap (HC) apartments, and bathrooms in all units.

Code/Life safety plans are included in the drawing set.

As of the date of Partner's site visit, the life safety systems are in progress. No system is complete in any of the buildings.

3.0 CONTRACTS REVIEW

3.1 Architect's Agreement

3.1.1 General

A copy of a proprietary agreement between the owner and architect was provided for review. The agreement was dated April 7, 2021 and revised on May 4, 2021. The owner is identified as Abraham Nghwani representing Nova at Summer , and the architect is identified as LMHT Associates, PA. The agreement has been signed by both parties.

Compensation for the architect's basic services will be \$110,900, paid per the following phases:

- | | |
|--|------------------------------|
| • Deposit upon executed contract: | 20% (\$22,180) |
| • Schematic Design Phase: | \$18,500 NTE (Not To Exceed) |
| • Combined Design Development/Construction Docs Phase: | \$92,400 |

3.1.2 Services Provided

The architect's basic services will consist of usual and customary schematic design, and combined design development/construction document services. The architect will retain the usual and customary structural, mechanical, and electrical engineering services. Civil engineering services will be contracted by the owner. The architect will coordinate with the sprinkler contractor to provide all required drawings for system design, and will provide all the drawings and assist the owner with the permit application to the city.

Additional work will include the following:

- | | |
|--|----------------------|
| • Standard city/county/state department permit review phase: | \$3,000 NTE (Hourly) |
| • Construction Administration Phase: | \$5,000 NTE (Hourly) |
| • Printing and Shipping: | TBD |

3.1.3 Construction Administration

The architect offered to provide technical support through the construction process until and after Certificate of Occupancy is granted, including contractor/owner/vendor/city/developer Requests for Information (RFIs), as Additional Services billed at hourly rates with a Not To Exceed amount of \$5,000.

3.2 Construction Agreement

3.2.1 General

A proprietary Contract Agreement and General Conditions Between Owner and Construction, where the basis of payment is Cost of the Work Plus a Fee with a Guaranteed Maximum Price, was provided for review. The owner is identified as NOVA AT SUMMER MEADOW, LLC, and the contractor is identified as ABRANOVA BUILDING COMPANY, INC. The agreement is dated April 30, 2021, and has been signed by both parties. The agreement for services appears to conform to general industry standards.

Partner notes that the owner is also the contractor.

3.2.2 Cost

The contract sum is the cost of the work as defined in Article 8 of the agreement plus the contractor's fee. Per Article 7.3, the contractor's fee will be equal to five percent (5%) of the cost of the work or a lump sum amount not to exceed \$500,000. Partner notes that the schedule of values does not include a line item for the contractor's fee. Clarification is recommended.

The GMP, identified as nine million forty-seven thousand two hundred thirty-two dollars (\$9,047,232), was attached to the agreement in a document entitled "Construction Costs by Package"; no detail is provided.

According to Article 7.1.3 of the agreement, upon Final Completion, if the Cost of the Work plus Constructor's Fee is less than the GMP, then any shared savings shall accrue zero percent (0%) to Owner and one hundred percent (100%) to Constructor. The shared savings shall be calculated and paid as part of final payment.

3.2.3 Date of Commencement and Substantial Completion

The date of commencement is the date of the agreement, according to Article 6.1. The constructor shall achieve substantial completion 22 months from the date of commencement and shall achieve final completion within 2 months of substantial completion.

3.2.4 Liquidated Damages

The agreement contains no provision concerning liquidated damages.

3.2.5 Progress Payments

The period covered by each application for payment shall be one calendar month ending on the last day of the month. An application for payment shall be received by the owner not later than the 5th day of a month. The agreement does not provide a number of days within which the owner shall make payment of the certified amount to the contractor. Partner recommends a 15-day period to process each pay application to allow for proper due diligence to occur.

3.2.6 Retainage

As indicated in Article 10.2.4 of the agreement, retainage is 0% for that portion of the contract sum properly allocable to completed work. Partner typically recommends 10% or the state maximum to be withheld for retainage.

3.2.7 Lien Waivers

Article 10.2.3 of the agreement indicates that partial (conditional) lien waivers, if required by the owner, will be provided by the constructor and not by subcontractors and suppliers. The owner does not require the provision of unconditional lien waivers. Partner typically recommends that both conditional and unconditional lien waivers be provided by the Contractor and all major subcontractors and major equipment/material suppliers throughout the project duration.

3.2.8 Enumeration of Documents

Article 15 of the agreement enumerates the contract documents "*in existence at the time of execution of this Agreement*" as follows:

- (a) Drawings: Permit Set dated 11/05/2021
- (b) Specifications: Included in Drawings
- (c) Civil Drawings: Construction Set Dated 01/12/2021 (Approved by City 2/23/2021)
- (d) Owner Provided information: Sewer Permit S-001168; Water Permit W-002151
- (e) GMP written statement
- (f) Construction Schedule

The drawing sets received for Partner's review are dated the same as the drawing sets referenced above. A drawing index was not provided.

3.2.9 Exclusions

No exclusions or clarifications are attached to the provided agreement or included as part of the separately-provided GMP schedule of values.

3.2.10 Allowances

There are no allowances identified in the owner-contractor agreement.

3.2.11 Alternates

There are no alternates identified in the owner-contractor agreement.

3.2.12 Conclusions

The construction agreement conforms to general industry standards providing fair and adequate protections to the owner and contractor alike. However, the following items were noted that should be addressed:

- Partner typically recommends the provision of all contract documents for review, whether attached as exhibits or provided separately.
- The contract sum is the cost of the work as defined in Article 8 of the agreement plus the contractor's fee. Per Article 7.3, the contractor's fee will be equal to four percent (5%) of the cost of the work or a lump sum amount not to exceed \$500,000. Partner notes that the schedule of values does not include a line item for the contractor's fee. Clarification is recommended.
- The agreement states that progress payments are to be submitted at the end of each month; it does not provide a number of days within which the owner shall make payment of the certified amount to the contractor. Partner recommends a 15-day period to process each pay application to allow for proper due diligence to occur.
- The agreement does not require retainage to be withheld during the course of construction. Retainage is considered a form of security for performance. Partner typically recommends 10% or the state maximum to be withheld for retainage.

- Article 10.2.3 of the agreement indicates that partial (conditional) lien waivers, if required by the owner, will be provided by the constructor and not by subcontractors and suppliers. The owner does not require the provision of unconditional lien waivers. Partner typically recommends that both conditional and unconditional lien waivers be provided by the Contractor and all major subcontractors and major equipment/material suppliers throughout the project duration.

4.0 CONSTRUCTION BUDGET

4.1 Development Budget

A development budget for the overall project was provided. The development budget totals \$13,361,574.24 and is broken out as follows:

Item	Value
Acquisition Costs (Land)	\$1,725,000
Hard Costs	\$9,047,232
Soft Cost Contingency	\$40,000
Development Fee	\$360,000
Soft/Other Costs	\$2,189,342
Total	\$13,361,574

4.2 Applications Reviewed

Partner received a copy of the owner's Application and Certification for Payment dated February 5, 2024 identifying actual costs paid through February 5, 2024, for work completed through the same date.

4.3 Hard Cost Disbursements

The hard costs incurred to date shown below are within the amount included on the owner's Application and Certification for Payment dated February 5, 2024.

Summary of Draw Request	
Original Hard Cost Budget	\$9,047,232
Adjustments:	
Owner Contract Contingency	\$0
Buyout Savings Accrued	\$0
Contractor Contingency	\$0
Hard Cost Contingency	\$0
Owner Costs	\$0
FF&E	\$0
Tenant Improvements	\$0
Adjusted Hard Cost Budget	\$9,047,232
Value of Work Completed to Date	\$8,623,292
Stored Materials	\$0
Deposits	\$0
Owner Direct Costs	\$0
FF&E	\$0
Total Complete & Stored to Date	\$8,623,292
Retainage	\$678,457
Total Earned Less Retainage	\$7,944,835
Less Previous Certificates for Payment	\$0
Current Payment Due	\$7,944,835
Adjusted Budget Balance to Finish, Including Retainage	\$1,102,397
Partner Adjusted Budget Balance to Finish, Including Retainage	\$1,102,397
Project Completion – Gross Billings	95%

4.4 Certifications

Partner has not received a complete draw request. Partner has received the Contractor's February 5, 2024 AIA G702/703 Application for Payment, which has not been certified by the Architect. This is not in the lender's best interest, as certification by the Architect would attest to the value of work in place, approval of any change orders identified on the requisition, and conformance of the as-installed conditions with commonly accepted levels of workmanship.

4.5 General Conditions

The Contractor's General Conditions equal \$334,548 or 3.7% of the total Project Budget amount. This is below the 5% to 10% typical range for a project of this size and type.

Inclusive of the most recent Application for Payment, the Contractor has billed **100%** of the General Conditions line-item. This represents a variance of approximately **5%** compared to the total **95%** of the GMP spent to date.

The variance is not appropriate at this stage of the construction progress. Although the contractor's billing indicates that the project is 95% complete, the actual completed work is roughly 65% complete, based on observations made during Partner's site visit of Friday, March 15, 2024.

4.6 Overhead & Profit

The contractor's schedule of values does not include a line for Overhead and Profit or for Contractor's Fee. However, the owner-contractor agreement states that the contractor's fee is equal to either 5% of the GMP or a lump sum of \$500,000. Reference Section 3.2.2 of this report for further recommendations.

4.7 Retainage Being Held

Article 10.2.4 of the owner-contractor agreement identifies retainage as 0%. However, according to the provided Application for Payment, retainage equal to \$678,456.93 has been withheld by the contractor. Partner recommends clarification.

4.8 Lien Waivers

Partner received an Unconditional Lien Waiver and Release of Lien Upon Progress Payment from the Contractor in the amount of \$12,716,368.29; equal to the amount of Hard and Soft Costs reported in the "Total Completed and Stored To Date" column on the provided application for payment.

Partner recommends that the Developer obtain Conditional and Unconditional Waivers of Lien confirming actual payments received from all contractors and vendors.

4.9 Materials Stored Off Site and Deposits

According to the owner-contractor staff interviewed on site, no project materials are being stored off site.

4.10 Executed Change Orders

No change orders were provided for review.

4.11 Pending Change Orders

No pending change orders were provided for review.

4.12 Cost to Complete Estimate

Partner estimates the cost to complete the remaining portion of this project to be as follows:

Item	Current Construction Budget	Current Total Completed & Stored	GC Cost to Complete	Partner Cost to Complete	Diff %
Building Hard Costs	\$7,262,684	\$6,941,638	\$221,046	\$2,820,909	34.1%
Site Work Costs	\$1,000,000	\$1,000,000	\$0	\$100,000	10.0%
General Conditions	\$334,548	\$334,548	\$0	\$100,364	30.0%
Overhead & Profit	\$0	0	\$0	\$0	0%
Contingency	\$450,000	\$347,106	\$102,894	\$102,894	22.9%
Total	\$9,047,232	\$8,623,292	\$423,940	\$3,124,168	34.5%

4.13 Explanation of Additional Costs

The Comparable Cost Analysis provided in Exhibit C provides a side by side review of costs provided by the General Contractor with Partner estimates. Based on the actual work completed, the project is closer to 65% complete; it appears that the owner-contactor potentially underestimated the cost to construct the project and has over-billed line items.

Partner has derived our cost assessment from recent historical data of comparable projects based on scope and region. The significant scope and cost discrepancies are provided below:

- According to the provided Application for Payment (Pay App), General Conditions is 100% complete. However, Partner estimates that construction will continue for approximately 6 months to achieve final completion of the project.
- The scope of the \$1,000,000 site work budget was not detailed. However, various site work items remain to be completed including installation of the top-lift of asphalt paving and finish landscaping.
- According to the provided Pay App, Concrete work is 100% complete. However, additional concrete work will be required in areas of excavation at Building 1 and removal at all 3 buildings. Partner assesses the total scope of work to be roughly 93% complete.
- According to the provided Pay App, Masonry work is 100% complete. However, the scope of the masonry work is unclear, and brick veneer shown on the drawings has not been installed. Partner recommends confirmation of the scope of work.
- According to the provided Pay App, Metals work is 100% complete. However, stairs have not been installed at Building 1, and railings are incomplete at all 3 buildings. Partner assesses the total scope of work to be roughly 20% complete
- According to the provided Pay App, Millwork and Rough Carpentry work is 96% complete. However, cabinetry has not been assembled or installed in any of the building units. Partner assesses the total scope of work to be roughly 85% complete
- According to the provided Pay App, Building Envelope work is 96% complete. However, the siding is not complete on Building 1. Partner assesses the total scope of work to be roughly 88% complete
- According to the provided Pay App, Openings work is 97% complete. However, exterior unit access doors are not installed at Building 1, and interior doors have not been installed in any of the buildings. Door frames and trim are incomplete. Partner assesses the total scope of work to be roughly 50% complete
- According to the provided Pay App, Drywall and Finishes work is 96% complete. However, drywall installation is complete in Building 3 only, and interior finishes have not been installed, including paint, in any of the buildings. Partner assesses the total scope of work to be roughly 30% complete
- According to the provided Pay App, Specialties work is 100% complete. However, no accessories or signage have been installed, and the drawings do not indicate a location for mailboxes. Partner assesses the total scope of work to be roughly 0% complete.

- According to the provided Pay App, Equipment work is 100% complete. Due to a lack of detail, Partner presumes that the Equipment scope includes appliances: no appliances have been installed. Partner assesses the total scope of work to be roughly 0% complete.
- According to the provided Pay App, Plumbing work is 92% complete. However, none of the fixtures are installed in any of the buildings. Partner assesses the total scope of work to be roughly 73% complete.
- According to the provided Pay App, Mechanical work is 92% complete. However, none of the condensing units are installed, and installation of air handlers and ductwork is incomplete. Partner assesses the total scope of work to be roughly 64% complete.
- According to the provided Pay App, Electrical and Fire Alarm work is 92% complete. However, wiring has been installed in Buildings 2 and 3 only. Partner assesses the total scope of work to be roughly 47% complete.

Of note, Partner was unable to access to the storage trailers on site to confirm that all materials needed to complete the project have been purchased, delivered, and stored therein.

4.14 Buyout Log

A buyout log was not provided for review.

4.15 Subcontracts

Subcontracts were not provided for review.

4.16 Contingency

The owner is also the contractor; the contractor's schedule of values includes an amount for "Hard Costs" that the owner has confirmed is actually a contingency line item. The Hard Costs contingency is equal to \$450,000 or roughly 4.4% of the GMP; \$102,894 or roughly 23% remains of that contingency amount. A minimum owner's hard cost contingency reserve of 10% is typically recommended for in-progress projects to cover those unexpected costs that may arise due to such occurrences as the discovery of concealed conditions, increases to the project scope, unusual labor and/or material price increases, or errors or omissions in the drawings. Partner recommends holding 5% hard cost contingency on the amount remaining for the project.

The development budget for the project identified a soft cost contingency of \$40,000.

4.17 Adequacy of Funds

The contractor's remaining balance of \$423,940 or 4.7% of the GMP is not adequate to complete the proposed project. Based on the percentage of completed work observed, approximately \$3,124,168 is estimated to achieve substantial completion.

5.0 SITE OBSERVATIONS

5.1 Date and Scope of Site Visit

On March 15, Partner met on site with Abranova Real Estate employees Sarah Meckley, Financial Controller and Adam Elkhatib, Construction Project Estimator. The purpose of the site visit was to review the improvements and existing site conditions, and to assess the level of completeness. The site was walked and observed on all existing levels with the exception of the third floor of Building 1 which was inaccessible at the time of the site assessment.

5.2 Progress Summary

The Summer Meadows site consists of a ground up multifamily development with 83 units across three buildings which are each three stories in height. Although Hebron Road extends east-west along the southern property boundary, the building footprint area is separated from Hebron Road by a large stormwater detention pond and landscaped areas. Access to the site is provided from the east end of the property via an access driveway from Danube Lane which is aligned north-south along the eastern property boundary. The three residential buildings are situated on the western two-thirds of the property with Building 3 being the easternmost structure and Building 1 being the westernmost structure. Building 1 is aligned roughly north-to-south with Buildings 2 and 3 aligned roughly east-to west. At the time of the assessment, Building 1 appeared to be the least complete of the three structures, with Building 3 being the most complete. Abranova staff indicated that a planned Certificate of Occupancy was expected to be obtained sometime in May 2024 for Building 3.

Building 1 was observed to be roughly 50% complete at the time of the assessment. Structurally, foundational work and exterior walls were observed to be complete along with the composite shingle roof. Windows and patio doors were also installed. However, exterior siding was installed in a few limited areas on the structure although insulating/waterproofing wrap was installed around the entirety of the building. Wood framing of interior walls and wood flooring appeared to be in place for the upper two levels of the building with the completed concrete slab-on-grade foundation comprising the first floor of the structure. Wood decking for interior breezeways also appeared complete. Building plumbing line and fire suppression system rough-in work appeared to be complete or near complete within the residential units on the first and second floors and most likely the third floor as well (the third was inaccessible as stairs have yet to be installed within the stairwell areas of the structure). Drain lines and water lines were observed connected to tub/shower inserts within the residential units observed on the first and second floors and all units observed had tub/shower surrounds installed in place. However, mechanical HVAC work appeared to be ongoing in these same areas. Mechanical duct lines were observed installed above the ceilings in multiple units; work appeared to be on-going. No air handling units were observed installed in any of the residential units and duct work appeared to be staged for installation within some of the breezeway areas. Electrical line installation appeared to be minimal throughout the building and the wall framing was not observed to be insulated within any part of the building, nor was drywall observed in any areas of the structure. Lines for the fire suppression system were observed overhead within most of the residential units. Of particular note: several sections of concrete within the ground floor breezeway which appeared to be removed for access to subsurface plumbing and/or fire suppression system lines; Abranova staff were unsure of the reason for

removal. Exterior door frames along the breezeway areas were installed but only a few of the residential unit exterior access doors were observed to be in place.

Building 2 was observed to be roughly 50 to 60% percent complete at the time of the assessment and was observed to have roofing, exterior windows/patio doors and siding in place as well as roofline gutters and downspouts. Exterior siding and trim appeared to be painted and finished for the structure and interior stairs with railings were installed within the building. Additionally, unit exterior access doors were installed on all three floors. Wood decking for the breezeways appeared to be complete for the upper two levels with the slab-on-grade concrete foundation also in place for the ground level of the structure. As with Building 1, several sections of concrete within the ground floor breezeway appeared to be removed for access to subsurface plumbing and/or fire suppression system lines. Building rough-in work was observed to have a consistent level of completion on all three floors of the structure with the exception of HVAC duct work above the third floor ceiling, which appeared incomplete compared to the lower two levels. Completion of installation of plumbing drain mains/lines and water lines to installed tub/shower inserts, sinks and washer/dryer service areas was observed on all three levels. Fire suppression system lines also appeared to be in place above ceilings and in chases between floors. Interior air handling units and associated lines extending downward via chases to exterior condenser units (*not installed at this time*) were observed to be installed on all three levels. Additionally, ventilation duct for dryers and connecting ports in the washer/dryer areas were also observed to be in place. Electrical lines also appeared to be run through the walls in most of the residential units with electrical hardware including circuit breaker panels, junction boxes and outlets/outlet covers appearing to be installed and wired throughout the units. A minimal amount of insulation appeared to have been installed within wall/ceiling areas although furring strips for drywall installation and some drywall panels were observed to be staged within the building in preparation for evidently sealing of the walls in the near future. However, with the exception of a few small areas, no insulation or drywall installation work had been completed in the building. Siding was installed within the breezeways of each of the three floors of the building. Rental offices and a community room for the Summer Meadows complex will be located on the first floor of Building 2. PTAC units were observed to be installed within these areas centrally located on the first floor of the building.

Building 3 was observed to be approximately 75-80% complete at the time of the assessment and was observed to have roofing, exterior windows/patio doors and siding in place in place as well as roofline gutters and downspouts. Exterior siding and trim appeared to be painted and finished for the structure and interior stairs with railings were installed within the building. However, railings for residential unit porch/patio areas had yet to be installed. Unit exterior access doors were installed within the breezeway areas on all three floors along with trim accents around the doors and storage closet doors within the breezeways. Wood decking for the breezeways appeared to be complete for the upper two levels with the slab-on-grade concrete foundation also in place for the ground level of the structure. As with Buildings 1 and 2, several sections of concrete within the ground floor breezeway appeared to be removed for access to subsurface plumbing and/or fire suppression system lines. Building rough-in work was observed to have a consistent level of completion on all three floors of the structure and appeared to be complete throughout the entirety of the building. All mechanical, electrical, plumbing and fire suppression system rough-in work appeared to be complete for all three levels of the structure (with the exception of the first floor excavated areas). Interior air handlers were observed in place and connections for condenser units have been extended

outside of the building, although the condenser units have yet to be installed. Insulation and drywall appeared to be installed within the residential units on all three levels and gypcrete flooring appeared to be in place for the upper two floors of the building. Interior drywall appeared to be installed for the walls and ceilings within the individual residential units of Building 3 and most drywall appeared to be at least primer painted. Trim, cabinets and countertops have yet to be installed and trim-out/finish work, including items such as installation of vinyl plank flooring, water heater units and electrical and/or lighting fixtures was incomplete. Cabinetry was observed to be staged within the breezeway areas of the building in preparation for installation.

Site work for the Summer Meadows development appeared to be progressing with curbs and gutters installed throughout the complex and sidewalks at Buildings 2 and 3. Sidewalk installation work appeared to be on-going along the east side of Building 1. Retaining walls have been installed along the north and a portion of the west side of Building 1. An initial layer of asphalt has been placed down in all areas of the complex that are slated to be asphalt-paved. However, an additional top-lift and striping will be necessary in these areas. Lamp posts have been installed around the parking lot areas and the concrete foundation and posts were observed in the area to receive a trash/recycling enclosure, northeast of Building 3. Finish work for connections to utility mains appears to be on-going at the property and, as mentioned previously, none of the exterior condenser units have been installed outside any of the buildings. The area to the south of Buildings 2 and 3 between the structures and Hebron Road is occupied partially by a stormwater retention pond. Work was reportedly on-going by the City of Durham to widen Hebron Road and an outside crew was observed on site working in conjunction with the general contractor to address utilities along the road as well as lessening the impact of the road expansion on the Summer Meadows development. Landscaping work has been completed along both sides of the entry drive (including a portion of the retention pond in the area), in areas surrounding Buildings 2 and 3, and along the northern boundary of the complex. Landscaping work appears to be on-going around Building 1 with work nearly complete along the west side of the property. Multiple Conex storage trailers (at least seven at the time of the assessment) were observed to be on site.

5.3 Manpower/Trades on Site

Contractors on site at the time of the inspection included a single contractor taping interior areas of Building 3 for painting in addition to a small crew of two or three working on repairs to the fire suppression system lines in Building 2. Additionally, a rough-in crew of approximately two or three could be heard working within the upper levels of Building 1. Site work crews, drywall installers and MEP utility rough-in workers were reportedly active at the jobsite during the current month. Average daily workforce was stated to be between 10-15 for the current month.

5.4 Site Condition

The site appears orderly and free of excess debris.

5.5 Materials Stored On-Site and/or Off-Site

Reportedly all materials needed to complete the project are being stored within the Conex trailers at the project site. All but one of the trailers was inaccessible at the time of the assessment. However, materials observed on-site included concrete, sheathing, lumber, plumbing piping, PEX piping, drainage piping,

reinforcing mesh, drywall, joint compound, furrowing strips, concrete pavers, cement, electrical conduit, cabinetry, vinyl plank flooring, gravel, paint, doors/door framing, fiberglass pipe insulation, floor joists, HVAC duct/fittings, insulation, sealants/adhesives, fire suppression system piping, lift units, earth-moving equipment and Conex storage trailers.

There are reportedly no materials being stored off-site at this time.

5.6 Permits

Copies and/or information of the following issued permits were obtained through the City of Durham:

- Building Permit #22100442 issued by the City of Durham dated 6/2/2022 for new apartment building complex; Building 1 (of 3).
- Building Permit #22100443 issued by the City of Durham dated 5/3/2022 for new apartment building complex; Building 2 (of 3).
- Building Permit #22100444 issued by the City of Durham dated 5/5/2022 for new apartment building complex; Building 3 (of 3).
- Plumbing Permit #22303596 issued by the City of Durham under Building Permit #22100444 and dated 10/18/2022 for new apartment building complex; Building 3 (of 3).
- Electrical Permit #22213665 issued by the City of Durham under Building Permit #22100444 and dated 11/2/2022 for new apartment building complex; Building 3 (of 3).
- Electrical Permit #22213693 issued by the City of Durham under Building Permit #22100444 and dated 11/4/2022 for new apartment building complex; Building 3 (of 3).
- Electrical Permit #22303898 issued by the City of Durham under Building Permit #22100443 and dated 12/15/2022 for new apartment building complex; Building 2 (of 3).
- Electrical Permit #23206951 issued by the City of Durham under Building Permit #22100442 and dated 7/20/2023 for new apartment building complex; Building 1 (of 3).
- Electrical Permit #23206952 issued by the City of Durham under Building Permit #22100442 and dated 7/20/2023 for new apartment building complex; Building 1 (of 3).
- Electrical Permit #23206953 issued by the City of Durham under Building Permit #22100443 and dated 7/20/2023 for new apartment building complex; Building 2 (of 3).
- Mechanical Permit #23404011 issued by the City of Durham under Building Permit #22100444 and dated 8/8/2023 for new apartment building complex; Building 3 (of 3).
- Fire Protection Permit #23600745 issued by the City of Durham and dated 8/17/2023 for new apartment building complex; Building 1 (of 3).
- Fire Protection Permit #23600746 issued by the City of Durham and dated 8/17/2023 for new apartment building complex; Building 2 (of 3).
- Fire Protection Permit #23600750 issued by the City of Durham and dated 8/17/2023 for new apartment building complex; Building 3 (of 3).

- Fire Protection Permit #23600752 issued by the City of Durham and dated 8/17/2023 for new apartment building complex; Building 2 (of 3).
- Fire Protection Permit #23600753 issued by the City of Durham and dated 8/17/2023 for new apartment building complex; Building 3 (of 3).
- Backflow Preventer Permit #23700926 issued by the City of Durham and dated 11/20/2023 for new apartment building complex; Building 2 (of 3).
- Backflow Preventer Permit #23700927 issued by the City of Durham and dated 11/20/2023 for new apartment building complex; Building 1 (of 3).
- Backflow Preventer Permit #23700928 issued by the City of Durham and dated 11/20/2023 for new apartment building complex; Building 3 (of 3).
- Fire Protection Permit #23601106 issued by the City of Durham and dated 12/4/2023 for new apartment building complex; Building 1 (of 3).
- Fire Protection Permit #23601107 issued by the City of Durham and dated 11/30/2023 for new apartment building complex; Building 2 (of 3).
- Fire Protection Permit #23601108 issued by the City of Durham and dated 11/30/2023 for new apartment building complex; Building 3 (of 3).
- Electrical Permit #23212392 issued by the City of Durham under Building Permit #22100444 and dated 12/7/2023 for new apartment building complex; Building 3 (of 3).
- Mechanical Permit #24400018 issued by the City of Durham under Building Permit #22100443 and dated 2/5/2024 for new apartment building complex; Building 2 (of 3).
- Plumbing Permit #24300204 issued by the City of Durham under Building Permit #22100444 and dated 1/19/2024 for new apartment building complex; Building 3 (of 3).
- Mechanical Permit #24400403 issued by the City of Durham under Building Permit #22100442 and dated 2/6/2024 for new apartment building complex; Building 1 (of 3).
- Plumbing Permit #24300314 issued by the City of Durham under Building Permit #22100442 and dated 1/29/2024 for new apartment building complex; Building 1 (of 3).
- Plumbing Permit #24300327 issued by the City of Durham under Building Permit #22100442 and dated 2/5/2024 for new apartment building complex; Building 1 (of 3).

6.0 CONSTRUCTION SCHEDULE ANALYSIS

6.1 Schedule Description

An Excel version of a "Summer Meadow Apartment Schedule" was provided for review. The schedule is formatted as a list of tasks related to each of the 3 buildings, with related start and end dates for each task. According to a notation on the schedule, the work was 30% complete as of an unidentified date.

The schedule is based on a Pre-Insulation Start Date of May 1, 2023 and CO sign off End Date of February 12, 2024 for Building 3; a Framing Start Date of May 15, 2023 and Final Punch Out End Date of June 4, 2024 for Building 2; and Framing Start Date of July 15, 2023 and Final Punch Out End Date of June 5, 2024 for Building 1. The overall duration for the project is 402 days or roughly 13 months. Site work is not included on the schedule.

The Apartment Schedule file includes a tab for the schedule and a tab for Comments. Of note, one comment indicates that a Stop Work Order was issued at the project site in January due to an erosion control issue. Partner recommends that the owner-contractor confirm the impact this order had on the schedule.

The schedule does not appear sufficiently detailed, and several tasks identified as 100% complete are hidden. Partner recommends provision of a current and detailed schedule, preferably in Gantt format, which identifies all scopes of work, both complete and in progress.

6.2 Commencement/Completion Dates Conformance to Contract

It appears that the date of commencement is the date of the agreement, according to Article 6.1 of the agreement. The constructor shall achieve substantial completion in 22 months from the date of commencement and shall achieve final completion within 2 months of substantial completion.

The provided schedule indicates that work commenced on May 1, 2023 and will be complete within 13 months. Partner recommends clarification of the actual date of commencement and the scope of work to be completed within the duration of the schedule.

6.3 Schedule vs. Observation

According to the schedule, the project will be complete by June 5, 2024. However, based on Partner's visit to the site on March 15, 2024, the approximate completion of the project has been assessed as follows:

- Sitework: 90%
- Building 1: 50%
- Building 2: 60%
- Building 3: 70%

Partner estimates that, assuming materials are stored on site and appropriate levels of labor are maintained, there remains roughly 6 to 8 months of work left to achieve substantial completion of the project, which will exceed the scheduled completion date by 4 to 6 months. The project should be able to achieve final completion by the end of 2024.

The project may be delayed/behind schedule for the following reasons:

- Insufficient labor force: on the date of the site visit, no more than 7 workers were observed on site.
- Questionable scheduling of trades: Example 1 - site work was indicated as 100% complete before the rest of the project was complete, with the knowledge that some existing work would need to be repaired and/or restored once vertical construction was complete; Example 2 - concrete was poured before plumbing and/or fire suppression systems were completely engineered and installed; Example 3 – stairs at Building 1 have not yet been installed.
- Lack of buyouts: as seen on the Comments tab of the provided schedule, painting and plumbing subcontractors were not confirmed for the project as recently as January 2023.
- Aggressive schedule: the vertical portion of the project was scheduled to be complete within 13 months, leaving little to no time for delays of any kind.

6.4 Conclusions

Upon review of the project scope, the 13-month construction duration appears to be slightly aggressive for the construction of the 3 buildings, even without including site work, allowing few to no delays in the work to maintain the schedule's timeline. Partner recommends that the balance of construction of the project be closely followed to ensure the coordination of vendor-provided and installed equipment, to monitor costs, and to identify and assess any potential delays or other impacts to the time frame.

The Apartment Schedule file includes a tab for the schedule and a tab for Comments. Of note, one comment indicates that a Stop Work Order was issued at the project site in January due to an erosion control issue. Partner recommends that the owner-contractor clarify the impact this stop work order had on the overall schedule.

Partner recommends provision of a current and detailed schedule, preferably in Gantt-format, which identifies all scopes of work, both complete and in progress.

7.0 DRAWINGS AND SPECIFICATION REVIEW

7.1 Drawings

Electronic drawing sets including general, architectural, structural, mechanical, electrical, plumbing, fire alarm, civil, and landscape plans were provided for review. The dates and status of the various disciplines are as follows:

Discipline	Date	Status	Signed?	Sealed?
Architectural	11/5/2021	Permit Set	Yes	Yes
Structural	11/5/2021	Permit Set	Yes	Yes
Mechanical	11/5/2021	Permit Set	Yes	Yes
Electrical	11/5/2021	Permit Set	Yes	Yes
Plumbing	11/5/2021	Permit Set	Yes	Yes
Fire Alarm	11/5/2021	Permit Set	Yes	Yes
Civil*	1/12/2021	For CD Approval	Yes	Yes
Landscape	1/12/2021	For CD Approval	Yes	Yes

*Partner notes that an amended site plan dated 10/6/2021 was provided for review.

7.2 Specifications

A separate project manual was not provided for review. Products and materials are called out as necessary on the drawings. Specifications are written using performance characteristics, lists of acceptable manufacturers and products, or a single brand name setting a standard of quality. Where they are called out, products and materials appear to be identified in general conformance with industry-accepted best practices.

7.3 Quality and Completeness

The construction documents reviewed are generally complete, organized and contain sufficient detail for the construction phase of the project. However, the drawing set lacks finish schedules and casework details, which provide qualitative and performance requirements of such premanufactured items to be incorporated into the project design. Partner would typically recommend that these items be provided for review.

The City of Durham issued the following building permits for the project:

- Building Permit #22100442 dated 6/2/2022 for new apartment building complex; Building 1 (of 3).
- Building Permit #22100443 dated 5/3/2022 for new apartment building complex; Building 2 (of 3).

- Building Permit #22100444 dated 5/5/2022 for new apartment building complex; Building 3 (of 3).

The permits appear to be in order. See Section 5.6 above for a more detailed summary of the permits issued for the project.

7.4 Conclusions

The provided construction documents are generally complete, organized and contain sufficient detail for the current stage of the project.

8.0 GOVERNMENTAL REGULATIONS

8.1 Code Compliance

The design of the proposed development appears to be in accordance with required national, state and local codes and ordinances. The drawings identify the following applicable codes:

- 2018 North Carolina Building Code
- 2018 North Carolina Energy Conservation Code
- 2018 North Carolina Mechanical Code
- 2018 North Carolina Plumbing Code
- 2018 North Carolina Fire Code
- 2020 National Electrical Code
- 2009 ANSI Code

Code compliance was not evaluated in detail. However, no obvious errors or deficiencies were noted during Partner's review of the provided documents for the assigned purposes.

8.2 Zoning Conformity

The property is currently zoned PDR-LDR (Planned Development Residential – Low Density Residential) for which the proposed multi-family development is evidently an allowed use.

8.3 Accessibility Compliance

The project plans indicate new paved parking for a total of 166 automobiles, of which three are identified as standard accessible spaces and three as van-accessible spaces. A sufficient number of total, accessible and van-accessible parking spaces is reported. Parking accessibility layout and signage details are provided in the civil drawings.

The Americans with Disabilities Act (ADA), enacted July 26, 1990 and effective January 26, 1992, governs public accommodation and commercial properties. Title I of the ADA requires covered employers to provide reasonable accommodations for applicants and employees with disabilities and prohibits discrimination on the basis of disability in all aspects of employment. Reasonable accommodation includes, for example, restructuring jobs, making work sites and workstations accessible, modifying schedules, providing services such as interpreters, and modifying equipment and policies. Title III of the ADA divides facilities into two basic categories; places of public accommodation and commercial facilities, with different obligations for each facility type. The provisions of Title III provide that persons with disabilities should be provided with accommodations and access to public facilities that are equal, or similar, to those available to the general public. Per the provided drawings, exterior accessible routes (unobstructed paths of travel) are not specifically identified yet are apparent from a review of the plans. Interior accessible routes (unobstructed paths of travel connecting interior accessible elements) are identified and are apparent from a review of the floor plans. Accessibility details, diagrams, and mounting heights are provided in the drawings. All exterior doors appear to be provided with accessible thresholds; doorways appear to be properly sized for ADA.

Privately-owned multifamily housing, regardless of whether the dwelling units are for rent or for sale, must meet the accessibility requirements, including the seven design requirements, listed below, of the Fair Housing Amendments Act (FHAA) when the dwelling units are located in a building of four or more units with single-story ground floor dwelling units or if provided with an elevator, and built for first occupancy after March 13, 1991.

- Requirement 1: An accessible building entrance on an accessible route
- Requirement 2: Accessible public and common use areas
- Requirement 3: Usable doors (usable by a person in a wheelchair)
- Requirement 4: Accessible route into and through the dwelling 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
- Requirement 7: Usable kitchens and bathrooms

Elevators are not provided; thus, only the ground floor dwelling units are covered for the purposes of FHAA compliance and are required to be adaptable and on an accessible path of travel. Construction Notes on the architectural drawings indicate that all 1st Floor units identified as "HC" will be ANSI Type A; all other 1st Floor units will be ANSI Type B.

The provided set of architectural drawings has been signed and sealed by the architect of record; Partner construes this to mean that, to the best of the architect's knowledge, information, and belief, the plans for this project comply in all material respects with all applicable accessibility requirements.

8.4 Conclusions

Code compliance, zoning regulations, and accessibility requirements appear to have been met.

9.0 HAZARDS REVIEW

9.1 Seismic and Wind

The proposed development is located in Seismic Hazard Zone 1, an area with low probability of damaging ground motion.

Partner performed a review of the Wind Zone Map published by the Federal Emergency Management Agency. According to the map, the subject property appears to be located in Wind Zone III, an area with design winds speeds (3-second gust) up to 200 miles per hour. The subject property does not appear to be located in a special wind region or hurricane-threat zone.

9.2 Flood Plain

According to the FEMA Flood Rate Insurance Map number 3720083400K dated October 19, 2018, the subject project lies in Flood Zone "X", which is determined to be an area outside of the 0.2% probability annual chance floodplain.

9.3 ALTA Survey

An ALTA/NSPS Land Title Survey was not provided. Partner typically recommends that the owner provide a signed and sealed ALTA/NSPS Land Title Survey for review, certified to the lender, to verify that there are no rightful ownership, right-of-way, easement, or legal issues that will impact the project's scope of work.

9.4 ESA and Other Environmental Reviews

A Phase I Environmental Site Assessment report, prepared by Sage Ecological Services, Inc. and dated January 20, 2021, was provided for review. The evaluation, reportedly conducted in conformance with the scope and limitations of ASTM E 1527, identified no evidence of recognized environmental conditions (RECs) in connection with the property. No additional assessment was recommended.

9.5 Conclusions

An ALTA/NSPS Land Title Survey was not provided. Partner typically recommends that the owner provide a signed and sealed ALTA/NSPS Land Title Survey for review, certified to the lender, to verify that there are no rightful ownership, right-of-way, easement, or legal issues that will impact the project's scope of work.

10.0 GEOTECHNICAL REPORT

10.1 General

A copy of a Report of Subsurface Soil Investigation and Geotechnical Engineering Evaluation prepared by NV5 Engineers and Consultants, Inc. (NV5) dated December 15, 2021 was provided for review. The purpose of the study was to evaluate the subsurface conditions at the subject site and to make recommendations regarding the geotechnical aspects of site preparation, foundation design, and construction. The report has been signed by the Senior and Principal Geotechnical Engineers, and sealed by Brock Horsley, P.E., North Carolina Professional Engineer No. 049415.

To determine the subsurface soil and groundwater conditions at the site, 23 test borings were advanced to planned depths of approximately 10 to 20 feet below the existing ground surface or to the depth of auger refusal. Locations of the borings are shown on the Boring Location Plan included in the report. Detailed Test Boring Records were prepared and are included in the report. Selected soil samples obtained during the boring operations were submitted for laboratory testing.

10.2 Description of Soils Encountered

As stated in the provided report:

At the existing ground surface in the majority of the test borings, residual soils were encountered. The residuals consisted of sandy silts and highly plastic clays, extending from approximately 3 to 20 feet below the existing ground surface. The highly plastic clay soils were encountered in 18 of the 23 test borings to depths of approximately 3 to 12 feet below the existing ground surface. Trace amounts of organics were observed in the highly plastic clays in 4 of the test borings.

Beneath the residual soils in 20 of the test borings, partially weathered rock was encountered. The partially weathered rock extended to the boring termination or auger refusal depths in most of these test borings, except for 2, where a layer of residual soils was present beneath the partially weathered rock.

At the time of the drilling operation, groundwater was not encountered in the test borings. The borings were backfilled upon completion. It should be noted that groundwater levels will fluctuate, depending on seasonal variations of precipitation and other factors, and may occur at higher elevations at some time in the future. The report includes more detailed descriptions of subsurface soil and groundwater conditions.

10.3 Hazards

The report contained no discussion of anticipated geotechnical hazards related to the subject property.

10.4 Recommendations in Geotechnical Report

General Site Preparation

All trees, underbrush, weeds, grass, topsoil, roots, and other deleterious materials should be removed from the proposed construction area. Special attention should be given to the removal of tree stumps within the proposed construction area.

Highly plastic clays were encountered in the upper approximate 3 to 12 feet in 18 of the 23 test borings. These soils are typically difficult to work with when wet, and equipment mobility on the site will be limited during times of wet weather. The report suggests that site grading operations occur during dry weather conditions. In general, the report recommends that if any highly plastic clays or elastic silts are encountered that they be removed in the upper 3 feet in building and pavement areas. Highly plastic clays and elastic silts can possibly be used as fill in areas to be landscaped, in areas where at least 3 to 5 feet of low plasticity soils can be placed above them, and within pond dam construction. A more detailed discussion of these soils is presented in the report.

After completion of site clearing and stripping of topsoil, proofrolling operations are recommended in areas of the site which are to receive fill. Areas of proposed excavation should be proofrolled after rough finished subgrade is achieved.

Volume Change Potential of Soils

Highly plastic clays were encountered in the upper approximate 3 to 12 feet in 18 of the 23 test borings and may be encountered in unexplored portions of the site. These soils are expected to have a high potential for volume change due solely to changes in their moisture content. These soils tend to shrink when they dry and swell when they become wet. Volume changes of expansive soils can lead to settlement of shallow foundations, voids beneath floor slabs, floor slab settlement, pavement settlement, and heave of lightly loaded structures such as floor slabs and pavements.

The report states based on experience with similar soils, significant moisture content changes in these types of soils are typically limited to the upper 3 feet below the exterior ground surface. The report recommends that all expansive soils (if encountered) be removed from planned building and pavement areas in the upper 3 feet below the planned finished subgrade elevations. The use of post-tension slab foundations can limit the need for removal of highly plastic clays and elastic silts in building areas. Furthermore, the use of lime stabilization within pavement and building areas is an alternative to removal of any plastic clays. Appropriate and cost-effective recommendations for remediation of these soils can be provided by a representative of the soils engineer at the time of grading operations, based on the volume of these soils that are present.

Excavation Characteristics

For the purpose of discussing excavation characteristics, the materials found in the test borings may be placed into three broad categories: (1) residual soils, (2) partially weathered rock, and (3) rock.

The majority of the existing fill and residual soils at the project site should generally be excavatable with conventional soil excavation equipment, such as scrapers, loaders, etc. However, harder residual soils such as those with penetration resistances above 50 blows per foot may be difficult to excavate. Ripping of harder soils may be required to efficiently achieve excavation.

Although materials identified as partially weathered rock may in some cases be excavatable with conventional soil excavation equipment, the report states it is wise to assume that partially weathered rock will require ripping to efficiently achieve excavation. The thickness and the continuity of partially weathered rock should be expected to vary widely even over a relatively short distance. Additionally, it would not be unusual to find additional lenses of partially weathered rock within more weathered residual soils. It should be noted that some of the test borings encountered zones of partially weathered rock which allowed little

or no penetration of sampling equipment. These zones are indicated on the Test Boring Records by penetration resistances of 50 blows for 3 inches or less. It is likely that these zones of partially weathered rock cannot be efficiently pre-loosened by ripping. In such instances, blasting will be necessary.

Ripping can probably best be achieved with a single-tooth ripper mounted on a large tractor such as a Caterpillar D-8 or larger. In small area excavations, such as footing and utility trenches, excavation of partially weathered rock may require the use of heavy excavators or pneumatic jackhammers.

Rock was encountered in 2 test borings at depths of approximately 17 feet and 16 feet below the existing ground surface. Rock, as used in this report, is defined as auger refusal of conventional soil drilling equipment. The report states it would be prudent to assume that blasting or other methods will be required for excavations below these depths.

Earth Slopes

Temporary construction slopes should be designed in strict compliance with the most recent OSHA regulations. This dictates that temporary construction slopes in clayey or silty soils be no steeper than 1 horizontal to 1 vertical. Flatter slopes may be required in unexplored portions of the site.

Temporary construction slopes should be closely observed for signs of mass movement: tension cracks near the crest, bulging at the toe of the slope, etc. If potential stability problems are observed, the geotechnical engineer should be immediately contacted.

Groundwater Control

As noted above, groundwater was not encountered in test borings. If groundwater is encountered in shallow excavations, including foundation and utility trench excavations, construction dewatering may be performed by pumping directly from the trench excavations. If pumping from trench excavations proves to be ineffective, then the use of well points or other methods may be required. Pumping from dewatering trenches should be done with care to prevent loss of soil fines, boils, or instability of slopes. In certain cases, gravity flow in a trench may be sufficient for effective dewatering.

Foundation Design

After the above described site preparation and site grading are complete, it is the engineer's opinion that the proposed structure may be supported on conventional shallow foundations. Based on the test boring results, and past experience, the engineer recommends that the shallow foundations be designed using an allowable soil bearing pressure of 3,000 pounds per square foot (psf). The use of this allowable soil bearing pressure assumes that any soft/loose, or highly plastic clay soils in the upper approximate 3 feet of finished grades are removed and replaced with suitable compacted structural fill or ABC stone. This also assumes that finished site grades in the planned building area will be at or above the existing site grades. Based on assumed site preparation, loading conditions and the site elevation information above, the estimated total foundation settlement is expected to be less than 1 inch if the recommended foundation bearing pressure is used.

The report recommends a minimum width of 18 inches for continuous wall footings and 24 inches for isolated column footings to prevent localized shear failure. Footings should bear at a minimum depth of

18 inches below the prevailing exterior ground surface elevation to provide the recommended bearing capacity and to avoid potential problems due to frost heave.

While not encountered in test borings, it is possible that some soft/loose near surface soils may be encountered in unexplored portions of the site, especially near the low-lying onsite. If these soils are not removed and replaced during site grading operations, remedial measures will likely be required during foundation construction.

The report emphasizes the importance of quality control during the placement of structural fill. Performance of building foundations which are supported by structural fill material will depend largely on achieving the recommended level of compaction on fill materials. Compacted soil densities less than the recommended percentage of the standard Proctor maximum dry density could result in excessive foundation settlement.

Exposure to the environment may weaken the soils at the foundation bearing surface if they are exposed for extended periods of time. If the foundation bearing surface becomes softened due to exposure, the soft soils should be removed prior to placement of concrete.

Concrete Slabs-On-Grade

Based on test boring results, and the anticipated site grading operations, the report recommends that a design modulus of subgrade reaction (k) value of 100 pounds per cubic inch (pci) be used for the concrete slab-on-grade. This recommended value assumes that any fill soils will consist of clayey sands or sandy clays, and that the subgrade soils and fill soils will be compacted to a minimum of 98 percent of their standard Proctor (ASTM D-698) maximum dry density in the upper 12 inches.

To provide a stable base for construction activity, and to prevent inclement weather from adversely affecting the concrete slab-on-grade, the report recommends that all slab-on-grade construction be underlain by a minimum 4-inch thickness of aggregate base course (ABC) stone in accordance with NCDOT Specifications for gradation. The stone layer should be adequately tamped using mechanical means to provide a firm base for the concrete floor slab.

Construction activities and exposure to the environment often cause deterioration of the prepared slab-on-grade subgrade. The report recommends that the subgrade soils be evaluated by their representative immediately prior to floor slab construction. This evaluation may include a combination of visual observations, proofrolling observations, and field density tests to verify that the subgrade has been properly prepared. If soft areas are encountered, recommendations for remedial measures should be provided by the project geotechnical engineer.

Pavement Design Recommendations

Based on the above described site preparation recommendations, the report anticipates that the pavement area subgrade soils will generally consist primarily of sandy silts, sandy clays, and silty sands. These materials may reasonably have a California Bearing Ratio (CBR) ranging from approximately 5 to 15, if compacted to at least 100% of the standard Proctor maximum dry density in the top 8 inches. The CBR could be different than these assumed values if off-site fill materials are imported.

For purposes of pavement design, the report used a California Bearing Ratio of 5 for the pavement subgrade soils and the loading conditions described previously in this report. We suggest the following design pavement sections:

Parking Areas:

2 inches Bituminous Concrete Surface Course

8 inches Aggregate Base Course

Driveway Areas:

3 inches Bituminous Concrete Surface Course

8 inches Aggregate Base Course

We recommend that a Portland cement concrete (PCC) pavement be used in the dumpster pad area and in other areas where heavy trucks may be turning sharply while traveling at low speeds. We recommend the following PCC pavement section:

6 inches NCDOT type AA Portland cement concrete

6 inches Aggregate Base Course

The Portland cement concrete should have a 28-day design compressive strength of 4,500 psi. Construction joints and other design details should be in accordance with guidelines provided by the Portland Cement Association and the American Concrete Institute. The rigid pavement system should be constructed in accordance with section 700 of the NCDOT Standard Specifications.

The recommended pavement sections are designed to support the traffic volumes expected after completion of the planned construction. If construction traffic is allowed to use the recommended pavement sections, some damage requiring repair should be expected.

Structural Fill

In order to achieve high density structural fill, the following recommendations are offered:

(1) Materials selected for use as structural fill should be free of vegetable matter, waste construction debris, and other deleterious materials. The material should not contain rocks having a diameter over 3 inches.

(2) Laboratory Proctor compaction tests and classification tests should be performed on representative samples obtained from the proposed borrow material to provide data necessary to determine acceptability and for quality control.

(3) Suitable fill material should be placed in thin lifts. The soil should be compacted by mechanical means such as steel drum or sheepfoot rollers.

(4) The report recommends that structural fill be compacted to a minimum of 95% of the standard Proctor maximum dry density (ASTM Specification D-698). Additionally, the in-place maximum dry density of structural fill should be no less than 90 pounds per cubic foot (pcf). The upper 12 inches of floor slab subgrades should be compacted to at least 98% of the standard Proctor maximum dry density (ASTM D-

698). Fill materials in pavement areas should be placed and compacted in accordance with NCDOT Standards and Specifications.

(5) An experienced soil engineering technician should take adequate density tests throughout the fill placement operation to verify that the specified compaction is achieved. It is particularly important that this be accomplished during the initial stages of the compaction operation to enable adjustments to the compaction operation, if necessary.

10.5 Conclusions

The provided structural drawings do not reference the findings or recommendations of the provided Report of Subsurface Soil Investigation and Geotechnical Engineering Evaluation prepared by NV5 Engineers and Consultants, Inc. Partner recommends that the structural engineer verify that the values and recommendations of the provided Report of Subsurface Soil Investigation and Geotechnical Engineering Evaluation have been incorporated into the structural design.

11.0 TERMS AND RELIANCE

11.1 Scope of Work

This assessment was performed on behalf of and for the exclusive use of Urban Standard Capital, its successors and assigns ("Client"), in conformance with the scope and limitations as set forth by the engagement agreement that initiated this work ("Engagement Agreement"). Requirements that are unique to this assessment or other deviations from the Engagement Agreement, if any, are specifically described herein. This assessment was performed utilizing methods and procedures consistent with good commercial or customary practices designed to conform to acceptable industry standards. The independent conclusions represent the best professional judgment of Partner ("Partner"), based upon existing conditions and in reliance upon the information and data available to Partner during the course of this assessment.

11.2 Reliance

Partner was engaged by the Client, or its authorized representative, to perform this assessment for Client. This report, and the information herein, are for Client's exclusive use. This report may not be relied upon, or used by, any person or entity other than the Client ("Third Party") without the prior *written* consent of Partner. A Third Party that obtains this report, or the information herein, shall have no right to rely upon this report and shall have no rights of recourse or recovery against Partner, its officers, employees, vendors, successors or assigns based upon the information contained herein. Any Third Party who uses this report, or the information herein, without Partner's written consent agrees to protect, indemnify, and hold Partner, the Client, and their respective officers, employees, vendors, successors, and assigns, harmless from any and all claims, damages, losses, liabilities, expenses (including reasonable attorneys' fees), and costs attributable to such use. Unauthorized use of this report, or the information herein, shall constitute acceptance of, and commitment to, these responsibilities, which shall be irrevocable and shall apply regardless of the cause of action or legal theory pled or asserted.

EXHIBIT A

Development Budget/Pay Application

APPLICATION AND CERTIFICATION FOR PAYMENT

TO OWNER:
Abranova
Durham, NC

PROJECT: Summer Meadows

FROM CONTRACTOR:
Abranova Building Company, Inc.

VIA ARCHITECT:

CONTRACT FOR:

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract.
Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM	\$ 13,361,574.24
2. Net change by Change Orders	\$ 0.00
3. CONTRACT SUM TO DATE (Line 1 ± 2)	\$ 13,361,574.24
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	\$ 12,716,368.29
5. RETAINAGE:	
a. _____ % of Completed Work (Column D + E on G703)	\$ 678,456.93
b. _____ % of Stored Material (Column F on G703)	\$ Included in above
Total Retainage (Lines 5a + 5b or Total in Column I of G703)	\$ 678,456.93
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)	\$ 12,037,911.36
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)	\$ 11,556,271.03
8. CURRENT PAYMENT DUE	\$ 481,640.33
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)	\$ 1,323,662.88

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this Month		
TOTALS	\$0.00	\$0.00
NET CHANGES by Change Order		\$0.00

AIA DOCUMENT G702

APPLICATION NO:

16

PAGE ONE OF

PAGES

Distribution to:
OWNER
ARCHITECT
X CONTRACTOR

PERIOD TO: 2/5/24

PROJECT NOS:

CONTRACT DATE:

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: Abranova Building Company, Inc.

By: Abraham Ng'hwani

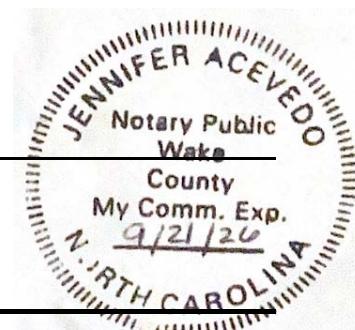
Date: 2/5/24

State of: North Carolina

Subscribed and sworn to before me this 5th day of February 2024

Notary Public:

My Commission expires: 9/21/2026



ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$ 481,640.33

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

ARCHITECT:

By: _____ Date: _____

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CONTINUATION SHEET

AIA DOCUMENT G703

PAGE OF PAGES

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing

Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 16
APPLICATION DATE: 2/5/24
PERIOD TO:

ARCHITECT'S PROJECT NO:

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		E MATERIALS PRESENTLY STORED (NOT IN D OR E)	F TOTAL COMPLETED AND STORED TO DATE (D+E+F)	G % (G ÷ C)	H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
	General Conditions	\$334,548.00	\$334,548.00			\$334,548.00	100.00%	\$0.00	\$13,769.58
	Sitework	\$1,000,000.00	\$1,000,000.00			\$1,000,000.00	100.00%	\$0.00	
	Concrete	\$284,083.00	\$284,083.00			\$284,083.00	100.00%	(\$0.00)	\$24,034.57
	Masonry	\$117,614.00	\$117,614.00			\$117,614.00	100.00%	\$0.00	\$11,761.41
	Structural/Misc	\$294,035.00	\$294,035.00			\$294,035.00	100.00%	\$0.00	\$23,292.02
	Millwork and Rough Carpentry	\$1,447,557.00	\$1,378,795.39	\$13,482.96		\$1,392,278.35	96.18%	\$55,278.65	\$139,227.83
	Building Envelope	\$1,004,243.00	\$965,551.33			\$965,551.33	96.15%	\$38,691.67	\$96,555.14
	Openings	\$621,545.00	\$578,707.29	\$29,354.75		\$608,062.04	97.83%	\$13,482.96	\$59,235.36
	Drywall and Finishes	\$1,402,321.00	\$1,157,104.43	\$197,751.82		\$1,354,856.25	96.62%	\$47,464.75	\$123,758.23
	Specialties	\$82,330.00	\$82,330.00			\$82,330.00	100.00%	\$0.00	\$7,985.75
	Equipment	\$144,226.00	\$144,226.00			\$144,226.00	100.00%	(\$0.00)	\$7,538.83
	Fire Protection	\$208,086.00	\$162,835.00			\$162,835.00	78.25%	\$45,251.00	\$16,283.50
	Plumbing	\$569,976.00	\$490,528.42	\$39,202.92		\$529,731.34	92.94%	\$40,244.66	\$48,803.14
	Mechanical	\$488,551.00	\$434,735.80	\$16,633.54		\$451,369.34	92.39%	\$37,181.66	\$40,966.93
	Electric Fire Alarm	\$598,117.00	\$424,006.34	\$130,659.73		\$554,666.07	92.74%	\$43,450.93	\$45,534.00
	Hard Costs	\$450,000.00	\$297,106.47	\$50,000.00		\$347,106.47	77.13%	\$102,893.53	\$19,710.64
	GRAND TOTALS	\$9,047,232.00	\$8,146,206.47	\$477,085.72	\$0.00	\$8,623,292.19		\$423,939.81	\$678,456.93

Users may obtain validation of this document by requesting of the license a completed AIA Document D401 - Certification of Document's Authenticity

Design	\$200,000.00	\$200,000.00			\$200,000.00	100.00%	\$0.00		
Permits	\$66,400.00	\$66,400.00			\$66,400.00	100.00%	\$0.00		
Impact Fees	\$124,500.00	\$124,500.00			\$124,500.00	100.00%	\$0.00		
Property Tax	\$100,000.00	\$27,871.71	\$6,909.81		\$34,781.52	34.78%	\$65,218.48		
Construction Management	\$452,361.60	\$345,134.96	\$26,806.65		\$371,941.61	82.22%	\$80,419.99	\$0.00	
Inspection Fees	\$41,500.64	\$41,500.64			\$41,500.64	100.00%	\$0.00		
Insurance	\$99,919.00	\$86,647.80	\$2,713.40		\$89,361.20	89.43%	\$10,557.80	\$0.00	
Legal Fees	\$35,000.00	\$35,000.00			\$35,000.00	100.00%	\$0.00		
Pre-Lease Marketing	\$50,000.00	\$50,000.00			\$50,000.00	100.00%	\$0.00		
Soft Cost Contingency	\$40,000.00	\$38,263.49			\$38,263.49	95.66%	\$1,736.51	\$0.00	
Developer Fee	\$360,000.00	\$280,833.31	\$15,833.33		\$296,666.64	82.41%	\$63,333.36	\$0.00	
Interest Reserve	\$770,000.00	\$770,000.00			\$770,000.00	100.00%	\$0.00		
Lender Origination Fees	\$147,750.00	\$147,750.00			\$147,750.00	100.00%	\$0.00		
Estimated Closing Costs	\$101,911.00	\$101,911.00			\$101,911.00	100.00%	\$0.00		
Land	\$1,725,000.00	\$1,725,000.00			\$1,725,000.00	100.00%	\$0.00		
	\$4,314,342.24	\$4,040,812.91	\$52,263.19	\$0.00	\$4,093,076.10		\$221,266.14		
	\$13,361,574.24	\$12,187,019.38	\$529,348.91	\$0.00	\$12,716,368.29		\$645,205.95	\$678,456.93	

EXHIBIT B

Partner's Cost to Complete Estimate (Detail)

COST TO COMPLETE ANALYSIS

CSI Div	Budget Items	Notes	Original Budget	Change Orders	Current Budget	Paid to Date		Remaining Balance		Estimated Cost to Complete		Potential Change Order	Total Projected Budget
			Dollar Value	Dollar Value	Dollar Value	Dollar Value	Percent	Dollar Value	Percent	Dollar Value	Percent		
	BUILDING HARD COSTS												
01	General Requirements												
	None												
02	Site Construction												
	Site Work		\$ 1,000,000		\$ 1,000,000	\$ 1,000,000	100.0%	\$ -		\$ 100,000	10.0%	\$ 100,000	\$ 1,100,000
03	Concrete												
	Concrete		\$ 284,083		\$ 284,083	\$ 284,083	100.0%	\$ -		\$ 19,886	7.0%	\$ 19,886	\$ 303,969
04	Masonry												
	Masonry		\$ 117,614		\$ 117,614	\$ 117,614	100.0%	\$ -		\$ -	0.0%	-	\$ 117,614
05	Metals												
	Structural and Misc. Metals		\$ 294,035		\$ 294,035	\$ 294,035	100.0%	\$ -		\$ 235,228	80.0%	\$ 235,228	\$ 529,263
06	Wood and Plastics												
	Millwork and Rough Carpentry		\$ 1,447,557		\$ 1,447,557	\$ 1,392,278	96.2%	\$ 55,279		\$ 217,134	15.0%	\$ 161,855	\$ 1,609,412
07	Thermal and Moisture Protection												
	Building Envelope		\$ 1,004,243		\$ 1,004,243	\$ 965,551	96.1%	\$ 38,692		\$ 120,509	12.0%	\$ 81,817	\$ 1,086,060
08	Doors and Windows												
	Openings		\$ 621,545		\$ 621,545	\$ 608,062	97.8%	\$ 13,483		\$ 310,773	50.0%	\$ 297,290	\$ 918,835
09	Finishes												
	Drywall & Finishes		\$ 1,402,321		\$ 1,402,321	\$ 1,354,856	96.6%	\$ 47,465		\$ 981,625	70.0%	\$ 934,160	\$ 2,336,481
10	Specialties												
	Specialties		\$ 82,330		\$ 82,330	\$ 82,330	100.0%	\$ -		\$ 82,330	100.0%	\$ 82,330	\$ 164,660
11	Equipment												
	Equipment		\$ 144,226		\$ 144,226	\$ 144,226	100.0%	\$ -		\$ 144,226	100.0%	\$ 144,226	\$ 288,452
12	Furnishings												
	None												
13	Special Construction												
	None												
14	Conveying Systems												
	None												
15	Mechanical												
	Fire Protection		\$ 208,086		\$ 208,086	\$ 162,835	78.3%	\$ 45,251		\$ 62,426	30.0%	\$ 17,175	\$ 225,261
	Plumbing		\$ 569,976		\$ 569,976	\$ 529,731	92.9%	\$ 40,245		\$ 153,894	27.0%	\$ 113,649	\$ 683,625
	Mechanical		\$ 488,551		\$ 488,551	\$ 451,369	92.4%	\$ 37,182		\$ 175,878	36.0%	\$ 138,697	\$ 627,248
16	Electrical												
	Electrical & Fire Alarm		\$ 598,117		\$ 598,117	\$ 554,666	92.7%	\$ 43,451		\$ 317,002	53.0%	\$ 273,551	\$ 871,668
	BUILDING HARD COST TOTAL		\$ 8,262,684		\$ 8,262,684	\$ 7,941,638	96.1%	\$ 321,046		\$ 2,920,909	35.4%	\$ 2,599,863	\$ 10,862,547
	OTHER PROJECT HARD COSTS												
	General Conditions												
	Overhead & Profit												
	Contingency												
	OTHER PROJECT HARD COSTS TOTAL		\$ 784,548		\$ 784,548	\$ 681,654	86.9%	\$ 102,894		\$ 203,258	25.9%	\$ 100,365	\$ 884,913
	TOTAL PROJECT HARD COSTS		\$ 9,047,232		\$ 9,047,232	\$ 8,623,292	95.3%	\$ 423,940		\$ 3,124,168	34.5%	\$ 2,700,228	\$ 11,747,460

Notes:

A: The agreement states that the Contractor's Fee is either 5% of the hard costs amount or \$500,000; no fee is indicated on the schedule of values.

B: The drawings indicate that brick veneer will be installed at each building yet no brick was observed during the site visit; Partner recommends clarification of this line item.

EXHIBIT C

GC Lien Waiver

UNCONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT

NOTICE TO CLAIMANT: THIS DOCUMENT WAIVES AND RELEASES LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL WAIVER AND RELEASE FORM.

Identifying Information

Name of Claimant: Abranova Building Co., Inc.

Name of Customer: NOVA at Summer Meadows

Job Location: 433 Hebron Rd Durham, NC

Owner: NOVA at Summer Meadows

Through Date: 2/05/24

Unconditional Waiver and Release

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for labor and service provided, and equipment and material delivered, to the customer on this job through the Through Date of this document. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. The claimant has received the following progress payment:

\$12,716,368.29

Exceptions

This document does not affect any of the following:

- (1) Retentions.
 - (2) Extras for which the claimant has not received payment.
 - (3) Contract rights, including (A) a right based on rescission, abandonment, or breach of contract, and (B) the right to recover compensation for work not compensated by the payment.
-

Signature

Claimant's Signature: Abraham Ng'Hwani

Claimant's Title: CEO

Date of Signature: 2/05/24

EXHIBIT D

Construction Schedule

Priority	Task Name	Start Date	End Date	% Done	Duration
Apartments Construction		05/01/23	06/06/24	30%	
	Building 3				
	Pre-Insulation	05/01/23	05/14/23		
	MEP Rough in	05/15/23	10/30/23		
	Entry doors Installation	05/15/23	05/21/23		
	Framing Inspection	02/12/24	02/15/24		
	Insulation	02/01/24	02/08/24		
	Flooring Underlayment	03/01/24	03/01/24		
	- 3rd floor	03/01/24	03/01/24		1
	- 2nd floor	03/01/24	03/01/24		1
	- 1st floor	03/01/24	03/01/24		1
	Drywall and prime	02/09/24	03/14/24		
	- 3rd floor	02/09/24	02/29/24		21
	- 2nd floor	02/16/24	03/07/24		21
	- 1st floor	02/23/24	03/14/24		21
	Cabinets	03/18/24	03/26/24		
	- 3rd floor	03/18/24	03/20/24		3
	- 2nd floor	03/21/24	03/23/24		3
	- 1st floor	03/24/24	03/26/24		3
	Interior Door and trims	03/01/24	03/21/24		
	- 3rd floor	03/01/24	03/07/24		7
	- 2nd floor	03/08/24	03/14/24		7
	- 1st floor	03/15/24	03/21/24		7
	Flooring	03/20/24	03/17/24		
	- 3rd floor	03/20/24	03/22/24		3
	- 2nd floor	03/23/24	03/25/24		3
	- 1st floor	03/15/24	03/17/24		3
	Drywall point up/1st coat of paint	03/23/24	04/08/24		
	- 3rd floor	03/23/24	03/29/24		7
	- 2nd floor	03/26/24	04/01/24		7
	- 1st floor	04/02/24	04/08/24		7
	Mechanical Trim out	03/30/24	04/15/24		
	- 3rd floor	03/30/24	04/05/24		7
	- 2nd floor	04/02/24	04/08/24		7
	- 1st floor	04/09/24	04/15/24		7
	Plumbing Trim out	04/02/24	04/22/24		
	- 3rd floor	04/02/24	04/08/24		7
	- 2nd floor	04/09/24	04/15/24		7
	- 1st floor	04/16/24	04/22/24	0%	7
	Sprinkler Trim out	04/05/24	04/13/24		
Low	- 3rd floor	04/05/24	04/07/24		3
Low	- 2nd floor	04/08/24	04/10/24		3
Low	- 1st floor	04/11/24	04/13/24		3

	Electrical Trim out	04/08/24	04/20/24		
	- 3rd floor	04/08/24	04/14/24	7	
	- 2nd floor	04/11/24	04/17/24	7	
	- 1st floor	04/14/24	04/20/24	7	
	Interior Trim out & Hardware	04/08/24	04/16/24		
	- 3rd floor	04/08/24	04/10/24	3	
	- 2nd floor	04/11/24	04/13/24	3	
	- 1st floor	04/14/24	04/16/24	3	
	Deck Railing	10/01/23	10/14/23		
	- Deck railing	10/01/23	10/14/23	100%	14
	Building Final Inspection	04/17/24	04/23/24		
	- 3rd floor	04/11/24	04/17/24	7	
	- 2nd floor	04/14/24	04/20/24	7	
	- 1st floor	04/17/24	04/23/24	7	
	2nd Layer Paint	04/18/24	04/26/24		
	- 3rd floor	04/18/24	04/20/24	3	
	- 2nd floor	04/21/24	04/23/24	3	
	- 1st floor	04/24/24	04/26/24	3	
	Final Punch Out	04/27/24	05/03/24		
	- Final Punch Out	04/27/24	05/03/24	7	
	Cleaning	05/04/24	05/06/24		
	CO sign off	03/30/24	02/12/24		
Low	- Foundation sign off (final survey)	03/30/24	04/05/24	7	
Low	- Meter box inspection	02/05/24	02/09/24	5	
Low	- Right of Way inspection	02/10/24	02/12/24	3	
	- City stormwater	02/15/24	02/21/24	7	
	- Cross Connection	03/01/24	03/07/24	7	
	- Planning (Landscape)	02/01/24	02/07/24	7	
	- Impact fee (\$20136)	04/23/24	04/23/24	1	
	Building 2				
	Framing	05/15/23	08/06/23		
	Pre-Insulation	07/01/23	07/07/23		
	Roofing	08/07/23	08/20/23		
	Siding	08/21/23	09/10/23		
	- Siding	08/21/23	09/10/23	100%	24
	Staircase installation	09/11/23	09/17/23		
	MEP Rough in	08/21/23	10/21/23		
	- HVAC Rough in	08/21/23	01/16/24	100%	
	- Plumbing Rough in	08/28/23	01/30/24	100%	150
	- Electrical Rough in	09/04/23	12/18/23	100%	
	- Sprinkler Rough in	10/01/23	10/21/23	100%	24
	Entry doors Installation	08/07/23	08/13/23		
	- Entry Door installation	08/07/23	08/13/23	100%	7
	Framing Inspection	03/04/24	03/10/24		
	- 3rd floor	03/04/24	03/10/24	7	
	- 2nd floor	03/11/24	03/17/24	7	
	- 1st floor	03/18/24	03/24/24	7	

Insulation	03/11/24	03/13/24	
- 3rd floor	03/11/24	03/13/24	3
- 2nd floor	03/18/24	03/20/24	3
- 1st floor	03/25/24	03/27/24	3
Drywall and prime	03/14/24	04/03/24	
- 3rd floor	03/14/24	03/20/24	7
- 2nd floor	03/21/24	03/27/24	7
- 1st floor	03/28/24	04/03/24	7
Cabinets	03/28/24	04/05/24	
- 3rd floor	03/28/24	03/30/24	3
- 2nd floor	03/31/24	04/02/24	3
- 1st floor	04/03/24	04/05/24	3
Interior Door and trims	03/21/24	04/10/24	
- 3rd floor	03/21/24	03/27/24	7
- 2nd floor	03/28/24	04/03/24	7
- 1st floor	04/04/24	04/10/24	7
Flooring	03/28/24	04/13/24	
- 3rd floor	03/28/24	03/30/24	3
- 2nd floor	04/04/24	04/06/24	3
- 1st floor	04/11/24	04/13/24	3
Drywall point up/1st coat of paint	03/31/24	04/20/24	
- 3rd floor	03/31/24	04/06/24	7
- 2nd floor	04/07/24	04/13/24	7
- 1st floor	04/14/24	04/20/24	7
Mechanical Trim out	04/07/24	04/27/24	
- 3rd floor	04/07/24	04/13/24	7
- 2nd floor	04/14/24	04/20/24	7
- 1st floor	04/21/24	04/27/24	7
Plumbing Trim out	04/07/24	05/04/24	
- 3rd floor	04/07/24	04/13/24	7
- 2nd floor	04/21/24	04/27/24	7
- 1st floor	04/28/24	05/04/24	0%
Sprinkler Trim out	04/07/24	05/11/24	
Low - 3rd floor	04/07/24	04/13/24	7
Low - 2nd floor	04/28/24	05/04/24	7
Low - 1st floor	05/05/24	05/11/24	7
Electrical Trim out	04/07/24	05/18/24	
- 3rd floor	04/07/24	04/13/24	7
- 2nd floor	05/05/24	05/11/24	7
- 1st floor	05/12/24	05/18/24	7
Interior Trim out	04/07/24	05/14/24	
- 3rd floor	04/07/24	04/09/24	3
- 2nd floor	05/05/24	05/07/24	3
- 1st floor	05/12/24	05/14/24	3

	Hardware	04/10/24	05/16/24		
High	- 3rd floor	04/10/24	04/11/24	2	
	- 2nd floor	05/08/24	05/09/24	2	
	- 1st floor	05/15/24	05/16/24	2	
	Deck Railing	04/07/24	04/20/24		
	Building Final Inspection	05/17/24	05/23/24		
	- Final Inspection	05/17/24	05/23/24	7	
	2nd Layer Paint	05/24/24	06/01/24		
	- 3rd floor	05/24/24	05/26/24	3	
	- 2nd floor	05/27/24	05/29/24	3	
	- 1st floor	05/30/24	06/01/24	3	
	Final Punch Out	06/02/24	06/04/24		
	- Final Punch Out	06/02/24	06/04/24	3	
	Cleaning	06/05/24	06/05/24		
	- Cleaning	06/05/24	06/05/24	1	
	Building 1				
	Framing	07/15/23	10/06/23		
	Pre-Insulation	07/01/23	07/07/23		
	Roofing	10/07/23	10/20/23		
	Siding	01/16/24	02/05/24		
	- Siding	01/16/24	02/05/24	0%	21
	Staircase installation	02/06/24	02/12/24		
	- Staircase	02/06/24	02/12/24	0%	7
	MEP Rough in	02/13/24	03/25/24		
	- HVAC Rough in	02/13/24	03/04/24	21	
	- Plumbing Rough in	02/20/24	03/11/24	21	
	- Electrical Rough in	02/27/24	03/18/24	21	
	- Sprinkler Rough in	03/05/24	03/25/24	21	
	Entry doors Installation	03/26/24	03/28/24		
	- Entry Door installation	03/26/24	03/28/24	3	
	Insulation	03/29/24	04/18/24		
	- Insulation	03/29/24	04/18/24	21	
	Drywall and prime	04/05/24	04/25/24		
	- 1st floor	04/05/24	04/11/24	7	
	- 2nd floor	04/12/24	04/18/24	7	
	- 3rd floor	04/19/24	04/25/24	7	
	Cabinets	04/12/24	05/02/24		
	- 1st floor	04/12/24	04/18/24	7	
	- 2nd floor	04/19/24	04/25/24	7	
	- 3rd floor	04/26/24	05/02/24	7	
	Interior Door and trims	04/12/24	05/02/24		
	- 1st floor	04/12/24	04/18/24	7	
	- 2nd floor	04/19/24	04/25/24	7	
	- 3rd floor	04/26/24	05/02/24	7	

Flooring		04/12/24	05/02/24	
- 1st floor		04/12/24	04/18/24	7
- 2nd floor		04/19/24	04/25/24	7
- 3rd floor		04/26/24	05/02/24	7
Drywall point up/1st coat of paint		04/19/24	05/09/24	
- 1st floor		04/19/24	04/25/24	7
- 2nd floor		04/26/24	05/02/24	7
- 3rd floor		05/03/24	05/09/24	7
Mechanical Trim out		04/26/24	05/16/24	
- 1st floor		04/26/24	05/02/24	7
- 2nd floor		05/03/24	05/09/24	7
- 3rd floor		05/10/24	05/16/24	7
Plumbing Trim out		04/26/24	05/16/24	
- 1st floor		04/26/24	05/02/24	7
- 2nd floor		05/03/24	05/09/24	7
- 3rd floor		05/10/24	05/16/24	0%
Sprinkler Trim out		04/26/24	05/16/24	
Low - 1st floor		04/26/24	05/02/24	7
Low - 2nd floor		05/03/24	05/09/24	7
Low - 3rd floor		05/10/24	05/16/24	7
Electrical Trim out		04/26/24	05/16/24	
- 1st floor		04/26/24	05/02/24	7
- 2nd floor		05/03/24	05/09/24	7
- 3rd floor		05/10/24	05/16/24	7
Interior Trim out		04/29/24	05/15/24	
- 1st floor		04/29/24	05/01/24	3
- 2nd floor		05/06/24	05/08/24	3
- 3rd floor		05/13/24	05/15/24	3
Hardware		04/29/24	05/17/24	
- 1st floor		04/29/24	04/30/24	2
- 2nd floor		05/09/24	05/10/24	2
High - 3rd floor		05/16/24	05/17/24	2
Deck Railing		04/26/24	04/28/24	
- Deck railing		04/26/24	04/28/24	3
Building Final Inspection		05/18/24	05/24/24	
- Final Inspection		05/18/24	05/24/24	7
2nd Layer Paint		05/25/24	06/02/24	
- 1st floor		05/25/24	05/27/24	3
- 2nd floor		05/28/24	05/30/24	3
- 3rd floor		05/31/24	06/02/24	3
Final Punch Out		06/03/24	06/05/24	
- Final Punch Out		06/03/24	06/05/24	3
Cleaning		06/06/24	06/06/24	
- Cleaning		06/06/24	06/06/24	1

Row 13	framing reinspection scheduled on Feb 5	Julia Cao	02/05/24 2:15 AM
Row 13	When to reschedule the framing inspection?	Julia Cao	01/29/24 12:44 AM
Row 14	Stop work order issued. No inspections allowed until we address the erosion control issue.	Julia Cao	01/31/24 2:30 AM
Row 17	Insulation inspection scheduled on Feb 5	Julia Cao	02/05/24 2:15 AM
Row 21	Do we have underlayment ready?	Julia Cao	01/29/24 4:10 AM
Row 25	We need secure painting sub for prime	Julia Cao	01/26/24 6:52 AM
Row 25	Order 3rd floor drywall on Jan 29	Julia Cao	01/26/24 5:47 AM
Row 103	Plumbing rough in inspection passed on Jan 30, 2024	Julia Cao	01/31/24 2:12 AM
Row 103	New permit pulled under building 2 plumbing. Did we change the previous sub to Sean team?	Julia Cao	01/27/24 1:11 AM

EXHIBIT E

Site Photos



1. Building #1 - East side and northwest corner with siding partially installed over moisture/vapor layer and shingle roof installed.



3. Building #1 - Second floor breezeway with siding as yet to be installed in addition to unit access doors and stairs from first to second floor.



5. Building #1 - Second floor breezeway in northern one-third of structure with moisture/vapor layer and view of north parking lot with no stairs.



2. Building #1 - West side with windows and corner trim installed and with portion of sidewalk between building and parking lot awaiting installation.



4. Building #1 - Second floor with raised level in background at north end of building and some plumbing, fire suppression and HVAC lines.



6. Building #1 - Residential unit entry with door frame and unfinished frontage of future storage closet off of second floor breezeway.

Exhibit E: Site Photographs

Project No. 24-438589.1

PARTNER



7. Building #1 - Second floor unit with framing installed along with fire suppression system lines, shower/tub insert and some overhead HVAC duct.



8. Building #1 - Second floor entry with installed interior air handling unit along with HVAC duct, fire suppression lines and some water lines.



9. Building #1 - Second floor unit with duct in process of installation and installed shower/tub insert and plumbing/water/fire suppression lines.



10. Building #1 - First floor unit with installed plumbing lines/water hook-ups for laundry facilities and start of dryer ventilation system install.



11. Building #1 - Future kitchen counter area of first floor unit with drain lines and water lines initially installed in "island" framing.



12. Building #1 - Back side view of shower/tub insert in future bathroom area of first floor unit with water and drain lines connected.

Exhibit E: Site Photographs

Project No. 24-438589.1

PARTNER



13. Building #1 - East side of building adjacent to parking lot with concrete sidewalk and walkway accessing building yet to be installed.



15. Building #1 - First floor unit with installed interior air handling unit along with HVAC duct, fire suppression/ drain lines and some water lines.



17. Building #1 - South exterior view as seen from southwest corner while facing east with some installed siding and empty meter panel.



14. Building #1 - Excavation work within section of first floor breezeway/chase where foundational concrete has been removed for utility line.



16. Building #1 - HVAC equipment and duct worked staged for unit installation at the entry to a first-floor breezeway of structure.



18. Building #1 - West elevation with unit windows, patio/ breezeway and roof framing installed and exterior facade with moisture/vapor barrier wrap.

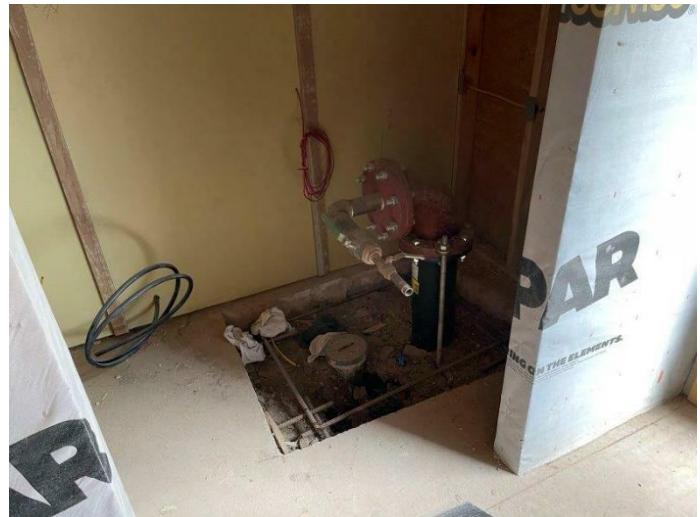
Exhibit E: Site Photographs

Project No. 24-438589.1

PARTNER



19. Building #1 - East facing side of structures as seen from parking lot to the east-northeast with curb & gutter and concrete mixing materials.



20. Building #2 - Sub-slab fire suppression system piping in future pump room located adjacent to stairs at east end of building.



21. Building #2 - Third floor breezeway seen from east facing west with installed railings, unit/storage closet doors and siding.



22. Building #2 - Third floor unit with electrical wiring in framing and installed/stored furring strips along wall and overhead for install of drywall.



23. Building #2 - Future bathroom area of third floor unit with installed shower/tub insert and plumbing/drain lines for toilet and sink fixtures.



24. Building #2 - Third floor washer/dryer area with installed plumbing water/drain lines for washer as well as ventilation ductwork/hook-up for dryer.

Exhibit E: Site Photographs
Project No. 24-438589.1

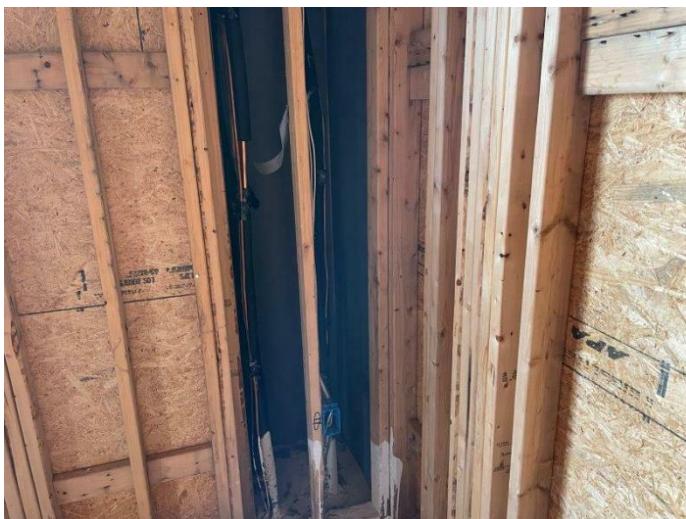
PARTNER



25. Building #2 - Breezeway with metal residential unit access doors and framing in addition to storage closet doors adjacent to entries.



26. Building #2 - Third floor interior installed air handling unit and adjacent electrical breaker panel with connected wiring and fire suppression line.



27. Building #2 - Second floor interior chase along west wall of structure with wiring which will connect to ground level exterior condenser units.



28. Building #2 - Front/back of shower/tub inserts in adjoining unit bathrooms along with installed plumbing, fire suppression and electrical lines.



29. Building #2 - Second floor unit framing with installed overhead HVAC duct work, fire suppression/water lines and lighting fixture.



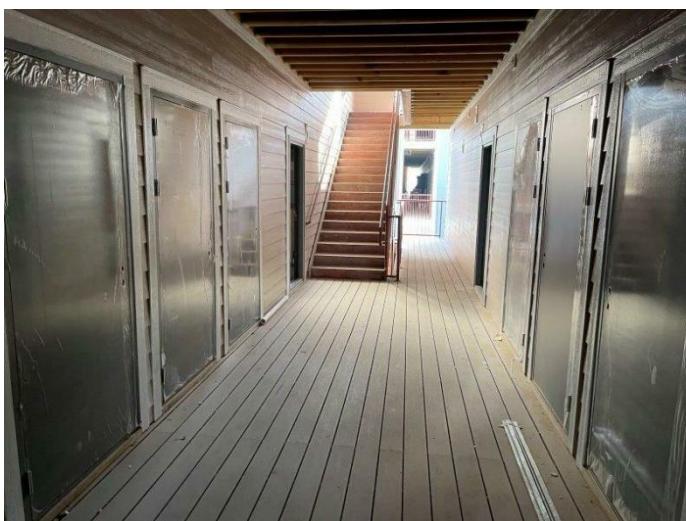
30. Building #2 - Back side view of shower/tub insert in future bathroom area of second floor unit with water and drain lines connected.



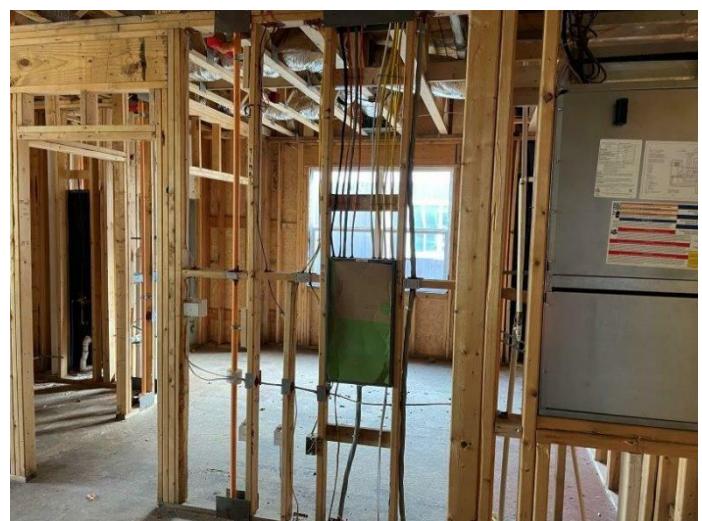
31. Building #2 - HVAC duct work above ceiling with plumbing and electrical lines and interior air handler installed adjacent to entry door.



32. Building #2 - Second floor washer/dryer area with installed plumbing water/drain lines for washer as well as ventilation ductwork/hook-up for dryer.



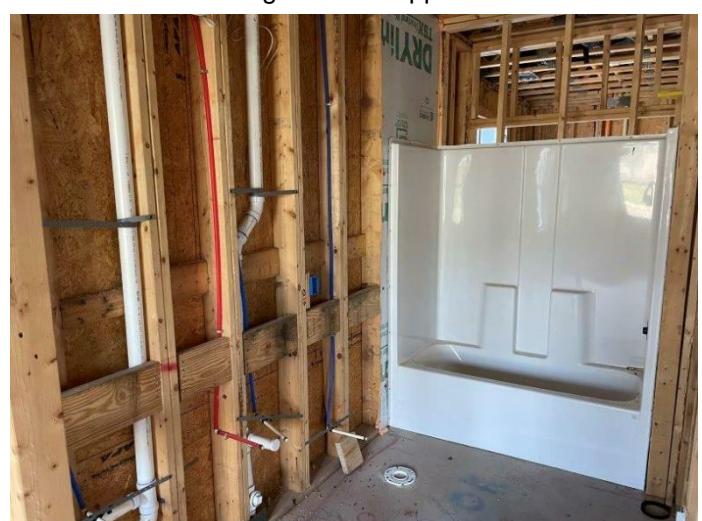
33. Building #2 - Second floor breezeway seen facing east end with installed steps, railings, unit/storage closet doors/trim and siding.



34. Building #2 - Second floor interior installed air handling unit/duct and adjacent electrical panel with connected wiring and fire suppression line.



35. Building #1 - First floor breezeway seen from east stairway facing west with foundational concrete removed for excavation in two areas.



36. Building #2 - Future bathroom area of first floor unit with installed shower/tub insert and plumbing/drain lines for toilet and sink fixtures.



37. Building #2 - Installed/wired electrical panel within first floor unit with adjacent plumbing and fire suppression lines and HVAC duct above.



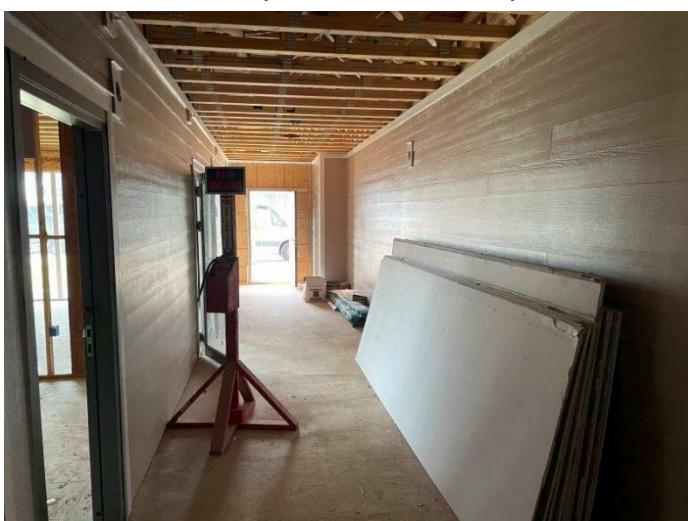
38. Building #2 - Connected plumbing drain lines below second floor as seen installed in ceiling space above first floor unit near office.



39. Building #2 - Community/common area with installed patio door facing south side parking lot and double-door entry from interior hallway.



40. Building #2 - The community/common area will be mainly heated/cooled via a set of PTAC units installed along the interior wall of the space.



41. Building #2 - Interior first floor hallway corridor from south parking lot leading to common/rental office area entries with staged drywall.



42. Building #2 - First floor unit entry/laundry area with installed interior air handler along with HVAC duct, fire suppression lines and water lines.



43. Building #2 - Cut concrete and sub-slab excavation observed on ground level suggests a fire suppression system issue.



44. Building #2 - Southwest corner as seen facing north with west side electrical wiring from the individual units awaiting meter center connection.



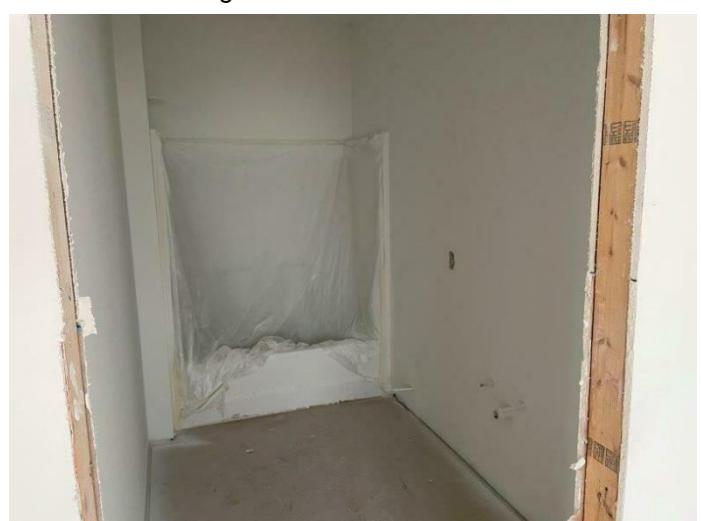
45. Building #3 - West side with electrical wiring from individual units awaiting meter center connection seen from sidewalk between Buildings #3/#2.



46. Building #3 - Third floor breezeway with unit/storage closet doors/trim and siding and kitchen area cabinets staged for installation.



47. Building #3 - East third floor unit interior with installed and primed drywall for walls/ceilings and covered gypcrete floor awaiting tile install.



48. Building #3 - Bathroom area within third floor unit with trim out and fixture install remaining as well as floor tile and trim installation.



49. Building #3 - Kitchen area of third floor unit with central counter/island with washer/dryer utility area adjacent to entry.



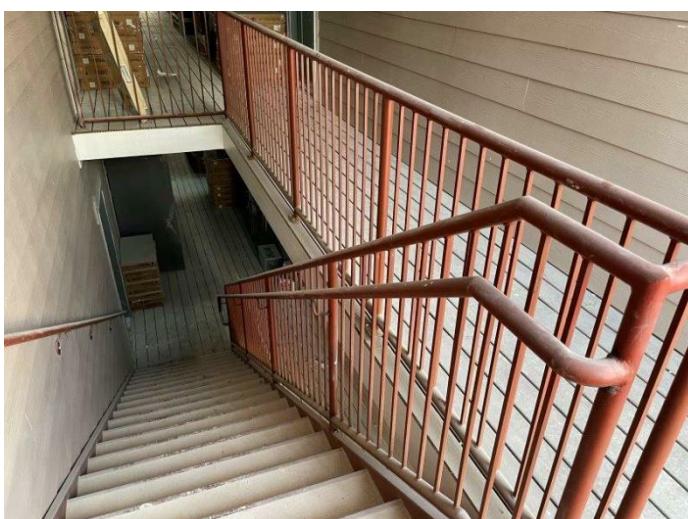
50. Building #3 - Installed interior air handler and location of future water heater in third floor unit closet with adjacent electrical breaker panel.



51. Building #3 - Third floor porch with installed decking without railings but with installed building gutters and downspouts and painted trim.



52. Building #3 - West third floor unit interior with installed and primed drywall for walls/ceilings and covered gypcrete floor awaiting tile install.



53. Building #3 - West stairway between third and second floors with installed steps/railings and cabinets for second floor units visible in breezeway.



54. Building #3 - Second floor breezeway with installed metal entry/storage unit doors and trim as well as sprinkler heads and corridor lighting wiring.



55. Building #3 - West second floor unit interior with installed and primed drywall for walls/ceilings and covered gypcrete floor awaiting tile install.



56. Building #3 - East second floor unit interior with installed and primed drywall for walls/ceilings and covered gypcrete floor awaiting tile install.



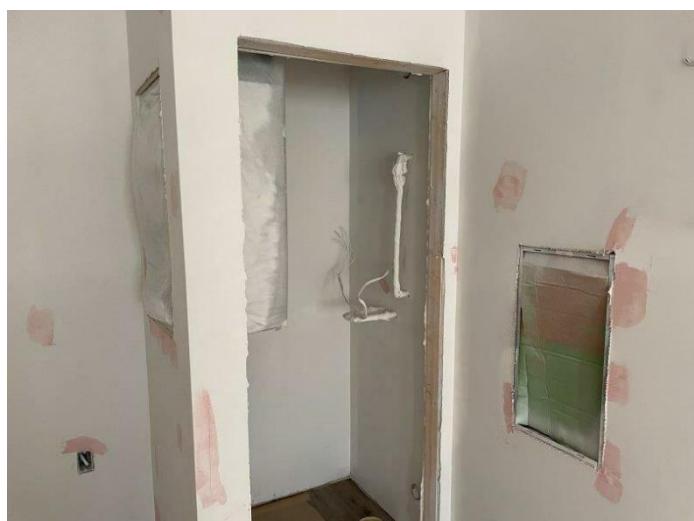
57. Building #3 - Fire suppression system utility room with piping and breaker panel at eastern end of building beneath the eastern stairway.



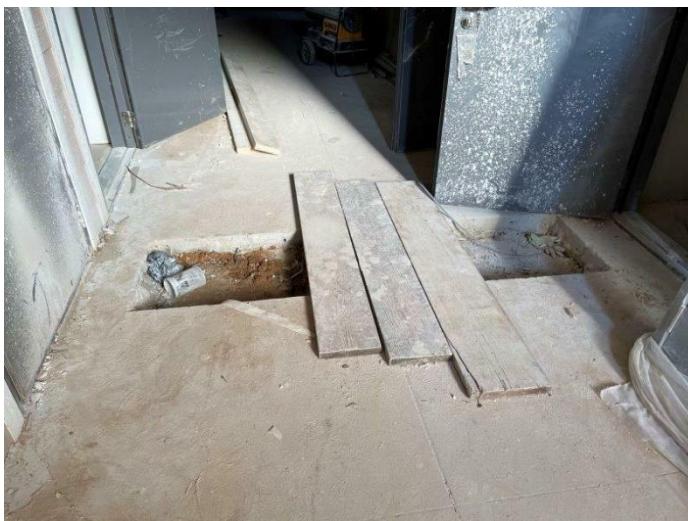
58. Building #3 - East first floor unit interior with installed and primed drywall for walls/ceilings and covered concrete floor awaiting tile install.



59. Building #3 - Bathroom area within first floor unit with trim out and fixture install remaining as well as floor tile and trim installation.



60. Building #3 - Installed interior air handler and location of future water heater in first floor unit closet with adjacent electrical breaker panel.



61. Building #3 - Cut concrete and prior sub-slab excavation observed on ground level with boards temporarily extending over gap.



62. Building #3 - Interior hallway extending from main corridor toward south parking lot with stored cabinets, vinyl flooring and drywall panels.



63. Building #3 - Vinyl floor tile was observed in the process of being staged for install on concrete first floor and on gypcrete second/third floors.



64. Building #3 - Southeast corner as seen facing west-northwest with installed siding and painted exterior with concrete sidewalks and entries.



65. Pad-mounted transformer and meter base installed directly adjacent to the northwest corner of Building #1 with adjacent sidewalk.



66. Parking lot north of Building #2 with curb & gutter and sidewalk installed as well as initial asphalt paving of lot and boundary landscaping.



67. Northeast corner of north lot with storage trailers and posts surrounding concrete pad near far trailer for install of trash containment unit.



68. Sidewalk installed between Building #3 (on right) and Building #2 (on left) as seen from south lot facing north with exterior trim.



69. South parking lot with storage trailers and Hebron Road, which extends along south boundary and is reportedly being widened.



70. Western side of site with installed swale and landscaping to channel runoff from land west-northwest to drainage structures to the south.



71. Buildings #2 and #3 as seen from the southwest of Building #2 facing east with meter and pad-mounted transformer in foreground across lot.



72. Southwest corner of site facing east and area directly south of Building #1 with utility contractor working adjacent to Hebron Road.



73. West side of site with western facade of Building #1 and downward slope of adjoining land to the north-northwest of site visible in distance to left.



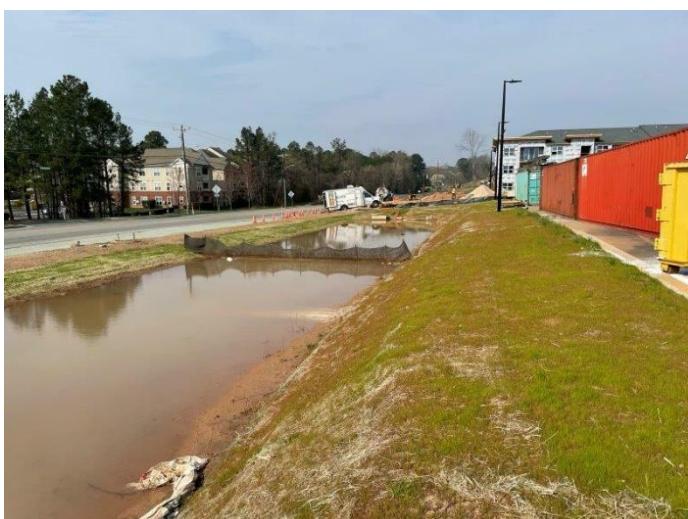
74. CMU block retaining wall installed directly adjacent to the north-northwest of Building #1 to address the rise in elevation to the north-northwest.



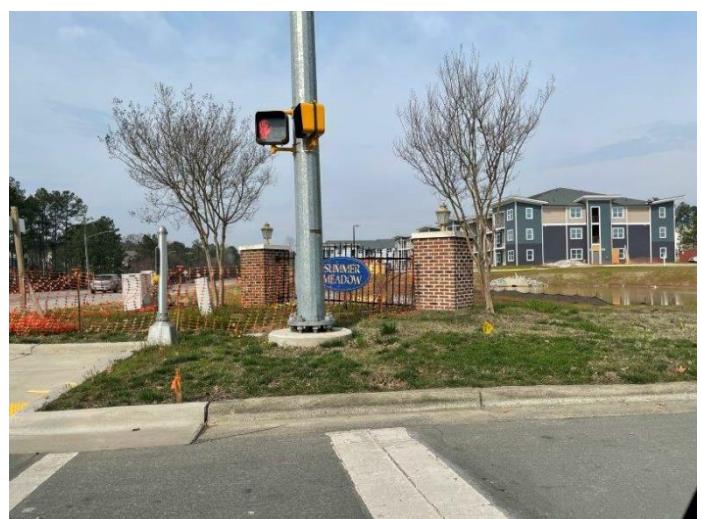
75. Northeast corner of Building #3 (on left) and parking lot north of Buildings #3 and #2 (on right) seen facing southwest from future containment area.



76. Stormwater retention pond installed at southeast corner of site adjacent north of Hebron Road and south of entrance to site from Danube Lane.



77. South-central retention pond with site trailers/south lot on right and Hebron Road on left seen facing west with Building #1 in background.



78. Entrance sign for the Summer Meadow apartment complex at southeast corner of site, northwest of intersection of Hebron Road and Danube Lane.