

***Basic Commercial Building Inspection***

***Holiday Inn Express***

**2000 Horizon Vue Drive**

**Washington, PA 15317**

IPIC Project No. 2018-1537

Prepared For:

Our Client, President

Best Hospitality

1012 Anytime Drive

Langford, PA 17055

**June 27, 2018**



## 2.0 EXECUTIVE SUMMARY

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IPIC has completed a basic commercial building inspection of the hotel hospitality building at 4000 Horizon Vue Avenue, (Southpointe ) Canonsburg, PA 15317. The site is located in Cecil Township, Washington County, Pennsylvania. See Appendix for any photographs if included.

### 2.1 General Description

<b>Primary Use</b>	Hospitality – 90 Rooms
<b>Site Contact</b>	Mr. Alex Wright – Better Hospitality Group Mr. Robert Black – Best Hospitality - Site Escort
<b>Total Building Area</b>	Approximately 74,388 S.F.
<b>Gross Site Area &amp; Property ID</b>	Approximately 3.5 Acres County Assessor Parcel Number: 140-015-00-00-0011-34
<b>Tenants</b>	<i>Holiday Inn Express</i> occupies the entire building.
<b>Rentable Floor Space Available</b>	Unknown – 90 Rooms
<b>On-Site Parking Areas and Drives</b>	Parking for the Site is provided for approximately 122 vehicles, including 7 handicapped slots in an open, asphalt paved parking lot. At least two of these spaces are handicapped van-accessible.
<b>Building Description</b>	Four story building, (no basement) steel framed with a stone, brick, and EIFS facade
<b>Landscaping</b>	Mulched planter beds at building exterior, etc
<b>Zoning</b>	Commercial
<b>Year Built</b>	2014 Estimated
<b>Last Renovations</b>	None
<b>Construction</b>	Steel framed; Exterior brick, stone, and EIFS. Masonry floors.
<b>Current Owner</b>	Name: Northpointe Development Group, LLC Address: 985 Town Square Drive Greensburg, PA 15601
<b>Former Use</b>	<i>Formerly undeveloped site.</i>

## *2.2 Description & General Condition*

Overall, this facility is in good condition for its 4 year age based on the observed appearance of the building exterior and interior, the on-going maintenance program and the experienced management staff as compared to others of similar function and construction type as observed by the site inspector. The Site has good curbside appeal and is located in a mixed residential and commercial area. The general area where located is upscale. The area has housing, entertainment, restaurants, golf course, and other major employers.

The Site consists of a 3.50 acre parcel developed with the Holiday Inn Express by Northpointe Development Group LLC. Per Washington County Assessor records, the building was constructed in 2014. Commercial buildings and other hospitality hotels are located in the vicinity of the Site.

The Site building façade's material consists of stone, brick, and EIFS. Windows are aluminum frame, fixed, thermo pane units.

Chris Brown indicated inspection certificates and the Certificate of Occupancy have been furnished to the client buyer.

The Holiday Inn Express was reported open for business in May 2014.

## *2.3 Remaining Life*

The effective remaining life of this Site is estimated to be in excess of 40 years, as long as management continues to respond to normal maintenance items in a timely manner. This estimate does not take into consideration acts of God such as earthquakes, flooding, storm damage, fires, war, terrorism, or the like.

## *2.4 Immediate and Short Term Repair Costs*

*IPIC* identified immediate repairs to include placing crushed stone at downspout discharge locations and cleaning the gutters at the rear and repair leaking water vault. *IPIC* identified short term repairs to include replacing fogged windows present and repairing the cracked sidewalk or flatwork at rear exterior pool lounge area. These costs are given in the table below.

Repair Item	Cost (\$)
1. Place crushed stone at the base of downspout discharge locations	\$500
1b. Investigate and repair water seepage front grass area.	\$500
2. Repair flatwork at exterior pool area	\$3,500
3. Replace estimated 12 fogged windows (Average Minimum)	\$12,000
4. Replace leak in main water supply vault. (Estimated)	\$2,000
5. Repaint walls in pool storage area.	\$500
<b>TOTAL - Immediate and Short Term Costs</b>	<b>\$19,000*</b>

See Appendix for photos.

\* The actual costs of the herein immediate and short term repairs may be different. Please obtain estimates from selected contractor. This figure does not include any repairs for flag pole if required.

## 2.5 Replacement Reserves (Not Applicable This Report)

The following summary table presents replacement reserves for 74,388 SF over a ten year period using a 2.5% inflation rate.

The inspector recommends that replacement reserves be established for the periodic replacement of roof top equipment, guest room soft and hard costs replacements, common area refurbishing, asphalt sealing and repaving, yearly roof inspection and repairs, PTAC replacement, and other major component items.

	Aggregate	\$/SF Rentable/Year
<b>Uninflated</b>	\$0.00	\$0.00
<b>Inflated</b>	\$0.00	\$0.00

## Project Summary

Construction System	Good	Fair	Poor	Action	Immediate	Over Term Years 1-12
3.1.1 Topography, Storm Water Drainage, and	X	X		None		
3.1.2 Site Access, Parking, Pavement	X	X		Refurbish	\$4,284	\$4,284
3.1.3 Sidewalks, Curbing, Site Steps, and Ramps	X			Replacement Reserves		\$2,950
3.1.4 Landscaping, Fencing, Signage, Site Lighting	X	X		Repair	\$1,000	
3.1.5 Site Amenities		NA		None		
3.1.6 Utilities	X			None		
3.1.7 Other Site Structures		NA		None		
3.2.1 Foundations	X			None		
3.2.2 Framing	X			None		
3.2.3 Cladding	X	X		Refurbish		\$3,600
3.2.4 Roof Systems	X			Install roof drainage CU/ Yearly inspection/Clean gutters.	\$1,600	\$9,000
3.2.5 Appurtenances	X			None		
3.2.6 Doors and Windows	X			None		
3.2.7 Common Area Amenities		NA		None		
3.2.8 Common Area		NA		None		
3.3.1 Plumbing Systems and Domestic Hot Water	X			Tenant Responsibility		
3.3.2 Heating, Cooling, and Ventilation	X	X		Replacement Reserves		\$57,600
3.3.3 Electrical Systems	X			None		
3.3.4 Vertical		NA		None		
3.3.5 Security	X			None		
3.3.6 Fire Protection and Life Safety Systems	X			None		
3.4.2 Down Units	X	X		Unit 4 Needs		
3.4.3 Tenant Unit Finishes	X			None		

<b>Construction System</b>	<b>Good</b>	<b>Fair</b>	<b>Poor</b>	<b>Action</b>	<b>Immediate</b>	<b>Over Term Years 1-12</b>
4.1 Moisture and Microbial Growth	X			None		
5.2.1 Building Code Violations	X			Obtain Any Occupancy Permits Required	\$1,500	
5.2.2 Fire Code Violations	X			None		
5.3 Accessibility	X			Refurbish	\$500	
5.4 Retro-Commissioning and Energy Benchmarking		NA		None		
<b>Totals</b>					\$100,819	\$77,434

<b>Summary</b>	<b>Today's Dollars</b>	<b>\$/Unit</b>
Immediate	\$100,819	\$7,201.3

	<b>Today's</b>	<b>\$/Unit</b>	<b>\$/Unit/Year</b>
Replacement Reserves, today's dollars	\$77,434.	\$5,531.	\$460.92
Replacement Reserves, w/12, 2.5% escalation	\$89,260.	\$6,375.	\$531.31

## 3.0 INTRODUCTION

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### 3.1 Purpose

The purpose of this basic commercial inspection is to assist the Client to assess the general condition of the Site for the purpose of evaluating for acquisition and potential capital needs. We have documented existing conditions of major components of the structural, architectural, site, mechanical, plumbing and electrical systems. This report:

- Identifies significant defects, deficiencies, items of deferred maintenance and physical deficiencies based upon a visual survey of the Site, review of documents, and research and interrogatories as described herein;
- Documents the Site's overall physical condition, describes pertinent components or systems, identifies physical deficiencies and conditions that may limit the expected useful life of major components or systems; and,
- Prepares estimated costs to remedy physical deficiencies.

### 3.2 Scope

This report is an opinion about the condition of the Site. It is based on visual evidence available during an inspection of all reasonably accessible areas. We did not remove any surface materials, perform any destructive testing, nor move any furnishings. This study is not an exhaustive technical evaluation. Such an evaluation would entail a significantly larger scope than this effort. Furthermore, this report does not take any hidden repair costs into account. The total repair costs documented herein are based on our inspection of the interior and exterior and of the Site building, and their representative unoccupied and occupied storage spaces. Actual repair costs may vary according to actual condition of each individual unit. This inspection is as per the Inspection Agreement and is a visual inspection of areas observed on a limited basis.

### 3.3 Research (Documentation and Personnel)

The foregoing were obtained on-site and used in the preparation of this report:

Original construction plans were not provided by the Client or readily available for review.



- Pre-Survey Questionnaire, reportedly completed by Woody Weisinger(?)
- Washington County, Pennsylvania Assessment Tax Record Information.
- Brief view of construction drawings in Maintenance Director Office.

## 4.0 DESCRIPTION AND CONDITION

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### 4.1 Site

#### 4.1.1 Zoning, Topography and Drainage

**Zoning:** Classification Commercial – Cecil Township 140 – Washington County Assessment.

**Topography:** Sloping – West to East

**Soil Erosion:** Areas near open down spouts and front yard east.

**Flood Plain:** According to the FIRM/Flood Insurance Rate Map published by the Federal Emergency Management Agency (FEMA), the Site is within Zone X as indicated on the FIRM Community Map Panel No. 42125C0193E, dated September 30, 2015. Zone X (unshaded) is defined as an area of minimal flood hazard, outside the area of the 500-year floods.

**Surface Water:** There is no significant surface water in proximity to the Site. Morganza Reservoir nearby.

**Site drainage:** Storm water is handled by surface drains in the parking lot which are directed to street storm drains. The roof water is handled by roof scuppers. The rear pool roof drains to surface.

#### Observations/Comments

**IPIC** observed minor soil erosion on the west side of the Site at the downspout discharge locations. **IPIC** recommends placing crushed stone at the discharge locations to dissipate the discharge flow and reduce erosion.

**IPIC** also observed water seeping up from the ground in the front east grass area. This needs investigated and likely corrected as it appears it has been seeping for an unknown period of time. On June 27, 2018 the Maintenance Director Kevin Brennan indicated the hotel manager thinks the seepage is from a well or natural spring. The source of this information is not independently verified. It is

recommended that further investigation be completed including a possible dye test and water sample analysis.

**See item 1 in the Immediate Deficiencies and Short Term Repair Table in Section 2.4** for cost to remedy if known.

#### **4.1.2 Pavement, Parking and Curbing**

There are approximately 129 parking spaces provided around the building in an open asphalt-paved parking lot. Seven of the parking spaces are designated for handicapped use. The striping and painting appears to have been completed when constructed, and are in good condition.

Concrete curbing is generally provided at pavement edges. Elevated pedestrian sidewalks serve as curbing along select portions of pavement.

#### **Observations/Comments**

***We did not observe any significant deficiencies.*** The pavement, parking, and curbing are generally in good condition.

Periodic application of a seal coat and restriping the parking lot should be anticipated.

#### **4.1.3 Flatwork**

**Walks:** There is a main entry under a porte-cochere at the east façade. Concrete sidewalks are provided on-site for pedestrian access to the entry vestibule as well as secondary entries used primarily by staff and guests.

The exterior area around the pool picnic area does have a number of cracks in the surface walk or flatwork area.

**Refuse pad:** A concrete dumpster pad area is situated in the south west corner of the Site. This area is also used for deliveries.

#### **Observations/Comments**

***We did not observe any significant deficiencies.*** The cracking observed is not considered a trip hazard and does not warrant attention at this time. **See item 2 in the Immediate Deficiencies and Short Term Repair Table in Section 2.4** for cost to remedy.

#### **4.1.4 Landscaping and Appurtenances**

**Landscaping:** Mulched beds with plantings are provided along the façades of the building and along the property boundaries. Other landscaping is present.

**Irrigation:** An irrigation system is reported existing.

**Transformer:** One concrete pad-mounted transformer is located in the southwestern corner of the Site.

**Retaining wall:** None observed.

#### **Observations/Comments**

***We did not observe any significant deficiencies.*** Landscaping was observed to be in good and attractive condition and exhibited signs of professional maintenance.

#### **4.1.5 Utilities**

**Water:** *Pennsylvania American Water Company*

**Electricity:** *West Penn Power Company*

**Natural gas:** *Columbia Gas Company*

**Propane Gas:** Not Applicable

**Oil:** Not Applicable

**Steam:** Not Applicable

**Sanitary sewer:** *Cecil Township (as per PSQ) Cecil Township Municipal Authority at 375 Southpointe Boulevard, Canonsburg, PA 15317*

**Storm sewer:** *Cecil Township*

#### **Observations/Comments**

***We did not observe any significant deficiencies. Please see Plumbing Section.***

#### **4.1.6 Fencing and Signage**

**Signage:** A free standing sign is present on Horizon Vue Drive. Signage is present on the front wall of the building for the hotel.

**Fencing:** Refuse Area.

#### **Observations/Comments**

***We did not observe any significant deficiencies.***

## 4.2 Building Frame and Envelope

### 4.2.1 Substructure

**Foundation system:** The foundation was not highly viewable; however, it appears to be a concrete floor slab on grade with concrete footings and support framing.

#### Observations/Comments

***We did not observe any significant deficiencies.*** No indicators such as differential settlement or other concerns were identified at the Site building. The interior poured concrete slab on grade is largely covered with flooring, but some exposed slab was exposed in the back house areas. We did not observe any cracks in the visible concrete.

### 4.2.2 Superstructure

**Framing system:** The building structure has steel, wood, and masonry framing. The framing structure is largely concealed and not open for assessment and comments.

#### Observations/Comments

***We did not observe any significant deficiencies.***

**Lateral load resistance:** Provided by the building frame and siding.

#### Observations/Comments

***Appears adequate and we did not observe any significant deficiencies.***

### 4.2.3 Façades

**Sidewall system:** Building sidewalls consists of masonry, brick, stone, and EIFS principally.

#### Observations/Comments

***We did not observe any significant deficiencies.*** We do recommend that routine maintenance be performed on joints and where required.

**Fenestration system:** Aluminum framed, fixed, insulated glass window units punctuate the building facades.

#### Observations/Comments

There were windows observed where the seals were broken and the windows fogged. The site escort estimated there were approximately a dozen windows

affected. The cost of any repair will vary if replaced inside or required exterior replacement. **See item 3 in the Immediate Deficiencies and Short Term Repair Table in Section 2.4** for cost to remedy.

**Entrances/doors:** A metal framed, fire rated glass entry door is the primary access. Other doors are metal framed aluminum with emergency crash bar latches where observed.

#### **Observations/Comments**

***We did not observe any significant deficiencies.***

#### **4.2.4 Roofing**

**Type:** The main roof is a flat roof with a TPO (Thermoplastic Polyolefin) roof covering. The lower portico roof is a curved metal roof. The rear pool area roof is a shed roof of metal like the portico roof. The maintenance shed roof is the same as the main roof covering and slope.

The front entrance overhang roof is metal with signs of efflorescence which is a reaction to the weather and elements.

**Drainage:** The main roof slopes slightly to roof scuppers which carry storm water to internal leader to storm water system. The portico roof has external gutters and downspouts. The pool roof drains water to a gutter and downspout which empty on to the ground.

**Covering:** TPO and metal coverings.

**Insulation:** Roof access from peak and on plumbing lines.

**Means of access:** Access hatch to main roof. There was no on roof inspection of the lower roofs.

**Reported leaks:** The site escort indicated that a roof scupper clogged and water dripped on a smoke alarm in the hallway of the fourth floor. The scupper was cleaned and no leakage occurred.

#### **Observations/Comments**

***We did not observe any significant deficiencies.*** Condition's are as built. Continue to perform routine maintenance including keeping roof scuppers and gutters clean of debris. It is recommended that any roof warranties be transferred to the Client. Roofs of this type are generally under warranty for ten years or more.

### 4.3 Interior Elements

#### 4.3.1 Finishes

**Floors:** The floor finishes include carpet, ceramic tile, vinyl tile, and bare concrete.

**Walls:** Wall finishes include painted gypsum board, marble and or ceramic tile, painted concrete block, and paper or vinyl wall coverings.

**Ceilings:** Ceiling finishes include acoustical tile, painted gypsum or drywall, and painted concrete.

**Doors:** Fire rated solid wood interior doors are in good condition.

#### Observations/Comments

***We did not observe any significant deficiencies.*** The pool storage or equipment room does have some minor damage to the wallboard. The source is unknown and is not significant.

An inspection was completed of approximately ten percent of the rooms. These rooms were identified as King Suites, King Standard, and Queen Suites.

The rooms viewed are 101, 211, 313, 317, 328, 401, 409, 419, and 422. All rooms are in good condition.

An estimate for future replacement costs and upgrades should be evaluated.

#### 4.3.2 Appliances and Fixtures

**Kitchens/Break rooms:** A small kitchen area with sink, microwave and refrigerator is available for employees and is noted to be in good condition.

There is a kitchen prep area for morning breakfast which is available to guests on the first floor common area.

**Bathrooms:** Staff and visitor restrooms appear to be ADA compliant and were as observed to be in good condition.

#### Observations/Comments

***We did not observe any significant deficiencies.***

### 4.4 Basements & Attics

**Basement:** No basement or crawl space.

**Attic:** None

**Observations/Comments**

Not Applicable

**4.5 Vertical Transport**

The Holiday Inn Express is served by two hydraulically operated passenger elevators.

**Observations/Comments**

***We did not observe any significant deficiencies.*** They are inspected regularly by the Pennsylvania Department of Labor and Industry. The site contact indicated that they provided client with documentation of inspections and Certificates of Operation.

**4.6 Building Systems**

**4.6.1 Plumbing**

**Potable Water:** Copper branch piping

**Sewage:** PVC to municipal systems by gravity flow.

**Sewage ejector pump:** None

**Hot water:** There are three commercial hot water tanks on site. They are A.O. Smith commercial tanks manufactured in 2013. They have valid Certificates of Boiler and Pressure Vessel from the Commonwealth of Pennsylvania Department of Labor and Industry set to expire April 17, 2019

**Observations/Comments**

***The only deficiency observed was a water leak at the street in the water supply piping concrete vault.*** This item needs repaired and the staff was working to address the problem. As of the date of this report the water leak was not repaired. The Maintenance Director Kevin Brennan indicated on June 27, 2018 that the vault has been pumped out and that plumber is expected this date. The preliminary information suggests that a gate valve repair is required. **See item 4 in the Immediate Deficiencies and Short Term Repair Table in Section 2.4** for cost to remedy.

Water heater replacement is considered routine maintenance. Water heaters typically have a useful life of 10 years; as such, the on-site hot water heaters for

operations will likely require replacement within ten years on average. There are no reported problems with the water heaters.

**4.6.2 Heating and Air Conditioning**

Core heating and cooling for the building is provided by multiple sources. The individual guest rooms are heated and cooled by Packaged Terminal Air Conditioning (PTAC) units. The common areas of the building interior are heated and cooled by Roof Top Units (RTU’s). The roof contains insulated ductwork to the commons areas below.

The ductwork and air handling system is mainly not open for inspection for specific comments.

There are two RTU’s on the roof with multiple condensing units present. Please see photos.

If information is available the table below identifies the age and size of the units, and whether or not they will likely need to be replaced:

**Note: Information Not Available This Report**

Quantity	Size (tons)	Manufacturer/Year Manufactured	Replace?

\*Site contact identified no problems with the systems.

**Observations/Comments**

**IPIC did not observe any significant deficiencies.** As expected, normal maintenance is required of these units. PTAC units generally have a short useful life and replacement of some units annually can be expected. The roof top units remaining useful life is approximately 10-15 years.



It is recommended that estimates for replacement of the above components be budgeted for during building operations.

#### **4.6.3 Electrical**

**Rating of building service:** The main service entry is from underground lines. The service capacity is three phase, four wire, 120/208 volt with a 3000 Amp main breaker and various branch distribution panels.

The panel is a General Electric Spectra.

**Overload protective devices:** Circuit breakers

**Aluminum branch circuit wiring:** None

**Lighting:** Interior lighting is provided with multiple styles and types of electrical fixtures. Exterior lighting is provided by facade mounted fixture and landscape fixtures. No deficiencies were observed in intensity or coverage.

**Emergency Power Generator:** None identified on site.

#### **Observations/Comments**

***We did not observe any significant deficiencies.*** The system was originally inspected by Code.sys Code Consulting of Pittsburgh, a third party inspection agency. There appears to have been some after construction improvements of a minor nature for equipment.

#### **4.6.4 Fire Protection & Life Safety**

The Site building has a full wet sprinkler system. The sprinkler system was installed by Ryco Fire Protection. The back flow test was completed by J&J Fire Protection on March 22, 2018 as per inspection tag.

Alarm components consist of pull stations at each exit and horn/strobe assemblies strategically placed around the building interior. Battery-supported illuminated exit signs and battery supported emergency lighting are generally provided at strategic locations throughout the building. Heat detectors, smoke detectors, exit lights, and pull stations appear inspected and maintained.

Fire extinguishers are present at key locations throughout the building. The fire extinguishers were inspected by *Stanyard Fire and Security* in May 2018.

The site is equipped with fire rated doors, on site fire plug for the fire department, and building fire department connections.

All sensing devices and alarms report to a fire alarm control panel which is monitored by Simplex who will notify the appropriate agency for a response.

The fire alarm panel is located in the office area.

#### **Observations/Comments**

***We did not observe any significant deficiencies.*** There are life safety and fire protection systems that are monitored monthly or periodically by on-site personnel.

#### **4.6.5 Security**

The building has no separate security system directly identified. Inquiry with the owners is recommended. There are likely elements of security present with access to certain areas, access to rooms, lighting, and other indirect security related elements.

There are on-site cameras, both interior and exterior which are recorded.

The security of fire related protection systems is identified herein at 4.6.4 above.

#### **Observations/Comments**

***We did not observe any significant deficiencies.***

#### **4.7 Amenities**

The subject site has an indoor swimming pool and exercise room for the guests of the hotel. There is also a guest laundry room and two meeting and conference rooms available for rent.

#### **Observations/Comments**

***We did not observe any significant deficiencies.*** The pool does have a Public Bathing Permit from the Commonwealth of Pennsylvania Department of Health.

#### **4.8 General - Miscellaneous**

**Flagpole:** Front exterior location

**Garden Structures:** None

**Observations/Comments**

It was observed that the front flagpole was leaning and not plumb. The site escort for the hotel indicated it was this condition since original construction. If this is true it is a workmanship issue or an issue of ground conditions which caused the base and foundation of pole to shift. Evaluation by the Client is recommended. It does not appear significant.

### *5.0 ADA Compliance*

Under the Americans with Disabilities Act (ADA), buildings completed after January 26, 1992, are required to comply with the ADA. Projects constructed before this date are required to comply to the extent it is "readily achievable." This legislation affects places of "public accommodation" such as rental offices or other facilities open to the public (other than homeowners, tenants and their guests). IPIC did not perform an in-depth survey for ADA compliance.

Facilities initially occupied after the effective date must comply with the ADA. Title III which calls for owners of buildings occupied prior to the effective date to expend, *reasonable* sums, and must make *reasonable efforts* to make *practicable* or *readily achievable* modifications to remove barriers, unless the modification would create an undue burden. When renovating buildings occupied prior to the effective date, the area renovated, and the path of travel accessing the renovated area, must comply with the ADA. The definitions of "reasonable," "reasonable efforts," "practicable" or "readily achievable" are Site dependent, and vary based on the owner's financial status.

Due to the unique nature of each property, the extent of analysis required and the many variables of compliance with the ADA guidelines, evaluating costs for full ADA conformity is beyond the scope of this basic commercial inspection. A separate ADA Compliance Audit can be ordered if required.

For the purposes of this basic commercial inspection the survey is limited to visual observations of areas readily observable or easily accessible. These spaces were visually observed for general compliance with the major requirements of the ADA.

### Observations/Comments

*Although construction of the Site building occurred after the enactment of the ADA, and appearing compliant with ADA standards, there is always the possibility that improved accessibility can be accomplished and steps to respond to the needs of site visitors is recommended if feasible.* (Site ramps, door sizes, aisles sizes, bathroom access, convenience fixtures, etc.)

*The staff reported that there are approximately 12 accessible guestrooms of various compliance. There are rooms with roll in showers and rooms for hearing impaired.*

### 6.0 Violations of Building/Fire/Health/Housing Code

There was no investigation with any local government entity regarding any building, fire, health, or other code violation as this is beyond the scope of the inspection requested by the client. There is however, no basis to believe there is any known violation of the type identified herein. If more information is needed regarding any of these matters then it is recommended that the Township of Cecil be contacted at 724-745-2227.

### 7.0 Earthquake/Wind Zone

IPIC reviewed FEMA flood zone maps to identify the flood zone in which the property is located. According to Panel No. 39613C0203E, dated 04/15/2006, this property is located within Flood Zone X (Non-shaded).

Flood Zones are described as follows:

**Flood Zone A**, defined as an area of 100-year flood; base flood elevations and flood hazard factors not determined.

**Flood Zone AE**, defined as an area of 100-year flood; base flood elevation determined.

**Flood Zone B**, defined as an area between limits of the 100-year flood and 500-year flood; an area subject to 100-year flooding with average depths less than one foot or where the contributing drainage area is less than one square mile; or an area protected by levees from the base flood.

**Flood Zone C**, defined as an area of minimal flooding.

**Flood Zone D**, defined as an area of undetermined, but possible flood hazards.

**Flood Zone V**, defined as an area of 100-year flood with velocity (wave action); base flood elevations and flood hazard factors not determined.

**Flood Zone X (shaded area)**, defined as an area of 500-year flood; an area of 100- year flood with average depths of less than one foot or with drainage areas less than one square mile; or an area protected by levees from 100-year flood.

**Flood Zone X (non-shaded area)**, defined as an area outside the 500-year flood plain.

This information is provided for reference purposes only. Further Study may be undertaken at the discretion of our client.

The Site is in Zone 1 as depicted on the "Seismic Zone Map of the U.S", an area of low risk of seismic activity. Although the risk is low, the building was constructed to standards applicable at the time of construction and no further investigation or Probable Maximum Loss (PML) study is recommended. Additionally, IPIC did not observe, experience, or otherwise identify any sinkholes, earthquakes, or other similar or related hazardous features at the Site. Further assessment is available at additional costs if desired.

The subject area is also in Wind Zone III in accordance with FEMA Maps. This is an area where wind speeds can be in excess of 200 MPH.

## ***8.0 Cost Estimates for Immediate Deficiencies and Replacement Reserves***

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Based upon IPIC's observations during our Site visit, and information we received from interviews with building management and service personnel, we have developed preliminary cost estimates complete with an appropriate recommended remedy for each significant physical deficiency or observation.

These estimates are for components or systems exhibiting either patent defects, significant deferred maintenance or requiring major repairs or replacement. Repairs or improvements that could be classified as (i) a routine operating expense, (ii) part or parcel of a building

renovation program, (iii) normal building preventive maintenance, or (iv) the responsibility of tenants have not been included.

*IPIC's* estimated costs are deemed to be preliminary. These costs are net of general conditions, construction management fees, and design fees. We use market costs or historical costs incurred by the Site that are documented and/or have been substantiated to *IPIC's* satisfaction. These estimates do not include costs for mold, asbestos, and lead-based paint. These costs are based on the terms of the inspection agreement and may not be applicable to your particular inspection. We are here to help you in your acquisition decision.

Building systems and components must be constructed and installed to meet applicable building and life safety codes at the time of construction or installation. These codes are updated and revised over time. Typically, building owners and operators are not required to modify/upgrade buildings to address these code revisions. As a general rule, we recommend that building owners or operators consult the latest code requirements when performing normal maintenance tasks. Simple upgrades to meet current codes, although not required, can dramatically improve the safety of a building environment. For example, electrical outlets outside or near other water sources can be upgraded with ground fault circuit interrupters to reduce the incidence of electrical shock. Similarly, guardrails can be upgraded such that the space between balusters is four inches or less, thereby reducing the likelihood of a child passing through the baluster.

### *8.1 Immediate Action and Short Term Deficiencies*

**Immediate Action** - Physical deficiencies as a result of: (i) existing or potentially unsafe conditions, (ii) significant negative conditions impacting tenancy/marketability, (iii) material building code violations, (iv) poor or deteriorated condition of critical element or system, or (v) a condition that if left "as is," with an extensive delay in addressing same, would result in or contribute to critical element or system failure within one year or a significant escalation in its remedial cost. Other conditions may be applicable for your inspection.

**Short Term (0-12 months)** - Physical deficiencies, which are inclusive of deferred maintenance, that may not warrant immediate attention, but requiring repairs or replacements that should be undertaken on a priority basis, taking precedence over routine preventive maintenance work within a zero to one-year time frame. Included are such deficiencies resulting from improper design, faulty installation and/or quality of

original system or materials. Components or systems that have realized or exceeded their Expected Useful Life and that may require replacement are also included.

## 9.0 LIMITATIONS

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The observations in this basic commercial building inspection are valid on the date of the Site reconnaissance visit and made under the conditions noted herein.

This assessment or building inspection was performed at the request of the Client utilizing methods and procedures consistent with good commercial or customary practices designed to conform to acceptable industry standards. This report may be distributed to and relied upon by the Client, its successors and assigns, with respect to a loan upon the Site, together with any rating agency or any issuer or purchaser of any security collateralized or otherwise backed up by such loan. The independent conclusions represent *IPIC's* best professional judgment based on the conditions that existed and the information and data available to us during the course of this assignment and the type of the inspection requested which is often confidential. Factual information regarding operations, conditions, and test data provided by Client, owner, or their representative have been assumed to be correct and complete.

This report is not intended to be nor shall be relied upon by any other individual or party without the express written authorization of *IPIC*. To the extent that another individual or party acts in reliance, such individual or party shall indemnify and hold *IPIC* harmless for any damages, losses, or expenses arising there from. Such reliance shall be at the individual or party's sole risk, without liability on the part of *IPIC*.

This report is limited to our visual observations during our inspection. *IPIC* neither attests nor renders an opinion as to the accuracy or comprehensiveness of the statements of the individuals interviewed, readily-available governmental records, reports conducted by other consultants, or analytical results. We did not remove surface materials, conduct any destructive or invasive testing, move furnishings or equipment, or undertake any digging or excavation. Accordingly, we cannot comment on the condition of systems that we could not view or buried structures/utilities, nor are we responsible for conditions that could not be seen or were not within the scope of our services at the time of inspection. We did not undertake to completely assess the gross stability of the Site building or the underlying foundation soil, since this effort would require excavation and destructive testing. Likewise, this is not a seismic assessment.

There is a limit to all investigations in the sense that the researcher must draw conclusions and develop recommendations with information obtained from limited research and Site evaluation. The passage of time may also result in a change in the characteristics at the Site and surrounding properties. *IPIC* does not render an opinion as to Site conditions, which may change subsequent to the date of this investigation. Moreover, the conclusions and recommendations contained herein remain valid for 30 days from the date of this basic commercial inspection.

- We do not render an opinion on uninspected portions of the Site.

We did not perform any computations or other engineering analysis as part of this evaluation, nor did we conduct a comprehensive code compliance investigation. This report is not to be considered a warranty of condition, and no warranty is implied. Our cost estimates are estimates only. These estimates are based on our general knowledge of building systems and the contracting/construction industry. When appropriate, we have relied on standard sources, such as *Means Building Construction Cost Data*, to develop cost estimates. However, for many items for which we have developed cost estimates (e.g., appliances, structural repairs), no standard guide for developing such estimates exists. We have performed no design work as part of this study, nor have we obtained competitive quotations or estimates from contractors, as this also is beyond the scope of our work. The actual cost to remedy deficiencies and deferred maintenance items we have identified may vary significantly from our estimates following final design, if necessary, and receipt of competitive quotations from contractors.



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IPIC Sample Basic Inspection

IPIC Sample Basic Inspection