

Prepared For

**CLIENT.**

**UNDISCLOSED STREET, SUITE 2000  
SOMEWHERE, ME**

## **PROPERTY CONDITION REPORT**

**Undisclosed Location  
Anonymous Street  
New City, New York**

**Date Issued: January 20, 2005**

**CONTINENTAL CONSULTING Project Number 05-201**

Prepared By

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January 20, 2005

Client  
Undisclosed Street, Suite 2000  
Somewhere, ME

RE: Property Condition Assessment Report  
Undisclosed Location  
Anonymous Street  
New City, New York  
  
CONTINENTAL CONSULTING PROJECT NO. 05-201

Continental Consulting is pleased to provide the results of our Property Condition Assessment of the Undisclosed Location property located in New City, New York. This assessment was performed in general accordance with the Client scope of work for Property Condition Assessments.

We appreciate the opportunity to provide engineering services to Client. If you have any questions concerning this report, or if we can assist you in any other matter, please contact John W. Dumont, Jr. at (207) 933.3877.

Sincerely,

**CONTINENTAL CONSULTING**

John W. Dumont, Jr. PE  
President

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## PROJECT SUMMARY

Item	Excellent	Good	Fair	Poor	Action*	Immediate Needs	Capital Reserves**
<b>SITE IMPROVEMENTS</b>							
Topography		X			NM		
Storm Drain System			X		IR		
Parking Pavement, Curbs & Gutters				X	RR		\$302,000
Sidewalks			X		NM		
Utilities		X			NM		
Landscaping		X			NM		
Site Lighting		X			NM		
Site & Building Signage		X			NM		
Recreational Facilities/Amenities		X			NA		
<b>STRUCTURAL SYSTEMS AND BUILDING ENVELOPE</b>							
Foundations		X			NM		
Structural System Including Floors		X			NM		
Exterior Walls, Patch & Paint		X			NM		
Windows & Frames		X			NM		
Exterior Doors & Frames		X			NM		
Stairs (Interior & Exterior)		X			NM		
Balconies & Upper Floor Walkways		X			NM		
Roof Coverings		X			RR		\$217,764
Roof Drainage		X			NM		
<b>MECHANICAL, ELECTRICAL &amp; PLUMBING SYSTEMS</b>							
HVAC		X			RR		\$420,000
Electrical		X			NM		
Emergency Generator		X			NM		
Hot & Cold Water Distribution System		X			NM		
Domestic Water Heaters		X			RR		\$1,800
HVAC DOS-base Control System				X	RR		\$5,000
Boilers Sectional Cast Iron Gaskets					NM		\$52,000
Gas Distribution System		X			NM		
<b>VERTICAL TRANSPORTATION CONVEYING SYSTEMS</b>							
Elevators/ Escalators		X			RR		\$12,000
<b>FIRE/ LIFE SAFETY</b>							
Fire Suppression Systems		X			NM		
Security Alarm Systems		X			NM		
<b>INTERIOR ELEMENTS</b>							
Common Area Finishes			X		NM		
Tenant Area Finishes (Walls, Floors, Ceilings, Etc.)			X		NM		\$25,000
Interior Doors & Frames		X			NM		
<b>“BARRIER FREE” ACCESSIBILITY (ADA)</b>							
Parking, Signage & Ramps			X		NM		
Common Area Accessibility Including Restrooms		X			NM		

\*Action: NM = Normal Maintenance, IR = Immediate Repair/Replacement, RR = Replacement Reserves, NA = Not Applicable, \*\*Un-inflated Values, NA=Not Applicable

Immediate And Reserve Summary	Term (yrs)	Uninflated Cost	Inflated Cost	Uninflated \$/SF/Yr	Inflated \$/SF/Yr	Report Section
Immediate Repair and Deferred Maintenance Expenditures	0-1	\$1,500	NA	NA	NA	Table 1
Replacement Reserves Cost Estimate	12	\$1,035,564	\$1,184,053	\$0.83	\$0.94	Table 2

This table displays the estimated costs. The estimated costs are preliminary and are based upon CONTINENTAL CONSULTING's experience in conducting similar projects. The actual cost will be affected by factors such as project duration, site access, market conditions, and other contingencies applied by

the owner. This project summary is not to be used alone. The attached report is intended to be read in its entirety.

## EXECUTIVE SUMMARY

A Property Condition Assessment (PCA) was performed by Continental Consulting on the Undisclosed Location property, located at Anonymous Street, in New City, New York (Subject Property) on January 18, 2005. The Subject Property consists of one irregular-shaped parcel of land (38.22-acres) with associated improvements.

### General Description

There are two buildings with an enclosed connector currently located at the Subject Property. Building One is a one-story building with a partial basement area; the building was constructed in 1962 and consists of steel-frame construction with pre-cast concrete tilt-up exterior walls and a flat, four-ply built-up tar and gravel roof. Building Two is a one-story building constructed in 1977. Building Two is comprised of steel-frame construction with pre-cast concrete tilt-up exterior walls and a flat, EPDM membrane roof. The connector was constructed in 1977 with Building Two, and is of similar construction. Building One contains a total gross area of approximately 42,094 SF; Building Two and the connector comprise 62,433 SF — for a net rentable area of approximately 104,527 square feet. A courtyard area is present to the east of the connector. Associated open-air asphalt parking areas are located to the west of the buildings and at the southeast corner of Building One, and accommodate a total of approximately 387 parking spaces. Areas immediately surrounding the buildings consist of poured-in-place concrete sidewalks, perimeter shrubbery, trees, and lawns. An asphalt-paved driveway provides ingress and egress to Arlington Road, via a guarded gatehouse. Auxiliary buildings consist of a wooden storage shed on the south side of Building Two and metal mobile storage trailers which are stored in the south corner of the west parking areas. The western perimeter of the Subject Property is comprised of undeveloped woodlands and a stormwater retention pond.

Building	Building Area (Square Feet)**	No Stories/ Building Height	Fire Sprinklers		Construction Type*
			YES	NO	
Building One	42,094	1 with partial basement	X		Type 2C
Building Two	62,433	1 with partial basement	X		Type 2C

\* Uniform Building Code (UBC) Definitions; \*\* Gross Floor Area (GFA), Net Rentable Area (NRA)

The Subject Property is zoned Industrial Park with a Wetlands Conservancy District (WCD) overlay over the undeveloped portions of the Subject Property by the Town of New City. The Subject Property appears to be in conformance with the zoning requirements.

### General Physical Condition

The Subject Property was observed to be in overall good and well-maintained condition. The buildings appear to have been provided with adequate preventative maintenance since their original construction. A thorough renovation, including new building interiors and parking areas, was completed in 1997. The roof of Building One was also recently replaced; however, the roof of Building Two is in need of replacement in the near term as evidenced by patching, seam separation and past and on-going water staining of the ceiling tiles. Additionally, the four (4) asphalt parking areas — comprised of the east parking area, main upper, main lower and corporate (back) parking lot — will require grading, resurfacing and stripping in the near term due to improper grading when they were installed in 1997. The islands in the main upper and lower parking lots presently collect water, resulting in significant ponding during rainfall according to Property Management.

## Conclusions/Recommendations

### Immediate Repair and Deferred Maintenance

Physical Deficiencies defined as immediate repair / deferred maintenance issue/s under this Scope of Work are as a result of the following:

- existing or potentially unsafe (health & safety) conditions,
- negative conditions that may significantly impact marketability or habitability,
- obvious material building code violations,
- poor or deteriorated condition of critical element or system,
- or 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 repair costs.

There were no deferred maintenance items nor any material physical deficiencies identified that could be considered significant that would require immediate repair expense. Some capital needs over the term of this report will be required for items such as parking area repairs, main roof replacement on Building Two, roof replacement of the connector between buildings # 1 and # 2 and upgrading of mechanical equipment: e.g. Boilers, HVAC systems, mechanical ventilators, make-up air systems for the kitchen and elevator maintenance. Ongoing maintenance and inspection of the septic system should be performed over the term to ensure that the system is operating correctly. Additionally, the overflow system for the septic system from the black water tank discharges on adjacent property owned by others.

The structural elements of these buildings have performed adequately for the past 32 years. Assuming the recommendations in this report in reference to the Immediate and Physical Needs over the Term are made in an appropriate time frame; a preventive/remedial maintenance program is implemented continually; and all site systems and building components are replaced as necessary with an acceptable standard of care, this sites estimated remaining useful life (ERUL) should be at least an additional 30 years barring any natural disasters. This is based on the observation that the foundations, which has an expected useful life (EUL) of 50 years plus, were observed to be functioning properly with no major deficiencies. Other site and building elements are replaceable. However, as the facility, maintenance cost are expected to increase.

CONTINENTAL CONSULTING can make no comment on the marketability of the site’s useful life. Any qualifications and limitations in place for the Property Condition Assessment as provided by CONTINENTAL CONSULTING is applicable to the summary comments mentioned above.

## **1.0 INTRODUCTION**

At the request of Client, (Client), a Property Condition Assessment was performed by Continental Consulting on the Undisclosed Location property, located at Anonymous Street in New City, New York (Subject Property). This assessment was authorized on January 18, 2005, and performed in accordance with the Client's scope of work for Property Condition Assessments. This report was prepared by Mr. John W. Dumont, Jr. PE.

### **1.1 Purpose**

The purpose of this Property Condition Assessment was to observe and document readily visible materials and building system defects which might significantly affect the value of the property, and determine if conditions exist which may have a significant impact on the continued operation of the facility during the evaluation period.

### **1.2 Reliance**

All reports, both verbal and written, are for the benefit of Client. This report has no other purpose and may not be relied upon by any other person or entity without the written consent of CONTINENTAL CONSULTING.

### **1.3 Scope and Exceptions**

This Report is based on a site visit, in which Continental Consulting performed a visual, non-intrusive and non-destructive evaluation of various external and internal building components. Representative samples of the major building components were observed and physical conditions evaluated in general accordance with ASTM E2018-01. These systems include site development, building structure, building exterior and interior areas; mechanical, electrical, and plumbing systems, conveyance systems, life safety/fire protection, and general ADA compliance. Photographs were taken to provide a record of general conditions of the facility, as well as the specific deficiencies observed. The Property Condition Assessment is not a building code, safety, regulatory or environmental compliance inspection.

Continental Consulting observed the interior spaces to determine their general character and condition. During the site visit we interviewed the available site personnel and/or property managers to add or confirm information. CONTINENTAL CONSULTING reviewed available drawings or site documentation to confirm the general character of the construction. CONTINENTAL CONSULTING also made inquiries to the local building department, zoning department and fire marshal's office.

If any additional information is encountered concerning the facility, it should be forwarded to CONTINENTAL CONSULTING for possible re-evaluation of the assumptions, conclusions and recommendations presented herein. The recommendations and opinions of cost provided herein are for observed deficiencies based on the understanding that the facility will continue operating in its present occupancy classification.

This Report is based on the evaluator's judgment of the physical condition of the components, their ages and their expected useful life (EUL). The conclusions presented are based upon the evaluator's professional judgment. The actual performance of individual components may vary

from a reasonably expected standard and will be affected by circumstances that occur after the date of the evaluation.

The Report does not identify minor, inexpensive repairs or maintenance items which are clearly part of the property owner's current operating budget so long as these items appear to be addressed on a regular basis. The report does identify infrequently occurring maintenance items of significant cost, such as exterior painting, deferred maintenance and repairs and replacements that normally involve major expense or outside contracting.

The following terms are used throughout the report and are defined as follows:

- Excellent:** New or like New
- Good:** Average to above-average condition for the building system or material assessed, with consideration of its age, design, and geographical location. Generally, other than normal maintenance, no work is recommended or required.
- Fair:** Average condition for the building system evaluated. Satisfactory, however some short term and/or immediate attention is required or recommended, primarily due to the normal aging and wear of the building system, to return the system to a good condition.
- Poor:** Below average condition for the building system evaluated. Requires immediate repair, significant work or replacement anticipated to return the building system or material to an acceptable condition.

Unless stated otherwise in this report, the systems reviewed are considered to be in good condition and their performance appears to be satisfactory.

#### **1.4 Opinion of Probable Cost**

Based upon observations during our site visit and information received from our interviews with building management and service personnel, which for the purpose of this report was deemed reliable, CONTINENTAL CONSULTING prepared general-scope, Opinions of Probable Cost based on an appropriate remedy for the deficiencies noted. Such remedies and their associated costs were considered commensurate with the Subject's position in the market and prudent expenditures. These opinions are for components of systems exhibiting significant deferred maintenance, and existing deficiencies requiring major repairs or replacement. Repairs or improvements that could be classified as (i) cosmetic, (ii) decorative, (iii) part or parcel of a buildings renovation program or to reposition the asset in the marketplace, (iv) routine or normal preventative maintenance, or (v) that are the responsibility of the tenants were not included.

It is the intent of this report to reflect material physical deficiencies and the corresponding opinion of probable costs that are (i) commensurate with the complexity of the Subject Property and (ii) not too minor or insignificant.

Opinions presented in this report are from a combination of sources. The primary sources are from R. S. Means Repair and Remodeling Cost Data and R. S. Means Facilities Maintenance and Repair Cost Data, as well as Continental Consulting's past experience with construction projects. When appropriate, CONTINENTAL CONSULTING solicited and obtained local subcontractor pricing, or utilized historical cost data provided by the property manager. Information furnished

by site personnel or Property Management, if presented, is assumed by Continental Consulting to be reliable.

Replacement and Repair Cost estimates are based on approximate quantities. A detailed inventory of quantities for cost estimating is not a part of the scope of this Report.

## **1.5 Document Review and Interviews**

CONTINENTAL CONSULTING was provided the following written documents for review:

- Quarterly Sprinkler (Fire & Life Safety Systems) Report (March 21, 2005)
- Miscellaneous site plans
- Prior Property Condition Assessment titled *Property Condition Report* (Prepared for Client. dated March 12, 2004)

The following people or organizations were contacted or interviewed by CONTINENTAL CONSULTING staff prior to or during the site visit or report preparation:

- Mr. Ted Williams, Property Manager with Client, 207.145.1400
- Mr. Leonardo DiVinci, Maintenance Engineer, 207.145.1500
- Thomas O'Leary, Deputy Fire Chief, City of New City Fire Department, 207.218.6451
- City of New City Department of Buildings and Inspections, 207.418.8280
- City of New City Department of Zoning Enforcement, 207.418.7280
- City of New City Board of Assessors, 207.418.9093

## 2.0 SYSTEM DESCRIPTION AND OBSERVATION

### 2.1 Overall General Description

The Subject Property, known as Undisclosed Location, is located at Anonymous Street in New City, New York. The Subject Property consists of one irregular shaped parcel of land with associated improvements.

There are two buildings with an enclosed connector currently located on the Subject Property. Building One is a one-story building with a partial basement area. The building was constructed in 1962 and consists of steel-frame construction with pre-cast concrete tilt-up exterior walls and a flat, four-ply built-up tar and gravel roof. Building Two is a one-story building constructed in 1977. Building Two is comprised of steel-frame construction with pre-cast concrete tilt-up exterior walls and a flat, EPDM membrane roof. The connector was constructed in 1977 with Building Two, and is of similar construction. Building One contains a total gross area of approximately 42,094 SF; Building Two and the connector total 62,433 SF for a net rentable area of approximately 104,527 square feet. A courtyard is present to the east of the connector. Associated open-air asphalt parking areas are located to the west of the buildings and at the southeast corner of Building One, and accommodate a total of approximately 387 parking spaces. Areas immediately surrounding the buildings consist of poured-in-place concrete sidewalks, perimeter shrubbery, trees, and lawns. An asphalt-paved driveway provides ingress and egress to Arlington Road, via a guarded gatehouse. Auxiliary buildings consist of a wooden storage shed on the south side of Building Two. The western perimeter of the Subject Property consists of undeveloped woodlands and a stormwater retention pond.

### 2.2 Site Visit

The site visit portion of this Property Condition Assessment was conducted on January 18, 2005 by Mr. John W. Dumont, Jr. PE, a CONTINENTAL CONSULTING Professional Associate. The following summarizes the building systems evaluated.

- Site Development
- Building Structure
- Building Exterior
- Building Interior
- Mechanical System
- Electrical System
- Plumbing Systems
- Conveyance System
- Life Safety/Fire Protection
- ADA Compliance

## **2.3 Site Improvements**

### **2.3.1 Topography**

#### *Description:*

The buildings are located at the top of a regional high point, which radiates outward to the east (steep to moderate) and west (moderately) on the subject parcel. Downslopes to the north and south are located on the respective adjacent parcels.

#### *Observations/Comments:*

No observed or reported deficiencies were noted.

### **2.3.2 Storm Water Drainage**

#### *Description:*

Stormwater runoff from the roof areas is directed to drains connected to internal leaders that discharge into the on-site stormwater retention pond. Stormwater runoff in the surrounding grounds either percolates into the soils of the landscaped areas, or runs off via sheet flow from the asphalt-paved areas into the adjacent landscaped areas.

#### *Observations/Comments:*

Property Management reported that significant ponding in the western parking areas occurs during rainfall events. The ponding has resulted from the installation of asphalt-curbed islands as part of the repaving which occurred at the Subject Property in 1997. The grading of the parking areas was not corrected to allow runoff around the islands, and the water collects behind them. Property Management anticipates re-grading and repaving the parking area to eliminate the ponding. Costs for this have been included in Table 2. The overflow pipe in the storm retention pond is damaged and presently leaking water at a level lower than the intended design.

### **2.3.3 Paving Type/Age**

#### *Description:*

The driveways and parking areas are bituminous asphalt. Paving was completed in 1997; the entrance driveway was repaved in 2001.

#### *Observations/Comments:*

Line cracking and settlement was observed throughout the parking areas, specifically in the west areas. Ongoing sealing and striping of the parking areas is not being performed, and the striping is significantly faded. Drainage problems and significant ponding was reported in the west parking areas, and was previously addressed. The parking areas are to be regraded and repaved to alleviate the drainage problems. Costs for this have been included in Table 2. Once completed, ongoing sealing and striping is recommended to extend the useful life of the asphalt areas as part of routine maintenance.

#### **2.3.4 Curbing/Wheel Stops**

***Description:***

Curbing in the parking areas consist of standard asphalt Cape Cod berms around the islands. No perimeter curbing or wheel stops were observed.

***Observations/Comments:***

No observed or reported deficiencies were noted.

#### **2.3.5 Pavement Striping**

***Description:***

Painted parking stripes, hash-outs and handicap stall designation striping and markings were noted throughout parking areas. White striped markings separate parking spaces.

***Observations/Comments:***

The condition of the current striping is poor, and reportedly has not occurred since the current parking areas were installed in 1997. Anticipate re-striping parking lot during the term as part of routine maintenance.

#### **2.3.6 Parking**

***Description:***

Parking is provided by open-air asphalt-paved parking areas, located primarily on the west side of the buildings. Additional parking areas are present at the southeast corner of Building One, and to the north of Building One. Spaces are marked with white striping, which was faded at the time of the assessment. Eight handicapped parking spaces are present.

***Observations/Comments:***

The number and configuration of the parking spaces appears to be adequate for this type of property.

#### **2.3.7 Flatwork/Stairs/Railing**

***Description:***

The site and building entrance flatwork and pedestrian walkways consists of poured-in-place concrete construction. There are no exterior concrete stairs with steel railings were noted adjacent to the loading dock area of Building One and between the sections of the west parking areas, which are terraced. Shallow concrete steps with no railing are present in the courtyard area.

***Observations/Comments:***

Cracking was noted universally, and in particular at the end of the pedestrian walkway which discharges adjacent to the loading dock of Building One (east side of the building). Additionally, repair to the concrete sidewalk on the east side of Building Two was recently completed. Ongoing concrete maintenance is expected over the term as part of routine maintenance.

**2.3.8 Landscaping and Appurtenances**

***Description:***

Landscaping consists of perimeter shrubbery around the buildings, which are surrounded by a mixture of lawns and trees. The western portion of the Subject Property is undeveloped and in its natural state. Sprinklers are provided for approximately 75% of the lawn area, with Property Management indicating that installation of sprinklers for the remaining areas (in the area of the leaching field) is anticipated within the next two years.

***Observations/Comments:***

There were no observed or reported deficiencies. Although sprinkler installation is anticipated in the area of the leaching field, CONTINENTAL CONSULTING notes that the contractor who maintains the septic system should be contacted prior to their installation and usage. Excessive irrigation in the area of a septic system can sometimes result in failure of the system, and is not typically recommended. Since the provision of irrigation in this area is a voluntary upgrade and may not be recommended, costs have not been reserved.

**2.3.9 Utilities**

***Description:***

All utilities are provided via underground services and appear to adequately service the Subject Property.

<b>Utility</b>	<b>Provider</b>	<b>Issue/Adequacy</b>
Electric	Town of New City	Adequate
Sewer	On-site septic system	Adequate
Water	Town of New City	Adequate
Gas	Nstar	Adequate
Telephone	Verizon	Adequate

**2.3.10 Site Lighting**

***Description:***

The parking and driveway lighting is provided by pole-mounted halogen lights. Pole-mounted incandescent fixtures are present along the walkways. Sconces near entrances provide other lighting.

***Observations/Comments:***

There were no observed or reported deficiencies noted. The current pole-mounted parking area lighting was installed in 1997; driveway lighting was upgraded in 2002. Adequate lighting for both the open areas and around the buildings' walkways was observed; Property Management did not indicate that complaints regarding insufficient lighting had been received.

**2.3.11 Waste Storage Area**

***Description:***

A compactor located at the loading dock of Building Two collects solid waste for the facility. The compactor is not in an enclosure; however, the loading dock has been modified so that it encloses the compactor entrance. The compactor is the property of the waste collection contractor. The compactor contains a hydraulic system with integral accumulator (approximately 15 gallons of hydraulic oil).

***Observations/Comments:***

No observed or reported deficiencies were noted.

**2.3.12 Site and Building Signage**

***Description:***

The building address is located on a pole-mounted metal panel sign posted at the entrance to the Subject Property, at Arlington Avenue. Additional pole-mounted, metal-faced directional signage is present throughout the Subject Property. Wall-mounted directories are located near the main entrance. All common area hallways and stairwells were equipped with illuminated exit signs.

***Observations/Comments:***

No observed or reported deficiencies were noted. Some of the signage is exhibiting fading, and will require placement over the term. This can be completed as part of routine maintenance.

**2.3.13 Other Site Amenities/Recreational Facilities**

***Description:***

Two wood-framed smoking sheds are present on the Subject Property and picnic tables are provided in the courtyard area. The tenant maintains a Health Facility with a full-time staff, a full-service gym with cardiovascular, nautilus, and free-weight equipment, and a basketball hoop and horseshoe pit was observed to the west of Building Two. A full-service cafeteria, leased and operated by Massachusetts Services for the Blind, is present in Building One.

## 2.4 Structural Frame and Building Envelope

### 2.4.1 Substructure

*Description:*

CONTINENTAL CONSULTING was not able to observe the entire foundation structure for the subject buildings. Concrete structural elements were observed in basement tenant areas, including poured concrete basement perimeter walls. Foundations appear to be reinforced concrete spread footings with a poured concrete perimeter foundation and basement walls with a concrete slab forming the floor. Isolated column footings are present throughout the buildings.

*Observations/Comments:*

No cracking or other deficiencies that would indicate structural failure were observed in either building. The foundation system appeared stable and in good structural condition.

### 2.4.2 Superstructure

*Description:*

The buildings are of steel-frame construction with the concrete tilt-up exterior walls forming the perimeter superstructure. Basement walls were observed to be poured concrete perimeter walls with concrete block interior walls. Metal-decked roofs are supported by open web steel joists.

*Observations/Comments:*

No evidence of structural failure or deficiencies was noted.

### 2.4.3 Facades

#### Exterior Walls

*Description:*

Unfinished pre-cast concrete tilt-up walls comprise the exterior of the buildings. The exposed poured concrete walls are the exterior façade in the exposed basement levels. These walls have been painted in the area of the Building One loading dock.

*Observations/Comments:*

The concrete was observed to be in good condition, with no significant signs of cracking noted, although some isolated areas of spalling are present; additionally, several areas were observed where sub-surface re-bar was projecting through the exterior surface. The paint on the concrete in the area of the loading dock was deteriorating, with peeling observed. Due to the limited area involved, this can be repainted as part of routine maintenance. Ongoing maintenance of the concrete façade, including repainting of the

precast panel connectors and periodic repair of spalling concrete, will be required as part of routine maintenance.

## **Windows**

### ***Description:***

Windows were observed to be aluminum framed, fixed pane double-glazed type. Windows in the entrance area are part of a storefront window system consisting of full height glazing in aluminum frames and including doors at the entrance.

### ***Observations/Comments:***

Recent replacements, as a result of seal failure, were reported by building maintenance personnel. Ongoing glazing and replacement of the windows is likely to be required over the term. This can be completed as part of routine maintenance.

## **Doors/Frames**

### ***Description:***

The main exterior entry doors are constructed of extruded anodized aluminum or stainless steel frames with a full glass panel. All exterior service and stairwell doors are typically hollow metal doors and frames with panic hardware. An electric-powered rolling metal door is present at the loading dock of Building One.

### ***Observations/Comments:***

No observed or reported deficiencies were noted. The loading dock door was replaced in 1997.

## **2.4.4 Roofing**

### **Roof Type**

### ***Description:***

The roofing on Building One consists of a four-ply built-up tar and gravel covering which extends to aluminum gravel stops. A single-ply mechanically fastened EPDM membrane, which also extends to aluminum gravel stops, covers the decking on Building Two. The EPDM membrane of Building Two was installed over the original built-up tar and gravel roofing, which was sealed with a concrete composite prior to installation of the new roof. Adequate slope for roof drainage was observed.

Skylights are present in both buildings. The skylights in Building One were replaced as part of the recent roof replacement, as the skylights needed to be raised to accommodate the new roof.

<b>Building</b>	<b>Approx. SF</b>	<b>Reported Age (Yrs.)</b>	<b>Type</b>
Building One	42,094 SF	2	Built-up tar and gravel
Building Two	48,441 SF	12 (EPDM) installed over	EPDM Membrane

<b>Building</b>	<b>Approx. SF</b>	<b>Reported Age (Yrs.)</b>	<b>Type</b>
		original tar and gravel	
Lobby Roof	6,000 SF	12	EPDM Membrane

### **Active Leaks**

#### ***Description:***

No roof leaks associated with Building One were reported at the time of the inspection. Active leaks continue to occur at Building Two; CONTINENTAL CONSULTING noted the presence of water stained ceiling tiles in the office area of Building Two. Evidence of past roof patching was noted, and Property Management indicated that former roof leaks have been repaired.

#### ***Observations/Comments:***

No observed or reported deficiencies were noted at Building One. The roof is approximately two years old, is under warranty through at least 2022, and is in good overall condition. The remaining useful life is in excess of the term of this report.

The roof on Building Two is reaching the end of its useful life, and replacement is warranted in the near term. Costs have been included in Table 2.

### **Roof Drainage**

#### ***Description:***

Stormwater runoff for the roof is directed to roof drains via sloping of the substructure. The drains are connected to internal cast iron leaders that discharge into the on-site stormwater retention pond.

#### ***Observations/Comments:***

Roof drainage appeared to be adequate. No observed or reported deficiencies were noted.

### **Warranty**

#### ***Comments:***

According to management, the Building One roof is reported to be under warranty by the manufacturer through at least 2022. No documentation was provided.

### **Ancillary roof(s)**

#### ***Description:***

There is a corrugated metal-decked, membrane covered roof over the loading area of Building One. The roof of the connector is a mechanically fastened EPDM membrane.

The ancillary buildings (storage shed, smoking sheds, and guard house) all maintain asphalt-shingled roofs over plywood decking. Drainage for these roofs is provided via aluminum gutters which discharge into the adjacent areas.

***Observations/Comments:***

The connector roof is nearing the end of its useful service life; building maintenance personnel indicated on-going patching. Evidence of past leaks were observed on the ceiling tiles.

**General Condition**

***Description:***

The visual inspection revealed the Building One roofing to be in good and functional condition at this time. The Building Two roof exhibited evidence of patching in the past; additional indication of leakage was noted in the form of stained ceiling tiles in the offices below. The connector roof (lobby) exhibited evidence of past repairs.

<b>Roof</b>	<b>Warranty</b>	<b>Condition</b>	<b>Action Required*</b>	<b>Estimated Remaining Useful Life (ERUL)</b>
Building One	Until at least 2022	Good	NM	12+ years
Building Two	N/A	Fair/Poor	RR	2
Connector Roof	N/A	Fair/Poor	RR	2

Action\*: NM=Normal Maintenance, IR=Immediate Repair /Replacement, RR=Replacement Reserves

***Observations/Comments:***

No additional maintenance to the Building One roof is anticipated over the term. Replacement of the Building Two roof is anticipated and warranted in the near term, and costs have been allocated in Table 2.

Please note that the extent of the roof evaluation did not include any sampling and/or testing. Therefore, comments made regarding the condition of the roof are limited to visual observation as well as historical information provided by site contact and/or property respondent. Should a more comprehensive investigation be required, the services of a certified roofing consultant should be considered.

**2.5 Mechanical, Electrical & Plumbing**

**2.5.1 HVAC Systems**

***Description:***

Heating systems for each building consists of central, natural-gas-fired boilers (two boilers in each building operating in a lag/lead configuration) which provide hot water for a perimeter-loop system. The boilers in Building Two consist of two Burnham natural-gas fired units, reportedly installed in 1997, with a total capacity (each) of 922,000 BTUH Net. The boilers in Building One consist of two natural gas-fired H.B.

Smith units reportedly installed in 1989 with outputs (each) of 1,310,000 BTUH Net. The heat is delivered by steel piping to perimeter VAV fan coil units.

Cooling is provided by rooftop mounted units which supply conditioned air that is distributed via VAV units located throughout the buildings. Building One is configured as noted herein: two (2) 60-ton Trane roof-mounted HVAC system; one (1) 50 ton Trane roof-mounted HVAC system; two (2) 25-ton Trane roof-mounted HVAC systems; one (1) 10 ton Trane roof-mounted HVAC system; and three (3) (estimated) 3 ton split systems with roof mounted condensers. Building Two has: two (2) Trane 50 ton roof-mounted HVAC systems; two (2) 25 ton Trane roof-mounted systems; and one (1) gas-fired, make-up air system for the kitchen with two independent exhaust ventilators sequenced through the system operating controls. Packaged units provide supplemental HVAC for the building connector area and the basement area of Building Two.

***Observations/Comments:***

One boiler was reportedly re-built in 2003 at a cost of \$13,000 attributed to failure of the cast iron sectional gaskets. The remaining boilers were all reported to be operating satisfactorily. No deficiencies regarding the rooftop units or the VAV boxes were noted or reported. The majority of the rooftop units were reportedly installed in 1997. Some replacement of the rooftop units is anticipated over the loan term, and costs have been included in Table 2, along with costs for overhauling the remaining boilers.

Building maintenance personnel indicated that the present HVAC control system (Johnson DOS-based) will require replacement in the near future to sustain operations, as the existing system is obsolete.

**2.5.2 Electrical Systems**

***Description:***

Electrical power is supplied via underground line from Arlington Road to pad-mounted transformer associated with each building. Building One is serviced with 2,000-amps of power; Building Two is serviced with 1,200-amps of power. Step-down, dry-type transformers provide 277/480 volt, 3-phase, and 4-wire service to the tenant spaces from the electrical rooms. Additional dry-type transformers are located in the electrical rooms throughout the buildings.

All wiring noted was copper; no aluminum wiring was reported.

A 200 KVA (480/277V) Olympian emergency generator with Cat Diesel engine is located adjacent to Building One and services both buildings. The generator (reportedly owned by the Sub Lease Client) provides back-up power to the emergency lighting, elevator, and life safety equipment and is tested on a monthly basis by maintenance personnel. The fuel tank — estimated at 1000 gallons of # 2 diesel fuel — is a double-walled integral AST (above ground storage tank). Automatic transfer switches are located in both buildings adjacent to the MDPs.

The interior lighting is a combination of recessed and surface incandescent and fluorescent fixtures. Verizon provides the telephone trunk lines to the Subject Property.

***Observations/Comments:***

In general, the electrical systems for the Subject Property, including switchboards, panel boards, lighting and wiring system appear in good condition and adequately sized for the intended use of the facilities. The emergency generator was reported to be in good condition.

**2.5.3 Plumbing Systems**

**Piping Systems**

***Description:***

Domestic water is provided from a main on Arlington Road. Domestic water piping was observed to be steel and copper throughout the structure. Sanitary drainage and vent piping is cast iron. A drilled well, located on the south side of Building Two, provides water for the irrigation system. One ejector pump/lift station is present in the basement of Building Two to pump discharges from the restroom and kitchen area located on that level to the onsite septic system.

The Subject Property is reportedly serviced by an on-site septic system consisting of one (1) 12,000-gallon and one (1) 8,000-gallon underground storage tanks and associated black water tank located on the north side of Building One; an extensive, chambered leach field is located on the west side of the parcel. An emergency septic overflow is located to the northeast of the buildings behind the guardhouse. Building maintenance personnel indicated that the overflow is located on adjacent property owned by others. The system is maintained twice annually, and there are no reported problems associated with its operation.

***Observations/Comments:***

The system overflow is located on adjacent property. Periodic evaluation of the septic system should occur as part of routine maintenance of the facility.

**Domestic Hot Water**

***Description:***

Domestic hot water is provided by a three 80-gallon and one 40-gallon electric hot water heaters located throughout the buildings.

***Observations/Comments:***

The domestic water heaters were installed in 1997/1998 and will require replacement over the term. Replacement reserves are allotted throughout the term for new water heaters. No other observed or reported deficiencies were noted.

## **2.6 Vertical Transportation/Conveyor Systems**

### **2.6.1 Elevators**

#### *Description:*

One hydraulic elevator, installed in 1980, exists in Building One. The hydraulic powered 2,400 pound capacity Trodella elevator services both levels of the building, and has a speed of 125 feet per minute. The elevator is maintained by Stanley Elevator

Contact was made with the local representative of Stanley Elevator in November 2004. At that time, the elevator was reported to be in serviceable condition. It is serviced on a regular basis, and is on a long-term maintenance contract. The service contract includes maintaining the motor in its regular condition, but does not include upgrades to the motor, fixtures, or cab. Building maintenance personnel indicated that the system was operating properly. The hydraulic system, located within the building) contains a reservoir of hydraulic oil (approximately 50 gallons or less).

Elevator finishes include Formica walls and industrial rubber flooring. Controls appeared to meet ADA handicapped accessibility standards; audio signals were present.

#### *Observations/Comments:*

The elevator appeared to be in serviceable condition. According to Stanley Elevator, based on the date of manufacture, no major upgrades to the operating equipment have occurred since it was installed; however, some replacements of valves and other components may be required. Costs for this work are included in Table 2.

### **2.6.2 Escalators**

#### *Description:*

No escalators are located in the building.

#### *Observations/Comments:*

Not applicable.

## **2.7 Fire/Life Safety**

### **2.7.1 Fire Sprinklers**

#### *Description:*

All levels of the buildings are served by a fully automatic wet-pipe sprinkler system. A dry system is present in the loading dock areas. Each building maintains its own sprinkler pump in the boiler room area. Fire extinguishers were observed in the corridors, kitchen area, and in mechanical/electrical spaces. They are reportedly inspected on a regular basis, with the last inspection having occurred in February of 1999. Property Management indicated that the building has been inspected for recalled sprinkler heads, and that no recalled sprinkler heads are located in the buildings.

***Observations/Comments:***

Fire suppression system appears to be in good condition, and is reported tested on an annual basis. The tags on the pumps and extinguishers were current, and a copy of the most recent sprinkler inspection report was provided for review. No observed or reported deficiencies were noted.

**2.7.2 Life Safety/Alarm Systems**

***Description:***

All public areas and stairwells are served by emergency lighting which is either connected to the emergency power circuit or which has battery back-up that is tested regularly by building maintenance. There is a central life safety monitoring system, which connects to a monitoring service that contacts the appropriate authorities in case of fire or other emergency. The annunciator panel for the system is located in the lobby area. Built-in heat detectors are present in the sprinkler system. Pull-stations and audible alarms also serve all levels.

Twenty-four hour security is provided by a guarded gatehouse at the main entrance to the building, and additional guards posted at the main entrance to the buildings. A magnetic card key access system and electronic door serve the building entrance. Perimeter security cameras are present.

***Observations/Comments:***

The fire sprinkler pumps were rebuilt in 2003. No observed or reported deficiencies were noted.

**2.8 Interior Elements**

**2.8.1 Viewed Spaces**

***Description:***

The building is a single-tenant facility, leased by Rental Client Associates and occupied by the Sub Lease Client. Currently, there are no vacant areas.

The interior walls and ceilings of the office building are comprised of a combination of painted and wallpapered gypsum board and suspended acoustical ceiling tile with recessed fluorescent light fixtures with parabolic lenses. Flooring in the common and office areas consists of a combination of vinyl floor tile, industrial strength rubber flooring, and carpeting; ceramic tile is present in the restrooms, exposed painted concrete flooring is present in the warehouse areas and loading docks.

***Observations/Comments:***

All interiors were observed to be of average grade construction materials and furnishings. CONTINENTAL CONSULTING accessed office cubicle areas, the cafeteria area, kitchen area, mail room, gym, laboratory, health clinic, common area corridors, and loading dock areas. The basement floor in Building One exhibits evidence

of lifting and separation; resurfacing should be imminently addressed. Additionally, the floor in the CAD room is nearing the end of its useful life.

### 2.8.2 Site Tenants

**Description:**

The building is a single-tenant facility, leased by Rental Client Associates and occupied by the Sub Lease Client. Currently, there are no vacant areas.

**Observations/Comments:**

Property Management is responsible for replacement of the carpeting every five years, however this is charged back to the tenant through rent. Tenants are generally responsible for upgrades to finishes within their space, and initial tenant fit-out work. The building entrance was renovated in 2003. No observed deficiencies were noted.

### 2.8.3 Common Area

ITEM	CONDITION E, G, F, P	DESCRIPTION
Ceilings	F-G	Mostly consists of acoustical tile ceilings, with some other materials such as drywall
Floors	F-G	Wall to wall carpeting in most areas, with some vinyl flooring in work areas, and rubber mat flooring in the lower level of Building One. Ceramic tile was observed in the bathrooms. No damage was observed.
Walls	F-G	Drywall, light rolled textured or vinyl covered throughout.
Doors	F-G	Solid wood in metal frames in all tenant entrances. Full glass with metal frames at building entrance. No issues were identified or reported at the time of our visit.
Other		
<b>Observations / Comments</b>	Interior finishes are a tenant responsibility.	

“E” – Excellent, “G” – Good, “F” – Fair, “P” - Poor

### 2.8.4 Tenant Spaces

ITEM	CONDITION E,G,F,P	DESCRIPTION
Ceilings	F-G	Acoustical tile ceilings.
Floor	F-G	Wall to wall carpet. No damage was observed.
Walls	F-G	Drywall, painted or vinyl covered. Light rolled textured throughout.
Doors	F-G	Metal frame solid wood doors. No issues were identified or reported at the time of our visit.
Toilet Facilities	NA	
Other:		
<b>Observations / Comments</b>	Interior finishes are a tenant responsibility	

“E” – Excellent, “G” – Good, “F” – Fair, “P” - Poor

### **3.0 ADA COMPLIANCE**

The scope of this report is limited to a general overview of the subject improvements' common public areas (of improvements considered to be "Public Accommodations") based upon the requirements of Title III of the Americans with Disability Act (ADA). Per Title III, disabled persons are to be provided accommodations and access equal to, or similar to, that available to the general public and requires that architectural and communication barriers in existing public accommodations be removed if they are "readily achievable" and are not an "undue burden". Most states and local municipalities have adopted accessibility requirements that, in some cases, may be more stringent than the ADA. The review of the Subject Property for compliance with state and local accessibility requirements is beyond the scope of this report.

The purpose of this section is to identify certain obvious items that do not appear to be in general conformance with the Title III requirements; without inferring that correction of the reported items will bring the Subject Property into total compliance with the ADA. While opinions of cost to correct or remove noted barriers are provided herein, they do not constitute an opinion that elimination of the barriers is "readily achievable" and not an "undue burden" as defined by the ADA. The owner must determine this issue. The ADA is not intended to affect the contractual responsibilities existing in lease agreements between owners and tenants. Typically, the tenant is responsible for reviewing and making readily achievable accommodations in its own lease/work space while the owner is responsible for the common areas of the improvements.

It appears that this facility is in general compliance with the minimum ADA guidelines.

#### **4.0 REGULATORY COMPLIANCE**

The City of New City Zoning department referred CONTINENTAL CONSULTING to the building department for violations regarding the subject site. According to building department officials, periodic inspection of properties is not performed after construction is completed. However, there are no outstanding violations regarding the original construction of the Subject Property.

According to Deputy Fire Chief Thomas O'Leary of the City of New City Fire Department, there are no current outstanding fire department violations at the Subject Property.

## 5.0 LIMITATIONS

Property Condition Assessments are observational in nature. Information contained in this report was obtained by means of site observations, interviews and Client-provided documents. Evaluation by visual observation is specifically limited to those items or components that are readily accessible and visible to the unaided eye. No testing, either destructive or non-destructive, was performed, and no calculations were performed to determine the capacities of the existing building systems. The observation of concealed or inaccessible areas of the Subject Property, which would have required the use of destructive investigation, was beyond the contracted Scope of Services. The information presented in this report represents the condition of the Subject Property at the time of CONTINENTAL CONSULTING's site visit; other problems may develop with time that were not evident at the time of this assessment. CONTINENTAL CONSULTING has prepared this assessment using that degree of care and skill ordinarily exercised under similar conditions by reputable consultants performing due diligence in this or similar localities. No other expressed or implied warranty is made regarding the content of this assessment.

The section "Out of Scope Considerations" of the ASTM "Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process" (ASTM E 2018-01) is incorporated by reference.

Items identified as requiring action are so noted. CONTINENTAL CONSULTING's conclusions and recommendations should be not construed in any way to constitute a warranty or guarantee regarding the current or future performance of the facility. Costs are approximations only and should not be interpreted as being neither a bid nor an offer to perform the work.

This report is intended to be read in whole. Information provided in the various sections is complementary and in some instances provides additional explanation of information concerning the assessment. Therefore, interpretations and conclusions drawn by reviewing only specific sections are the sole responsibility of the user.

The representations regarding the status of ADA Title III compliance were based on visual observation and without any physical measurement and, thus are only intended to be a good faith effort to assist the Client by noting non-conforming conditions along with estimates of costs to correct and are not to be considered to be based on an in-depth study.

Client has the right to reproduce in full and provide copies of the condition survey report to interested parties, including Client's Agents, bond rating agencies, and exiting/potential loan or loan-pool participants. All reports, both verbal and written, are for the benefit of Client and its agents, employees, participants, and assigns.

## **TABLES**

**APPENDIX A**  
**PHOTOGRAPHS**

**APPENDIX B**

**SITE PLAN**  
**SITE VICINITY MAP**

**APPENDIX C**

**SUPPORTING DOCUMENTATION**