

# **SAMPLE: PROPERTY CONDITION REPORT (PCR)**

<b>PRELIMINARY PCR</b>	October 14, 2013
<b>FINAL PCR</b>	<b>October 21, 2013</b>

## **Project Name & Address**

Client Name:

Investment Name:

Investment Number:

Site Observations Dates:



**Sample: Property Condition Report (PCR)** is intended as a baseline format for discussion. This format is modeled on ASTM Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process, E2018-08 (E2018-08). E2018-08 recognizes that the scope and breadth of each Property Condition Assessment and therefore each Property Condition Report is based on variables, including the type, size and complexity of individual properties. Each PCR includes a statement of the purpose(s) for which the PCR is intended to serve the customer and the customer's position with respect to the commercial real estate transaction.

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**TB Johnson Associates, LLC**  
718 Pershing Drive  
Silver Spring, MD 20910  
240-338-2051  
[tbj@tbjohnsonassociates.com](mailto:tbj@tbjohnsonassociates.com)

PROJECT NAME: **Sample Apartments**

PROJECT ADDRESS:

CLIENT NAME:

INVESTMENT NAME:

INVESTMENT NO.:

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## 1. **EXECUTIVE SUMMARY**

### 1.1 **GENERAL DESCRIPTION**

Sample PCR is based on Sample Apartments which consists of 737 dwelling units arranged within apartments, townhomes and single family homes. There are 360 apartment units, 327 townhomes and 48 single family homes and parking spaces, three tot lots, a swimming pool with club house, two tennis courts, one basketball court and a leasing building with clubhouse. The dwelling units the consultant observed are organized by type of dwelling unit and age of each dwelling unit and included in the Exhibit section of this report.

Sample Apartments were constructed in two phases between 2001 and 2006. Units contain individual air conditioning units and gas furnaces. Apartment buildings are protected by a full wet sprinkler system, manual fire alarm pull stations, gongs and visual alarms; and smoke and fire detectors interconnected to a central fire alarm system. Townhomes and single family homes include one smoke detector per floor and are interconnected, electric powered with battery back-up. No information was available concerning USGBCC LEED certification or other Green Certification. This PCR was prepared by Thomas B. Johnson, RA and is based on site observations completed by Mr. Johnson on site visits on February 25<sup>th</sup> and February 26<sup>th</sup>, 2013.

### 1.2 **GENERAL PHYSICAL CONDITION**

Sample Apartments was observed to be in good condition overall with good curb appeal and a high level of maintenance. No significant deferred maintenance was observed. Comments in subsequent sections of this report recommend funds for immediate replacements (first year of loan) and recommend funds for replacement reserves over the second year through the loan term plus two years. No material life-safety or building code violations were observed. American's with Disability Act (ADA) non compliance was observed in the Leasing office/clubhouse and the Pool clubhouse – Refer to Section 3.8 Miscellaneous.

### 1.3 **OPINIONS OF PROBABLE COSTS**

General-scope opinions of probable costs are suggested herein to remedy the material physical deficiencies observed based upon the walk-through survey. Information for this PCR was obtained in accordance with the ASTM Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process, E2018-08.

Opinions of probable costs are provided for material physical deficiencies only and not for repairs or improvements that could be classified as: (1) cosmetic or decorative; (2) part or parcel of a building renovation program (3) tenant improvements/finishes; (4) enhancements to reposition the subject property in the marketplace; (5) for warranty transfer purposes; or (6) routine or normal preventive maintenance, or a combination thereof.

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Opinions of probable costs that are either individually or in aggregate less than a threshold amount of \$3,000 for like items are not included in the PCR. If there are more than four separate like items that are below this threshold requirement, but collectively total over \$10,000, such items are included in the PCR. If material life-safety or building code violations are observed, the PCR includes opinions of probable costs to remedy material life-safety or building code violations regardless of costs.

Opinions of probable costs should only be construed as preliminary, order of magnitude budgets. Actual costs most probably will vary from the consultant's opinions of probable costs depending on such matters as type and design of suggested remedy, quality of materials and installation, manufacturer and type of equipment or system selected, field conditions, whether a physical deficiency is repaired or replaced in whole, phasing of the work (if applicable), quality of contractor, quality of project management exercised, market conditions, whether competitive pricing is solicited, etc. ASTM Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process, E2018-08 recognizes that certain opinions of probable costs cannot be developed within the scope of this guide without further study. If there are opinions of probable cost for further study they are included in the PCR.

Refer to Section 6.Recommendations and Opinions of Probable Costs to Remedy Physical Deficiencies.

#### **1.4 DEVIATIONS FROM THE GUIDE**

The Guide is the ASTM E2018-08 Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process in effect at the time of contract award and as amended within this report. ASTM E2018-08 Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process is available online at [www.astm.org](http://www.astm.org).

#### **1.5 RECOMMENDATIONS**

Refer to Section 6.Opinions of Probable Costs to Remedy Physical Deficiencies for analyses, recommendations and opinions of probable costs to:

- 1) Remedy Immediate Physical Deficiencies (Material Life Safety Deficiencies or Building Code Violations);
- 2) Remedy Short Term Deficiencies (Initial year of loan term); and
- 3) Fund Reserves for Replacements (Second year of loan term plus two years).

Line-items within these analyses are keyed to the photographs in Section 10 Exhibits.

2. **PURPOSE AND SCOPE**

This PCR is intended to serve the client's position with respect to a commercial real estate transaction; or: The client has not disclosed the purpose(s) or role(s) of this PCR to the consultant.

3. **SYSTEM DESCRIPTIONS AND OBSERVATIONS**

**3.1 OVERALL GENERAL DESCRIPTION**

Primary improvements that comprise Sample Apartments consist of: 737 dwelling units in 116 buildings on 105+ acres. Ancillary improvements include seven one-story parking structures; one Leasing Center/ Club House; one swimming pool with clubhouse; two tennis courts; three playgrounds; one basketball court; a network of asphalt roads and parking lots; and concrete and asphalt walkways connecting the improvements.

**3.2 SITE**

3.2.1 TOPOGRAPHY

The site is relatively flat with slight variations in topography. Adjacent properties include a commercial building and several multifamily residential properties. Adjacent properties are connected via public roads to Sample Apartments. There is sufficient open space on the subject property and on adjacent properties for discharge of storm drainage via public roads and public storm water improvements.

- No funds are recommended for topography work over the loan term plus two years. Refer to photos no. 1 to 4 in Section 10. Exhibits.

3.2.2 STORM WATER DRAINAGE

On site drainage is collected from roofs via gutters and downspouts which discharge to grades or to below grade piping onto surrounding parking areas and streets and eventually through catch basins and piping which discharge into three storm water ponds on site. These ponds include concrete weirs that control release of drainage into the surrounding public storm water collection system and also natural stream beds off-site. The property representative reports that a portion of the open space within the property is in the 100- year flood plain, however, none of the residential buildings on the property are within the 100-year flood plain. Neither water issues nor mold issues were observed during the site visit. Refer to the Sample Property Site Plan in Exhibit section of this report.

Storm water drainage provisions appear to be in accordance with construction industry standards, in good condition, well maintained and sufficient to serve the needs of Sample Apartments.

- No funds are recommended for storm water repairs or replacements over the loan term plus two years.  
Refer to photos no. 5 & 6 Section 10 Exhibits.

### 3.2.3 ACCESS AND EGRESS

Sample Apartments is accessed by two secondary public roads. There are masonry signage monuments at the two primary entrances to Sample Apartments. The roads into and out of Sample Apartments appear sufficient in size and capacity, are maintained by the local jurisdiction and are in good condition with no significant signs of deferred maintenance.

- No funds are recommended for access and/or egress repairs or replacements over the loan term plus two years.  
Refer to photo no. 7 Section 10. Exhibits.

### 3.2.4 PAVING, CURBING AND PARKING

Streets, maintained by the local jurisdiction, provide vehicular access to and within Sample Apartments. 1,658 parking spaces are located throughout the apartments, town homes and single family homes. Asphalt paved parking areas are located in front of entrances to apartments, town homes and single family homes. During site observations a portion of the 1-1/2" asphalt top coat was being replaced in the parking areas serving the east section of the apartments. Refer to the Sample Property Site Plan in Section 10. Exhibits which identifies the east, west, and north sections of the property. Management reports re-striping the parking areas is funded through operations and was last completed two years ago. Parking striping is in good condition.

Paving, curbing and parking areas appear to be in accordance with construction industry standards, in good condition, well maintained and sufficient to serve the needs of Sample Apartments.

- No funds are recommended for paving, curbing and parking repairs or replacements over the loan term plus two years.  
Refer to photos no. 8 to 10 Section 10. Exhibits.

### 3.2.5 FLATWORK

1,658 parking spaces on asphalt paving are conveniently located throughout the apartments, town homes and single family homes of Sample Apartments. Concrete sidewalks, through-out the property, connect the streets and parking areas to apartment entrances and individual town home and single family entrances. The pool deck is constructed of concrete slab-on-grade. Two tennis courts and one basketball court are constructed of asphalt on a compacted stone base. Flatwork appears constructed in accordance with construction industry standards, in good condition, well maintained and sufficient to serve Sample Apartments.

- No funds are recommended for flatwork repairs or replacements over the loan term plus two years.  
Refer to photographs nos. 11 to 13 in Section 10. Exhibits.

### 3.2.6 LANDSCAPING AND APPURTENANCES

**Landscaping** includes mature trees and foundation plantings throughout the site. There are ornamental plantings at entrances to the apartment buildings, the Leasing Building, the Pool Clubhouse and at the two property sign monuments. There are open spaces with trees between rows of town homes and around the single family homes. Costs to replace and maintain landscaping are deemed by the Management to be an operating expense. In general landscaping appears to be adequate, in good condition, well maintained and sufficient to serve Sample Apartments.

- No funds are recommended for maintenance or replacements of landscaping over the loan term plus two years.  
Refer to photos nos. 14 & 15 Section 10 Exhibits.

**Property signage** is positioned at the two property entrances: intersection of Sample Road and Sample Drive and intersection of Ancillary Place and Ancillary Avenue. The signage is constructed of masonry, is of adequate size, and is well designed and constructed for the intended purposes. Costs to replace property signage are deemed by the consultant to be an operating expense.

- No funds are recommended for maintenance or replacements of property signage over the loan term plus two years.  
Refer to photos nos. 16 & 17 Section 10. Exhibits.

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**Trash dumpsters**, enclosed in eight foot high stockade fencing, constructed of pressure treated wood, are located at intervals throughout the property. The dumpsters are municipal owned and rest on reinforced concrete slabs on grade that are in good condition. Dumpsters were observed to be of sufficient capacity, adequate in number and in good condition. Replacements and/or rebuilding of trash enclosures are an operating expense according to Management.

- No funds are recommended for repairs or replacements of trash dumpsters or dumpster enclosures over the loan term plus two years. Refer to photo no. 18 Section 10. Exhibits.

**Site Lighting** is provided by street lights and building mounted lights throughout Sample Apartments, and on the two municipal roads leading to and from Sample Apartments. Street lights and lights mounted on the townhomes and single family homes illuminate the entrances to the townhomes, single family homes and apartments. The lighting fixtures appear in good condition and well maintained. *Note that the site observations were during daylight hours. An evaluation of illumination levels and photometric properties of site lighting is not within the scope of this PCR.*

- Funds are recommended for replacements of pole mounted and building mounted light fixtures over the loan term plus two years. Refer to Recommendations and Opinions of Probable Costs for Reserves for Replacements - Section 10.EXHIBITS.

Item	Photos	Property Condition Report SECTIONS	AVE EUL	EFF AGE	RUL	Quantity	Unit	Unit Cost	12 Year Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10 Year Term Total Cost
7	19	3.2.6 LANDSCAPING & APPURTENANCES - Replace site lighting once during loan term.	20	10	10	814	ea	\$210	\$170,940						\$34,188	\$34,188	\$34,188	\$34,188	\$34,188	\$170,940



3.2.7 RECREATIONAL FACILITIES

SAMPLE APARMENTS includes three **tot-lots**; a **swimming pool and small clubhouse**; **two tennis courts**; **one basket ball court**; and a **clubhouse in the leasing building**. Pool Clubhouse amenities include a kitchen, a meeting room, restrooms and changing rooms with showers. The Leasing clubhouse includes a meeting room with bar, exercise room, office area for the leasing staff and rest rooms. All amenities were observed to be in good condition and well maintained. Operations funding should be sufficient to replace basketball and tennis court nets; the wear surfaces were recently replaced and have an expected useful life of 12 years.

- Funds are recommended to replace: tot-lot equipment, exercise equipment, swimming pool pumps and filters; and to white coat the pool over the loan term plus two years.

Refer to Recommendations and Opinions of Probable Costs for Reserves for Replacements - Section 10.EXHIBITS.

Item	Photos	Property Condition Report SECTIONS	AVE EUL	EFF AGE	RUL	Quantity	Unit	Unit Cost	12 Year Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10 Year Term Total Cost
7	19	3.2.6 LANDSCAPING & APPURTENANCES - Replace site lighting once during loan term.	20	10	10	814	ea	\$210	\$170,940						\$34,188	\$34,188	\$34,188	\$34,188	\$34,188	\$170,940
8	20-23	3.2.7 RECREATIONAL FACILITIES - Replace tot-lots once during loan term.	15	10	5	3	Bid	\$6,500	\$19,500					\$19,500						\$19,500
9	20-23	3.2.7 RECREATIONAL FACILITIES - Replace clubhouse exercise equipment once during loan term.	15	10	5	1	Bid	\$28,000	\$28,000				\$28,000							\$28,000
10	20-23	3.2.7 RECREATIONAL FACILITIES - Replace swimming pool pumps & filters once during loan term.	15	10	5	1	Bid	\$21,500	\$21,500					\$21,500						\$21,500
11	20-23	3.2.7 RECREATIONAL FACILITIES - White coat swimming pool twice during loan term.	7	10	-3	1	Bid	\$25,500	\$51,000	\$25,500							\$25,500			\$51,000

### 3.2.8 UTILITIES

#### 3.2.8.1 WATER

Water service is provided to Sample Apartments by the local municipality. As-built drawings provided to the consultant show that within the property two-inch copper pipes supply potable water to the individual buildings. Water service connections observed at each building are in good condition and life-spans of the water system should exceed the loan term plus two years.

- No funds are recommended for water system repairs or replacements over the loan term plus two years.  
Refer to photos nos. 24 & 25 Section 10. Exhibits.

#### 3.2.8.2 ELECTRICITY

Municipal supplied electric service is provided to each apartment building, apartment unit, town home and single family home and the remaining buildings on site. Three-phase, four wire copper service was observed to be in good condition and life-spans of the electrical service should exceed the loan term plus two years.

- No funds are recommended for electrical service repairs or replacements over the loan term plus two years.  
Refer to photos nos. 26 & 27 Section 10. Exhibits.

#### 3.2.8.3 NATURAL GAS

Municipal supplied gas service is provided to the property. The as-built drawings show that within the property black iron piping supplies gas to the individual apartments, townhomes, single family homes and ancillary buildings. Supply piping is maintained by the public utility up to the gas meters installed at individual apartment buildings, townhomes and single family homes. Gas meters and piping maintained by the property was observed in good condition; no piping replacements or repairs were observed. The life-spans of the natural gas service for which the property is responsible should exceed the loan term plus two years.

- No funds are recommended for natural gas service repairs or replacements over the loan term plus two years.  
Refer to photos nos. 28 & 29 Section 10. Exhibits.

#### 3.2.8.4 SANITARY SEWER

Municipal sanitary sewer service is provided to the property. As-built drawings show cast iron pipes carry sanitary sewage from the individual buildings and connect to municipal sewer mains off site. Sanitary sewer piping observed within each building is cast iron and is in good condition. The life-spans of the sanitary sewer service for which the property is responsible should exceed the loan term plus two years.

- No funds are recommended for sanitary sewer piping repairs or replacements over the loan term plus two years.  
Refer to photo no. 30 Section 10. Exhibits.

#### 3.2.8.5 STORM SEWER

As-built drawings show within the property concrete pipes that drain storm water from the individual buildings and surrounding areas. Buildings have downspouts that either discharge water at grade, or when the site conditions require, discharge water into below grade storm piping. The observable storm drainage piping on site is either concrete (>12-inches in diameter) or polyvinyl chloride (<8-inches in diameter) and was observed in good condition.

- No funds are recommended for storm drainage piping repairs or replacements over the loan term plus two years.  
Refer to photo no. 31 Section 10. Exhibits.

#### 3.2.8.6 SPECIAL UTILITY SYSTEMS

Special Utility Systems are Not Applicable to Sample Apartments.

### 3.3 STRUCTURAL FRAME AND BUILDING ENVELOPE

#### 3.3.1 FOUNDATION

As-built drawings show 5-inch slabs-on-grade on a crushed stone base with cast in place concrete foundations or concrete masonry block (CMU) foundations supported on spread concrete footings. Based on observations made at the property the foundations are as indicated on the as-built drawings. The visible foundations did not show evidence of movement, damage, moisture infiltration or prior repairs. A soils report was not intended to be reviewed within the scope of this PCR.

- No funds are recommended for foundation repairs or replacements over the loan term plus two years.  
Refer to photographs nos. 32 to 35 in Section 10. Exhibits.

#### 3.3.2 BUILDING FRAME

As-built drawings show wood framed floors and walls. Floors, observed from unfinished basements, and roofs, observed from attics, are wood framed and in good condition. No issues or concerns with the wood framing were observed.

- No funds are recommended for repairs to the building frames or framing replacements over the loan term plus two years.  
Refer to photographs nos. 36 to 39 in Section 10. Exhibits.

### 3.3.3 FACADES OR CURTAINWALLS

#### 3.3.3.1 SIDEWALL SYSTEMS

Sidewall systems consist of vinyl siding with 4-inch to 10-inch wood trim and accents of stone veneer. There is no evidence of movement, damage, repairs or moisture infiltration at the sidewall systems, with one exception; a repair is in process to twenty balconies within Apartments G & H. This repair program is further discussed in Section 3.3.3.4 of this report. Other than the aforementioned repair program, for which the property representative showed the consultant a Contract dated and signed May 15, 2013, the sidewall systems are in good condition.

- Reserves are recommended to repaint wood trim, exterior doors and replace exterior sealant twice during the loan term. Refer to Recommendations and Opinions of Probable Costs for Reserves for Replacements Section 10.EXHIBITS.

Item	Photos	Property Condition Report SECTIONS	AVE EUL	EFF AGE	RUL	Quantity	Unit	Unit Cost	12 Year Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10 Year Term Total Cost
20	40-43	3.3.3.1 FACADES OR CURTAIN WALLS - SIDEWALL SYSTEMS- Paint wood trim, entry doors and re-seal decking twice during loan term.	5	5	0	407	bldg.	\$2,500	\$2,442,000	\$305,250	\$305,250	\$305,250			\$305,250	\$305,250	\$305,250			\$1,831,500

#### 3.3.3.2 FENESTATION SYSTEMS

**Fenestration** consists of residential grade, prefinished aluminum, double glazed windows within the apartment, town home and single family dwellings. The window frames, sealants and glazing all are each in good condition. No signs of building settlement were noted around the windows. **Sealant systems** consist of builder grade polyurethane sealants between vinyl siding trim and the perimeters of aluminum windows and steel doors. Sealant joints were observed in fair to good condition.

Apartment stairs and common utility spaces in the apartment buildings are furnished with fire rated steel door assemblies. Apartment dwellings, town homes and single family homes have a steel entry door in a wood frame. Exterior door assemblies were observed in good condition with no deferred maintenance. The consultant expects that routine maintenance will be sufficient to maintain fenestration systems

over the loan term plus two years. Note –reserve funds are recommended in section 3.3.3.1 to repaint exterior doors and replace exterior sealant.

- No funds are recommended for repairs or replacements to fenestration systems over the loan term plus two years. Refer to photographs nos. 44 to 48 in Section 10.Exhibits.

### 3.3.4 ROOFING AND PARAPETS

Each apartment building, townhouse and single family house is roofed with 20-Year, fiberglass reinforced shingles and sheet metal flashing on a plywood or oriented strand board deck supported on wood trusses. Random buildings were selected and the shingles were observed from grade with binoculars. 50% of shingles appear to be on average 5-years old and the remaining 50% on average 10 years old. No signs of leaks were noted within the dwelling units and residents interviewed did not report leak problems.

The only penetrations within the shingle roofs are plumbing vents. Plumbing vent penetrations thru roofs were observed with proper sheet metal or flexible flashing and counter flashing. The flashing systems installed appeared in good condition and of ages similar to the roofing in which they are installed. Prefinished aluminum gutters and downspouts carry storm water off roofs and either onto splash-blocks at grades surrounding the buildings or downspouts are connected to underground polyvinyl chloride via flexible plastic drain pipes. Gutters downspouts and associated components are in good condition and life spans should exceed the loan term plus two years.

All buildings at Sample Apartments have slopped roofs; there are no parapets within the buildings.

- Funds are recommended to replace roof shingles over the later years of the loan term plus two years. Refer to Recommendations and Opinions of Probable Costs for Reserves for Replacements Section 10.EXHIBITS.

Item	Photos	Property Condition Report SECTIONS	AVE EUL	EFF AGE	RUL	Quantity	Unit	Unit Cost	12 Year Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10 Year Term Total Cost
25	57-58	3.3.4 Roofing Replace roofs during later years of loan; based on average 50% roofs are 10 years old.	20	10	10	4,884	sq	\$270	\$1,318,680								\$329,670	\$329,670	\$329,670	\$659,340

### 3.3.5 MISCELANEOUS BUILDING ENVELOPE

**Balconies:** Each above grade apartment has a balcony and each town home and single family home has a deck; these are constructed of pressure treated lumber. The ground floor apartments include a concrete slab on grade patio. All town home and single family decks are in good condition. Decking is routinely replaced as needed with in-house carpenters. *The flashing between twenty apartment balconies and the apartment buildings is improperly installed resulting in leaks into and damage to finishes in the garages below. The Consultant reviewed on site a signed Contract to complete repairs at these twenty balconies.* The remaining balconies and flashing systems are in good condition and with continued routine maintenance the Remaining Useful Life (years) should exceed the loan term plus two years.

- No funds are recommended for balconies, breezeways or stairway repairs or replacements over the loan term plus two years. Refer to photographs nos. 49 to 52 in Section 10.Exhibits.

**Exterior stairs and breezeways:** provide access/egress to and from the upper two floors of the apartment buildings. Stairs are steel framed with precast concrete treads and a concrete topping at stair landings. Breezeways are wood framed of pressure treated lumber with pressure treated decking. The stairs and breezeways were observed in good condition with no deferred maintenance. Aside from routine maintenance, which appears to be what has occurred, no funds are recommended for repairs or replacements of the exterior stairs and breezeways over the loan term plus two years.

- No funds are recommended for exterior stairs and breezeways repairs or replacements over the loan term plus two years. Refer to photographs nos. 53 to 54 in Section 10.Exhibits.

### 3.4 MECHANICAL AND ELECTRICAL SYSTEMS

#### 3.4.1 PLUMBING

##### 3.4.1.1 SUPPLY AND WASTE PIPING

The observable copper supply piping and polyvinyl chloride (PVC) waste piping within the buildings is in good condition. Piping was observed from random basements, attics and crawl spaces. No supply or waste piping replacements were observed and no lead, galvanized or polybutylene supply water piping was observed. Water pressure appears sufficient and is clear. No leaks were observed nor were problems with plumbing leaks revealed during interviews with tenants and the property representative. The supply and waste piping observed have remaining useful life periods that exceed the loan term plus two years.

- No funds are recommended for repairs or replacements of supply and waste piping over the loan term plus two years. Refer to photographs nos. 59 to 63 in Section 10.Exhibits.

##### 3.4.1.2 DOMESTIC HOT WATER

The Pool Bathhouse and the Leasing Clubhouse are each furnished with a 100 gallon electric water heater. The appliances are 10 years old with an expected useful life of 20 years.

- Reserves are recommended to replace both water heaters near the end of the loan term plus two years. Refer to Recommendations and Opinions of Probable Costs for Reserves for Replacements Section 10.EXHIBITS.

Item	Photos	Property Condition Report SECTIONS	AVE EUL	EFF AGE	RUL	Quantity	Unit	Unit Cost	12 Year Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10 Year Term Total Cost	
1	59-63	3.4.1.2 Domestic Hot Water - replace 100-gal. water heaters in Pool Bathhouse and Leasing Clubhouse.	20	10	10	2	ea	5,500	\$11,000											\$11,000	\$11,000

##### 3.4.1.3 FIXTURES

The Pool Bathhouse and Leasing Clubhouse each are furnished with sinks and water closets made of porcelain over steel. The Bathhouse also includes three shower stalls for men and three shower stalls for women. Restrooms and Showers include ceramic tile wall and floor finishes.

The plumbing fixtures are 10 years old with an expected useful life of 25 years.

### 3. SYSTEM DESCRIPTIONS AND OBSERVATIONS



- No funds are recommended for repairs or replacements of plumbing fixtures in restrooms and shower rooms over the loan term plus two years. Refer to photographs nos. 59 to 63 in Section 10.Exhibits.

3.4.2 HEATING – For discussions on ‘Common Area’ Heating, Air Conditioning and Ventilation, Distribution and Control Systems refer to Interior Elements Common Areas, 3.7.1. For discussions on ‘Tenant Spaces’ Heating, Air Conditioning and Ventilation, Distribution and Control Systems refer to Interior Elements Tenant Spaces, 3.7.2.

3.4.2.1 HEAT GENERATING EQUIPMENT

3.4.2.2 DISTRIBUTION SYSTEMS

3.4.3 AIR CONDITIONING AND VENTILATION

3.4.3.1 EQUIPMENT

3.4.3.2 DISTRIBUTION SYSTEMS

3.4.3.3 CONTROL SYSTEMS

3.4.4 ELECTRICAL

3.4.4.1 SERVICE AND METERING

Three phase, four-wire, 200amp electrical service enters each townhome and each single family unit via underground conduits at the front or side of each building. Three phase, four-wire, 400amp electrical service enters each apartment building via underground conduits to an electrical closet at the end of each building. From the electrical closet service is distributed to electrical boxes located within a utility room of each apartment unit. Individual meters are provided to the town homes and single family homes. Sub meters are not provided within the apartment buildings. The electrical service observed is in good condition. Tenants interviewed did not indicate any concerns or problems with the electrical service nor were there any problems reported by management. Normal operating funds are deemed sufficient to maintain electrical service over the loan term plus two years.

- No funds are recommended for repairs or replacements of electrical distribution systems over the loan term plus two years. Refer to photographs nos. 86 & 87 in Section 10.Exhibits.

3.4.4.2 DISTRIBUTION SYSTEMS

Electrical distribution is by copper wires within the buildings. Ground Fault Interrupter (GFI) receptacles are located within the dwelling unit utility room, kitchen and each bathroom. The electrical equipment observed within the dwellings is in good condition. Tenants interviewed did not indicate any concerns with the electrical distribution system nor were there any problems reported by management. Normal operating funds are deemed sufficient to maintain electrical distribution systems over the loan term plus two years.

- No funds are recommended for repairs or replacements of electrical distribution systems over the loan term plus two years. Refer to photos nos. 88 & 89 Section 10.Exhibits.

3.5 VERTICAL TRANSPORTATION - There are no vertical transportation systems (elevators or escalators) within Sample Apartments.

3.6 LIFE SAFETY AND FIRE PROTECTION

3.6.1 SPRINKLERS AND STANDPIPES

A wet sprinkler system serves each apartment building. No fire standpipe system is shown on the as-built drawings nor is a system installed within the apartments. Sprinkler heads were observed within the individual dwellings and on each floor of the apartment buildings breezeway landings. The sprinkler system observed in the apartments appears consistent with the sprinkler system specified on the construction drawings and reviewed by the consultant. Sprinkler pumps and controls located in a ground floor closet in each apartment building were observed in good condition. Pumps and controls in 50% of apartment buildings are on average ten-years old and should be replaced during the loan term plus two years. Normal operating funds are deemed sufficient to maintain the remaining sprinkler systems pumps and controls within the apartments.

- Funds are recommended to replace 50% of sprinkler pumps in the buildings that are on average ten-years old. Refer to Recommendations and Opinions of Probable Costs for Reserves for Replacements Section 10.EXHIBITS.

Item #	Photos	Property Condition Report SECTIONS	AVE EUL	EFF AGE	RUL	Quantity	Unit	Unit Cost	12 Year Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10 Year Term Total Cost	
	92 & 93	3.6.1 Replace fire pump seals/ refurbish or replace fire pump motors. Based on average 50% apartment buildings that are 10 years old.	20	10	10	44	ea	\$2,500	\$110,000											\$110,000	\$110,000

### 3.6.2 ALARM SYSTEMS

Within the apartment dwellings Life Safety and Fire Protection systems consist of smoke and fire detectors that are interconnected, electrically powered with battery backup. Within the apartment exits (stairs and breezeways) there are manual fire alarm pull stations; these devices are interconnected to a central Fire Alarm control panel located in the Leasing Building. There are audible alarms and strobe alarms at the ground floor of each apartment breezeway. The central Fire Alarm control panel, fire alarm pull stations, gongs and emergency lights are maintained and tested by an independent Fire Protection Contractor and inspected annually by the Building Authority having jurisdiction in Sample County. The detection and alarm systems observed by the consultant are in good condition and appear functional for the intended purposes. Testing and maintenance records and County Certificates of Inspection and Acceptance are available for review at the on-site Property Management Office.

Emergency exit illumination, which is in good condition, is also installed within the apartment breezeways and exit stairs.

Within townhomes and single family dwellings Life Safety and Fire Protection systems consist of smoke detectors on each floor that are interconnected, electrically powered with battery back-up. The systems observed are consistent with the construction drawings reviewed by the consultant. The smoke detectors observed by the consultant are in good condition and appear functional for the intended purposes. Based on the consultants interview with management and a review of maintenance records available on-site it appears property management is replacing smoke and fire detectors on a routine bases. Normal operating funds are deemed sufficient to maintain the alarm systems and emergency exit illumination systems over the loan term plus two years.

- No funds are recommended for repairs or replacements of the alarm systems over the loan term plus two years. Refer to photographs nos. 95 to 97 in Section 10.Exhibits.

### 3.6.3 OTHER SYSTEMS

No other building systems are shown on the Sample Apartment as-built drawings provided to the consult for review.

**3.7 INTERIOR ELEMENTS**

**3.7.1 COMMON AREAS**

**Finishes** - Interior common areas at Sample Apartments are limited to the Pool Bathhouse and the Leasing Clubhouse; floor finishes include carpet within public spaces and ceramic tile at kitchens and restrooms/ changing rooms. Wall finishes are primarily painted drywall. Finishes were observed in good condition.

- Funds are recommended to replace the common area carpet finishes and repaint walls three times over the loan term plus two years.

Refer to Recommendations and Opinions of Probable Costs for Reserves for Replacements Section 10.EXHIBITS.

Item	Photos	Property Condition Report SECTIONS	AVE EUL	EFF AGE	RUL	Quantity	Unit	Unit Cost	12 Year Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10 Year Term Total Cost
#	97 to 100	<b>3.7.1 Common Areas Finishes:</b> Replace carpets & interior painting on a 4 year cycle. In the restroom and kitchen areas of the Leasing Building and the Pool Clubhouse there are ceramic tile floors which should exceed the loan term plus two-years.	4	5	-1	3,000	sf	\$20	\$60,000	\$60,000				\$60,000					\$60,000	\$180,000

**Heating, Air Conditioning and Ventilation, Distribution and Control Systems-** the Pool Clubhouse and the Leasing Clubhouse are each heated and cooled by an individual gas furnace with split system air conditioner with interior evaporator and a condenser located on grade. Conditioned air is distributed within each building by sheet metal ducts and controlled by a thermostat within the spaces. The heating, air conditioning and ventilation, distribution and control systems of each building are in good condition. The heating, cooling and control systems have an expected useful life of 20 years; the duct distribution system has an expected useful life of 40 years.

- Funds for reserves are recommended to replace both furnaces and air conditioning units within the loan term plus two years.

Refer to Recommendations and Opinions of Probable Costs for Reserves for Replacements Section 10.EXHIBITS.

Item	Photos	Property Condition Report SECTIONS	AVE EUL	EFF AGE	RUL	Quantity	Unit	Unit Cost	12 Year Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10 Year Term Total Cost
#	100 to 106	<b>3.7.1 Common HVAC, Distribution and Control Systems -</b> Replace AC and Furnace units within Leasing Clubhouse and Pool Clubhouse	20	10	10	2	ea	\$6,500	\$13,000									\$2,600	\$2,600	\$5,200

**3.7.2 TENANT SPACES**

DOMESTIC HOT WATER -Each dwelling unit includes a 40-gallon electric water heater, typically located in a closet off the kitchen in apartments and in a basement within the townhouses and single family houses. There are pressure relieve valves piped to a floor drain. The water heaters appear original and in good condition. The expected lifespan of domestic electric water heater is twelve to fifteen years and the water heaters range from an average of five-years old to an average of ten-years old.

- .Funding for reserves is recommended to replace the oldest water heaters within the loan term plus two years.

Refer to Recommendations and Opinions of Probable Costs for Reserves for Replacements Section 10.EXHIBITS.

Item	Photos	Property Condition Report SECTIONS	AVE EUL	EFF AGE	RUL	Quantity	Unit	Unit Cost	12 Year Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10 Year Term Total Cost	
27	64	3.7.2 Replace 40 gallon, electric <b>water heaters</b> . Based on <b>50% are on average 5 years old</b> .	15	5	10	221	ea	\$300	\$66,420										\$22,140	\$22,140	
28	65-66	3.7.2 Replace 40 gallon, electric <b>water heaters</b> . Based on <b>50% are on average 10 years old</b> .	15	10	5	369	ea	\$300	\$110,700	\$22,140	\$22,140	\$22,140	\$22,140	\$22,140							\$110,700

BATHROOMS - Each dwelling unit includes a bathtub and lavatory fixtures made of porcelain over steel; and commodes made of porcelain. Bathroom fixtures observed are in good condition and their remaining useful life spans should exceed the loan term plus two years.

- No funds are recommended for repairs or replacements of the bathroom fixtures over the loan term plus two years.  
 Refer to photographs nos. 95 to 97 in Section 10.Exhibits.

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**3.7.2 TENANT SPACES (CONT.)**

KITCHENS include washers, dryers, and sinks with disposals, dishwashers, refrigerators and ranges. Appliances observed are in good condition. Remaining useful life spans vary according to the fixture, manufacturer and model number. Management replaces disposals and sinks as a part of unit turnover when necessary.

- Funds for reserves are recommended to replace the kitchen appliances within the loan term plus two years.

Refer to Recommendations and Opinions of Probable Costs for Reserves for Replacements Section 10.EXHIBITS.

Item	Photos	Property Condition Report SECTIONS	AVE EUL	EFF AGE	RUL	Quantity	Unit	Unit Cost	12 Year Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10 Year Term Total Cost	
42	74	3.7.2 Fixtures Kitchen - Replace washers and dryers. Based on 50% of units are on average 10 years old.	12	10	2	369	ea	\$1,000	\$369,000	\$73,800	\$73,800	\$73,800	\$73,800	\$73,800							\$369,000
43	73	3.7.2 Fixtures Kitchen - Replace washers and dryers. Based on 50% of units are on average 5 years old.	12	5	7	369	ea	\$1,000	\$369,000						\$73,800	\$73,800	\$73,800	\$73,800	\$73,800		\$369,000
44	73	3.7.2 Fixtures Kitchen - Replace dish washers. Based on 50% of units are on average 5 years old.	12	5	7	369	ea	\$400	\$147,600						\$29,520	\$29,520	\$29,520	\$29,520	\$29,520		\$147,600
45	74	3.7.2 Fixtures Kitchen - Replace dish washers. Based on 50% of units are on average 10 years old.	12	10	2	369	ea	\$400	\$147,600	\$29,520	\$29,520	\$29,520	\$29,520	\$29,520							\$147,600
46	75	3.7.2 Fixtures Kitchen - Replace ranges. Based on 50% units are on average 5 years old.	15	5	10	369	ea	\$550	\$202,950										\$202,950		\$202,950
47	76	3.7.2 Fixtures Kitchen - Replace ranges. Based on 50% units are on average 10 years old.	15	10	5	369	ea	\$625	\$230,625	\$46,125	\$46,125	\$46,125	\$46,125	\$46,125							\$230,625

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**3.7.2 TENANT SPACES (CONT.)** Funds for reserves are recommended to replace the kitchen appliances within the loan term plus two years.

Item	Photos	Property Condition Report SECTIONS	AVE EUL	EFF AGE	RUL	Quantity	Unit	Unit Cost	12 Year Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10 Year Term Total Cost
48	77	3.7.2 Fixtures Kitchen - Replace refrigerators. Based on 50% units are on average 5 years old.	15	5	10	369	ea	\$650	\$239,850						\$47,970	\$47,970	\$47,970	\$47,970	\$47,970	\$239,850
49	78	3.7.2 Fixtures Kitchen - Replace refrigerators. Based on 50% units are on average 10 years old.	15	10	5	369	ea	\$650	\$239,850	\$47,970	\$47,970	\$47,970	\$47,970	\$47,970						\$239,850

**HEAT GENERATING; AIR CONDITIONING AND VENTILATING EQUIPMENT**

Each dwelling unit includes a gas furnace and a split air conditioner (AC) unit each manufactured by Carrier. The furnaces and air conditioning evaporator are located in a closet within the dwelling unit. The condensing unit is located on grade beside each dwelling or apartment building. The Carrier systems appear original and are in good condition. No heating or air conditioning concerns were noted. Expected useful life of this Carrier furnace model and this Carrier AC model is 20 years.

- Funds for reserves are recommended to replace the older furnaces and AC units within the loan term plus two years. The furnace and AC replacements should be coordinated.

Refer to Recommendations and Opinions of Probable Costs for Reserves for Replacements Section 10.EXHIBITS.

Item	Photos	Property Condition Report SECTIONS	AVE EUL	EFF AGE	RUL	Quantity	Unit	Unit Cost	12 Year Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10 Year Term Total Cost
50	79-80	3.7.2 Heat Generating Equipment - Replace furnaces that are on average 10 years old. Coordinate with replacing AC units - Section 3.7.2.	20	10	10	369	ea	\$1,900	\$701,100							\$116,850	\$116,850	\$116,850	\$116,850	\$467,400
52	84	3.7.2 Air Conditioning and Ventilation - Replace AC's that are on average 10 years old. Coordinate with replacing furnaces - Section 3.7.2.	20	10	10	369	ea	\$2,500	\$922,500							\$153,750	\$153,750	\$153,750	\$153,750	\$615,000

**3. SYSTEM DESCRIPTIONS AND OBSERVATIONS**

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### 3.7.2 TENANT SPACES (CONT.)

#### DISTRIBUTION SYSTEMS AND CONTROL SYSTEMS

A central fan in each dwelling unit distributes heated or cooled air through sheet metal ducts to individual rooms and a return air vent is installed in the furnace/air conditioner (AC) closet door. Management replaces fan units, when necessary, as a part of unit turnover. Limited sections of the ducts were observed and are in good condition. The expected remaining life of the distribution systems exceed the loan term plus two years. The furnace and air conditioner are each controlled by the same centrally located thermostat within each dwelling unit. The expected useful remaining life of thermostats exceed the loan term plus two years, however, thermostat replacements should be coordinated with replacements of individual furnaces and ACs.

- No funds are recommended for distribution or control systems over the loan term plus two years.  
 Refer to photographs nos. 81 to 83 in Section 10.Exhibits.

#### FLOORING

Each dwelling unit has carpeting through-out with the exception of sheet vinyl floors in the kitchens and bathrooms. Based on the consultant's observations and discussions with property management staff the apartment flooring is replaced on a five-year cycle and was observed in good condition.

- Funds are recommended to replace dwelling unit floor finishes on a five-year cycle.  
 Refer to Recommendations and Opinions of Probable Costs for Reserves for Replacements Section 10.EXHIBITS.

Item	Photos	Property Condition Report SECTIONS	AVE EUL	EFF AGE	RUL	Quantity	Unit	Unit Cost	12 Year Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10 Year Term Total Cost
56	100 to 106	3.7.2 Tenant Spaces: <b>FLOORING</b> - Continue replacing carpet and vinyl flooring on a 5 - year cycle.	5	3	2	0	ea	\$1,500	\$0	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600	\$26,000



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**3.8. MISCELANEOUS SYSTEMS**

Certain areas of the Leasing building and clubhouse and the Pool clubhouse and changing/shower rooms are not accessible to the disabled as is required by the American's with Disability Act (ADA).

- Funds are recommended to design ADA improvements and prepare a construction cost estimate.

Refer to Opinions of Probable Costs to Remedy Immediate Physical Deficiencies in Section 10.EXHIBITS. *Based on Architect's design and cost estimate additional funds will likely be necessary to upgrade non accessible conditions within these buildings. It is beyond the scope of this PCR to design and estimate costs for ADA improvements.*

Item	Photos	Property Condition Report SECTIONS	AVE EUL	EFF AGE	RUL	Quantity	Unit	Unit Cost	12 Year Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10 Year Term Total Cost
<b>3.8 MISCELANEOUS SYTEMS</b>																				
57	107 to 110	Fund AE Analysis & construction specifications to upgrade public spaces within Sample Apartments to meet Americans With Disabilities Act (ADA). Refer to ADA Survey in Section 10 Exhibits.				1	ea	\$8,000	\$8,000	\$8,000										\$8,000

**3. SYSTEM DESCRIPTIONS AND OBSERVATIONS**

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#### 4. ADDITIONAL CONSIDERATIONS

None

#### 5. DOCUMENTS REVIEWED AND INTERVIEWS

##### 5.1 DOCUMENTS REVIEWED

The Owner's Representative provided the following documents that were reviewed by the consultant: digital construction documents; hard copies of the subdivision plans; property maintenance records, maintenance and testing Contracts for Fire Alarm and Fire Suppression systems, jurisdictional inspection records of Fire Alarm and Fire Suppression systems, jurisdictional inspection records of swimming pool pumps and filters and dwelling unit certificates of occupancy.

Based on a review of the information collected by the Survey Collection and Interview Tools, and on site observations the consultant believes that documents provided to the consultant by the property representatives (Section 5.1) and reviewed by the consultant reflect accurately the improvements of Sample Apartments.

A review of a soils report or other geological information was not intended to be included within the scope of this PCR.

##### 5.2 INTERVIEWS

The consultant utilized survey collection tools and Interview tools. Copies of the completed Surveys and Interviews are included in Section 10 EXHIBITS.

Based on a review of the information collected by the Survey Collection and Interview Tools, and on site observations the consultant believes that documents provided to the consultant by the property representatives (Section 5.1) and reviewed by the consultant reflect accurately the improvements of Sample Apartments.

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## 6. RECOMMENDATIONS & OPINIONS OF PROBABLE COSTS TO REMEDY PHYSICAL DEFICIENCIES

Recommendations and Opinions of Probable Costs to Remedy Physical Deficiencies are organized as follows and provided in the separate Excel Workbook, Section 10 EXHIBITS.

- **IMMEDIATE DEFECIENCIES** (Material Life Safety Deficiencies or Building Code Violations) = **\$8,000.00**  
Refer to ADA Survey in Section 3.8 MISCELANEOUS SYSTEMS which is a brief summary of non- compliance with the American's with Disability Act.  
Also refer to the ADA Survey in Section 10 EXHIBITS.
- **SHORT TERM DEFICIENCES** (Initial year of Loan Term) = **\$620,905.00**
- **RESERVES FOR REPLACEMENTS** (Loan Year 2 through the last year of Loan Term + 2 Years) = **\$5,662,790.00**

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## 7. OUT OF SCOPE CONSIDERATIONS

Activity Exclusions: The activities listed below generally are excluded from or otherwise represent limitations to the scope of a PCA prepared in accordance with, ASTM E2018-08 Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process. The following should not be construed as an all-inclusive list or imply that any exclusion not specifically identified below is a PCA requirement under ASTM E2018-08 Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process.

- 7.1 Identifying capital improvements, enhancements, or upgrades to building components, systems, or finishes. The consultant must be aware of the distinction between repair and replacement activities that maintain the property in its intended design condition, versus actions that improve or reposition the property.
- 7.2 Removing, relocating, or repositioning of materials, ceiling, wall, or equipment panels, furniture, storage containers, personal effects, debris material or finishes; conducting exploratory probing or testing; dismantling or operating of equipment or appliances; or disturbing personal items or property that obstructs access or visibility.
- 7.3 Reporting on the presence or absence of pests such as wood damaging organisms, rodents, or insects unless evidence of such presence is readily apparent and material during the course of the field observer's walk-through survey or such information is provided to the consultant by the owner, user, property manager, etc. The consultant is not required to provide a suggested remedy for treatment or remediation, determine the extent of infestation, nor provide opinions of probable costs for treatment or remediation of any deterioration that may have resulted.
- 7.4 Reporting on the condition of subterranean conditions, such as soil types and conditions, underground utilities, separate sewage disposal systems, wells; systems that are either considered process-related or peculiar to a specific tenancy or use; or items or systems that are not permanently installed.
- 7.5 Entering or accessing any area of the premises deemed to potentially pose a threat of dangerous or adverse conditions with respect to the field observer's health or safety, or to perform any procedure, that may damage or impair the physical integrity of the property, any system, or component.
- 7.6 Providing an opinion on the condition of any system or component, that is shutdown. However, the consultant is to provide an opinion of its physical condition to the extent reasonably possible considering its age, obvious condition, and manufacturer, etc.
- 7.7 Evaluating acoustical or insulating characteristics of systems or components.

## 7. OUT OF SCOPE CONSIDERATIONS

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- 7.8 Providing an opinion on matters regarding security of the subject property and protection of its occupants or users from unauthorized access.
- 7.9 Operating or witnessing the operation of lighting, lawn irrigation, or other systems typically controlled by time clocks or those that are normally operated by the building's operation staff or service companies.
- 7.10 Providing an environmental assessment or opinion on the presence of any environmental issues such as potable water quality, asbestos, hazardous wastes, toxic materials, the location or presence of designated wetlands, mold, fungus, or an assessment of Indoor Air Quality (IAQ), etc.
- 7.11 Warranty, Guarantee, and Code Compliance Exclusions—By conducting a PCA and preparing a PCR, the consultant merely is providing an opinion and does not warrant or guarantee the present or future condition of the subject property, nor may the PCA be construed as either a warranty or guarantee of any of the following:
- 7.11.1 Any system's or component's physical condition or use, nor is a PCA to be construed as substituting for any system's or equipment's warranty transfer inspection;
  - 7.11.2 Compliance with any federal, state, or local statute, ordinance, rule or regulation including, but not limited to, fire and building codes, life safety codes, environmental regulations, health codes, zoning ordinances, compliance with trade/ design standards, or standards developed by the insurance industry. However, should there be any conspicuous material, present violations observed or reported based upon actual knowledge of the field observer or the PCR reviewer, they should be identified in the PCR;
  - 7.11.3 Compliance of any material, equipment, or system with any certification or actuation rate program, vendor's or manufacturer's warranty provisions, or provisions established by any standards that are related to insurance industry acceptance/approval, such as Factory Mutual (FM), State Board of Fire Underwriters, etc.

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## 8. QUALIFICATIONS

### 8.1 Field Observer Statement of Qualifications

### 8.2 PCR Reviewer Statement of Qualifications

Mr. Johnson is a 1979 graduate of the University of Maryland, School of Architecture. He earned his Masters of Business Administration from the University of Maryland in 1989. He received professional registration as an architect from Maryland in 1982 and from Virginia in 1994 and has practiced architecture for over thirty-years. Mr. Johnson is an active member of BuildingSMARTalliance. He is also a participant with American Society Testing Materials (ASTM) Task Group E2418 Standard Guide for Readily Observable Mold and Conditions Conducive to Mold in Commercial Buildings: Baseline Survey Process.

## 9. LIMITING CONDITIONS

9.1 If there are Conditions limiting the Property Condition Report (PCR) they are discussed within the Consultant's Proposal for PCR Services and reiterated herein.

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**10. EXHIBITS – All exhibits are within the separate Excel spreadsheet.**

10.1 Survey Collection & Interview Tools

10.1.1 Completed Surveys

10.1.1.1 American's with Disabilities Act (ADA) Accessibility Survey

10.1.1.2 Pre-Survey Questionnaire

10.1.2 Completed Interviews

10.2 Recommendations and Opinions of Probable Costs to Remedy Physical Deficiencies

10.2.1 IMMEDIATE DEFECIENCIES (Material Life Safety Deficiencies or Building Code Violations)

10.2.2 SHORT TERM DEFICIENCES (Year 1 of Loan Term) and RESERVES FOR REPLACEMENTS (Loan Year 2 through the last year of Loan Term + 2 Years)

10.3 Photographs of Sample Apartments – Photographs are not included in SAMPLE Property Condition Report.

10.3.1 Representative conditions

10.3.2 Material physical conditions

10.4 Government Agency Provided Information – Government Agency provided information is not included in SAMPLE Property Condition Report.

10.4.1 Base Building(s) Certificate of Occupancy

10.4.2 Outstanding and Recorded material Building Code Violations

10.4.3 Recorded material Fire Code Violations

10.5 Appraisals - None

10.6 Warranties - None

10.7 Pending proposals and/or executed contracts for material repairs/improvements: Refer to Section 10 Exhibits for contract for balcony repairs contract.

10.8 Previously prepared Property Condition Report(s) or Studies of subject property's physical condition - None

10.9 Records indicating building occupancy percentage(s) - None

10. EXHIBITS

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NOTES:

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END OF PROPERTY CONDITION REPORT

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