

# GUIDANCE DOCUMENT PROPERTY CONDITION ASSESSMENT (PCA) BASE DOCUMENT\*

## I. General Requirements

The ultimate customer/investor will use the report to help make prudent investment decisions. Consultants performing this service shall use good professional judgement and practical / common sense approach in determining which items of investigation need a greater level of investigation and detailed reporting (and which items can be handled with casual inspection and brief comment in the report.)

\*This Base Document may be used in conjunction with **Special Criteria For Specific Transactions Types**: documents. Section II Item B.12 in this document refers to the various special criteria. Section III. of this document provides additional scope "Options" that may be required beyond the Base Document and Special Criteria. Please refer to your Client's specific directions and/or contract for identification of specific Special Criteria required and Options selected.

### A. PURPOSE

Principal Real Estate Investors, LLC is considering a loan on or financial investment in the property referenced. The consultant shall perform an analysis and assessment of the physical conditions of the property by an on-site inspection with the aid of available construction drawings. The Consultant will cover all aspects of building related problems, future concerns, and deficiencies or organize a team of professionals as necessary to investigate, visit the site and assist in the preparation of the report.

### B. FORMAT, TIMING, DRAFTS

Reports should be addressed to Principal Real Estate Investors, LLC.

Compile a complete report, in the format suggested later, and deliver three (3) final copies to Principal Real Estate Investors, LLC and one (1) copy to the borrower (if requested in the contract addendum) by the due date noted in the contract addendum. Provide draft or verbal reports if indicated in the project addendum. Draft reports may be emailed without attachments. Only photos of significant deficiencies need to be included in emailed drafts.

If the consultant is not hired directly by Principal Real Estate Investors, Principal Real Estate Investors shall be copied on any drafts issued.

### C. SCOPE

The consultant shall investigate, inspect, research, analyze, assess, and deliver a Property Condition Assessment as described in Section II. Include all information and attachments necessary to substantiate the consultant's depth of inquiry, source of materials, observations, findings and recommendations for further actions. Consultants shall clearly separate facts and observations from inferences and conclusions.

### D. SPECIAL CONSIDERATIONS

Consultants performing reviews and analysis of the components, systems, and designs should have competency in the disciplinary areas of their individual portion of the report. If observed conditions require the services of a specialist, not on the review team, the consultant is to contact PRINCIPAL REAL ESTATE INVESTORS, LLC "A.S.A.P." so arrangements for special in-depth analysis can be made.

## II. PROPERTY CONDITION ASSESSMENT (PCA) REPORT FORMAT

### A. ORDER OF REQUIRED REPORT COMPONENTS

- |                                   |                         |
|-----------------------------------|-------------------------|
| 1. Cover Letter / Copy of Invoice | 8. Property Profile     |
| 2. "Rely" Letter                  | 9. Regulatory Review    |
| 3. Title                          | 10. Expanded Body       |
| 4. Table of Contents              | 11. Options             |
| 5. Executive Summary              | 12. Special Criteria    |
| 6. Budget Estimates               | 13. Qualifiers          |
| 7. Project Directory              | 14. List of References  |
|                                   | 15. Appendices / Photos |

### B. The Following is an expanded explanation of the Report requirements:

- 1) **Cover Letter** and a letter of transmittal, and copy of fee invoice for services to the client and lender.
- 2) **Rely Letter**, Consultant shall include rely letter or letters, similar to those attached as "Exhibit 1- Rely Letters" completed and signed by a principal of the firm and originals bound into each copy of the report.

The letter, "Letter Format for Principal Real Estate Investors, LLC as Lender/Purchaser," shall be included in every report whether or not the Consultant is hired by Principal Real Estate Investors, LLC or Borrower.

- 3) **Title Page** naming the report, the property, the client (Principal Real Estate Investors, LLC), the consultant, and the date of presentation/delivery.
- 4) **Table of Contents** in the order of the following requirements:
- 5) **Executive Summary** - a brief introduction and summary of the property and the Consultant's study and findings.
  - a) Make a brief summary of the assignment and activities undertaken.
  - b) Summary of assessments, conclusions, and recommendations noting observations, general condition, overall quality and appearance, regulatory compliance, major problems and superadequacies.
- 6) **Budget Estimates (see Exhibit 2)**

Consultant should express in a line item, budgetary form, their professional opinion of the property building components under consideration and specifically comment on any major deficiencies, existing or probable in the future. The overall intent is to determine what a prudent investor should logically include as present and future expenses on physical items necessary to maintain the facility in quality working order through the life of the investment period. Budget Estimates shall be represented in today's dollars.

Include cost of present and future items needing repair, replacement and/or correction. The Consultant will report costs in 4 categories: Immediate (0-1 year), Short Term (2-4 years), Mid Term (5-10 years) and Long Term (over 10 years).

Budget estimates for needed present and future repairs, replacements due to faulty installation, improper design, rehabilitation, deferred maintenance or maintenance needed above current routine maintenance. Identify future replacements based on

the “Effective Useful Life” of a component with the focus being building components with a high cost to replace. List units, quantities, most probable unit cost and the most probable year of the expected repair. Include design professional and construction management fees separately for analysis. Provide a 1 or 2 page summary for Budget Estimates. Elaborate on the cost assumptions, discuss appropriate timing and expected duration in the “Estimated Cost Basis” in the expanded body of the report.

The Consultant shall estimate the “Remaining Useful Life, (RUL)” of major replaceable, repairable components, equipment and finishes (such as roof membrane, caulk, paving, landscaping, mechanical equipment, plumbing fixtures, overhead doors, and office finishes). As a first step, use the manufacturer’s “Expected Useful Life, (EUL)” ; Determine an “Effective Age, (EFF AGE)” considering original quality and workmanship, previous and on going use and level of maintenance provided. Apply the rule of thumb equation:  $(EUL) - (EFF AGE) = (RUL)$ . From this result, the Consultant shall pick the most probable year of the repair and include it in the Cost Estimate.

Complete “Budget Estimate Review Sheet” similar to that shown in Exhibit 2.

- 7) **Project Directory** if the information is available identify original architect and engineer of record, developer, contractor, property manager, etc.
- 8) **Property Profile**, including but not limited to the following:
  - a) Name and Address
  - b) General site description, site area, zoning designation, topography, geological features, surroundings
  - c) Building Gross Square footage per building and indicate source.
  - d) Building height (interior clear height if a warehouse)
  - e) Year building was constructed, applicable building codes during construction, type of construction per building code and occupancy classification.
- 9) **Regulatory Review**
  - a) Code Violation Check: Consultant shall check with local fire and building authorities to see if there are any violations or citations on file against the property or building and report findings.
- 10) **Expanded Body** of the report should follow the outline used in describing the building under items 11 and 12. Suggested format for each building element is as follows:

Description:  
Observations/Comments/Conclusions/Recommendations:  
Estimated Cost Basis:

Use references to all the illustrations and photos to reduce verbal descriptions (text) and increase clarity.

  - a) **Documents Review** – The consultant should review original construction documents if available to familiarize themselves with the construction prior to visiting the site. Indicate documents reviewed, date, and architect or engineer of record.

- b) **Property Inspection – Upon authorization to proceed, make arrangements with the contact provided to visit and inspect site, building, roofs, and representative number of interior spaces. Consider the following during the onsite inspection.**
- i. **Site** – Walk the site, indicate condition of landscaping, lighting, parking surfaces, curbs, walks, drainage, retaining walls, etc. Note any unusual site features such as wells, retention ponds, etc.
  - ii. **Building Structure** – Describe structural system. Look for any signs of structural problems, settlement, cracking, uneven floors, excessive deflections at lintels and beams, etc.
  - iii. **Building Façade** – Examine general condition of wall system, including glazing, sealants, flashings, doors and frames, sills, etc. Note any signs of water intrusion such as efflorescence, loose mortar, or interior staining. Note any signs of previous remedial work such as tuck pointing, or wet sealing.
  - iv. **Tenant Spaces** – Sample adequate number of tenant spaces as required to form an opinion on the overall condition of the property.
  - v. **Building Code Compliance/Exiting** – Note any obvious violations of code such as compromised fire separations, improper exiting. Review ADA compliance for common areas and building path of travel.
  - vi. **Roof** – In combination with information from available plans and site inspection, note type and general conditions of roof and related work including flashings, curbs, receivers, overflows, downspouts, etc. Indicate roofs apparent age, and actual age. Note any significant repairs and patches. Note areas of excessive deflection and ponding. Estimate condition of deck and insulation. Estimate cost of needed repairs and eventual replacement. If attic space is present note adequacy of ventilation and condition/presence of required fire draft stops.
  - vii. **Mechanical, Plumbing and FP Systems** – Review and inspect mechanical systems. Note condition, and age of major components. Estimate age and expected remaining life of major component. Note type of fire sprinkler system and coverage.
  - viii. **Electrical System** – Review and inspect electrical system. Note capacity of service and how the property and tenants are metered. Describe condition and capacity any additional electrical components such as emergency generators, fire alarm systems, energy management systems, etc.
- c) **Photographs** - During the course of the inspection, take color photographs to adequately describe the property, systems, problems, features, relationships, etc. Reference these photos in the body of the report to more fully illustrate the subject property. Label the photos. Provide appropriate notes to describe what the photo is illustrating. Indicate the dates of all photos. Include color photos in all copies of the reports issued.
- d) **Interviews** - with individuals knowledgeable about the development, design, construction (if property improvements are recent development) and the operation.
- i. Development of Site and Building(s) design, permits, and construction.
  - ii. Operations and Maintenance Programs: preventative maintenance, regular service and maintenance, past and current problems, tenant responsibilities.

- iii. Planned Repairs, Replacements or Remodel including scope of work, objectives and budgets.

- 11) **Options** Include optional information or third party reports as required by the contract addendum.
- 12) **Special Criteria for Specific Transaction types:** This Base Document may be used in conjunction with Specific Transaction Type Special Criteria Documents. The special criteria document to use (if any) will be noted on Principal Real Estate Investors's addendum (engagement letter) or contract. If engagement is through the borrower and the information is not provided, contact Principal Real Estate Investors, LLC directly. The following is a list of available Special Criteria Documents:

Special Criteria Documents for Mortgage Lending

- Forward Commitments
- CMBS Transactions

Special Criteria Documents for Acquisitions

- Indust/Warehouse/25% Max. Office
- Flex-Office/R & D
- Low Rise Office
- Mid Rise Office
- High Rise Office
- Strip Retail
- Multi-Family Housing
- Regional Malls
- Parking Structure

- 13) **Qualifiers** (optional) noting professional standards and practices used in the process of developing the report and intended use of report.
- 14) **List of References**, i.e.: professional or industry standards, codes, organization journals, articles, publications, special studies, consultants, building professionals.
- 15) **Appendices** including illustrations not used in the body of the report, photos, important documents (or excerpts from the documents), correspondence, certificates of occupancy, building permits, special permits and/or approvals from regulatory agencies, typical floor plates, site plans, elevations, computations, etc. Include a brief resume of the field inspector.

### III. **OPTIONAL ITEMS FOR INCLUSION IN THE REPORT**

\*(Refer to Contract, or Contract Addendum for Given Property Report Requirement)

The following is a list of optional items the lender/purchaser may require in addition to the base Property Condition Assessment guidance document requirements. The items selected by authorized PFG personnel shall be included in the investigation and report.

1. **Limited Gross Building Area Measurement** - Using construction plan documents (if available), provide a calculation of gross building area:
  - a. Use dimensions from plans where available and scale from plans when dimensions are not available.
  - b. Compare with building owner contact provided data.
  - c. If construction plan documents are not available, contact PrincipalCapital Management's representative for instructions
  - d. The PFG representative may advise consultant (in the case of c. above) that if the buildings are simple in shape and structure, measuring and counting structural bays, or measurement of exterior walls with a measurement wheel may be acceptable.

2. **Full BOMA Building Area Measurement: Gross, Rentable, Usable** - Through a combination of efforts using available building plans and physical measurement of the building during inspection, the consultant is to provide building areas in the report according to the following definitions as provided by the Building Owners and Managers Association (BOMA):

Construction Area/Gross Building Area:

- a. Construction area is measured from the exterior face of all perimeter walls.
- b. Areas include all enclosed floors, basements, mechanical and equipment floors, penthouses, etc.
- c. NOT USED FOR LEASING. Only used to determine building cost or value.

Rental Area:

- a. Measure to the inside surface of the dominant portions of permanent outer building walls.
- b. Exclude all major vertical penetrations on the floor.
- c. Make no deductions for columns and projections necessary for the building.
- d. RENTABLE AREA IS FIXED FOR THE LIFE OF THE BUILDING AND IS NOT AFFECTED BY CHANGES IN CORRIDOR SIZE OR CONFIGURATION.
- e. Total income producing portion of the building.

Usable Area:

- a. Measure to the finished surface of the office side of a corridor and other permanent walls, to the centers of partitions separating two usable areas and to the dominant portion of the permanent outer building walls.
- b. No deductions for columns and projections necessary to the building.

3. **Parking Space Count and Parking Zoning Requirement Review** - Using the combination of reviewing site surveys and field counting, identify the existing number of available parking spaces. Review zoning requirements and compare to actual.

Parking Space Count:

- a. Compact spaces
- b. Regular spaces
- c. Spaces for disabled Americans
- d. Spaces for van accessible disabled Americans

#### Parking Zoning Requirements

- a. Estimate the various square footages (from rent rolls or floor plans) of each occupancy type currently built out; calculate the required parking; compare with actuals.
- b. Consider vacant and occupied space and indicate if parking limitations may impact amount and type of occupancy in the remaining space to be leased.
- c. In non-office type zones, check for zoning regulations that might set a maximum percentage of office use vs. warehouse or manufacturing.

4. **ADA and local disabled code compliance summary** - The consultants shall make a general, walk-through assessment of the significant items necessary for compliance with requirements of the ADA or other local disabled codes or regulations, broken down into the following categories:

- a. "Barrier Removal" where "readily achievable" in terms of the ADA requirements for "existing places of public accommodation" or other requirements for existing buildings.
- b. Additional Costs of "alterations" for both "places of public accommodation" and "commercial facilities," including items required on the "path of accessibility" under the ADA or other additional costs needed for renovation or remodeling projects.

Some of the significant items that have been encountered are: Raised and Braille signs throughout a building; replacement of round-knob locksets with lever handles; major revisions to toilets for stall space; Elevator System (cabs and call buttons); ramps and lifts; van parking, addition of completely new fire alarm control panels to accommodate ADA strobe alarms. Provide detailed budget estimates if the aggregate amount to meet ADA compliance exceeds \$10,000.

5. **Geotechnical Investigation Reports** – Review existing geotechnical reports. Check for conformance to industry standards and procedures for soil investigations, testing, and classifications. Report any unusual conditions. Summarize the Soils Engineer's recommendations for foundation design and construction. Note any fill material placed anywhere on the property.

6. **Specialist Roof Consultant Assessment (without core cuts or destructive testing):** The PCA Consultant shall arrange for the services of a specialist roof consultant acceptable to the Lender/Purchaser who will assess the condition of the roof to include the following scope of services beyond those required in the Base Document:

- a. Roof Consultant's representative will visit the site, view and walk the roof, take pictures of defects and deficiencies, make notes and take measurements for later preparation of a report;
- b. investigation and review of previous consultants' analyses;
- c. review repair invoices;
- d. consultation with past roofing contractors; and
- e. prepare a report including a layout showing the defects and deficiencies noted, locations where pictures were taken and any prior test or cut locations.
- f. Include in the report a detailed list of the costs of anticipated repairs and replacement cost at today's prices with an opinion of the estimated time before replacement would be required.

7. **Specialist Roof Consultant Assessment (with core cuts and destructive testing):** This option shall be the same as and include all the above for option number 8, plus the scope of services shall include a minimum of three (3) core cuts of the roof and insulation to the structural deck and the testing of these core samples to determine the nature of the

roof, the insulation and quality for use in projecting the estimated time before a roof replacement would be required.

8. **Certificate of Occupancy (C of O)** - Locate the latest C of O pertaining to the last major tenant improvement or renovation. If available, provide the C of O for the original construction. These are available through the owner or obtained through the local building officials' office.
9. **Parking and Truck Turn Around.** Use attached graphic to help determine truck turn around capabilities and or deficiencies. Include in the report, the critical dimensions relating to the property in question. Note any possible truck and car traffic conflicts on the site as well as obstacles that might hinder easy truck turnaround and docking. (See the attached diagram "Critical Site Dimensions for Semi-Trailer Trucks" for reference, **Exhibit 3**)
10. **Exterior Wall System Analysis:** A report shall be prepared on the exterior wall system of the building. The report shall be prepared by a consultant experienced in design and forensic analysis of exterior building wall systems, and shall be approved or selected by The Principal Financial Group. The analysis shall:
  - a. Review all documents pertaining to the design, testing, and construction off the wall system.
  - b. Survey interior side of exterior walls for signs of leakage, and interview occupants and maintenance personnel for leakage history.
  - c. Survey existing condition and review historical performance of all materials and assemblies, and estimate their remaining useful life, quantities, and costs to replace.

Stage drops, disassembly, destructive testing, inferred testing, spray bar testing, or pressure testing, may be required.

The scope of work will be provided in a separate guidance document or shall be submitted by the consultant and pre-approved by The Principal Financial Group.

11. **Heating, Ventilation, and Air Conditioning (HVAC) System Analysis:** A report shall be prepared on the HVAC system. The report shall be prepared by a consultant experienced in the design and forensic analysis of HVAC systems, and shall be approved or selected by The Principal Financial Group. The analysis shall include all of the items listed in the Base Document Special Criteria Section, plus:
  - a. Review all documents pertaining to the design, construction, operation, and maintenance of the HVAC system.
  - b. Interview in-house or third party maintenance staff who are currently operating the system. Ask for information on trouble areas, or areas they see as needing work.
  - c. Provide your analysis on the status of Indoor Air Quality in the building, and make all necessary recommendations to improve or maintain as is.
  - d. Provide your analysis on the state of CFC management by the building Owners. Make all necessary recommendations to maintain air conditioning in the building for the foreseeable future, or next 20 years.

Ultra-sonic, non-destructive testing of water lines may be required in a building. Infrared scanning of electrical equipment, air and water flow testing, or other tests may also be required. The scope of work will be provided in a separate guidance document or shall be submitted by the consultant and pre-approved by The Principal Financial Group.

12. **Elevator System Analysis:** The report shall be prepared by a consultant experienced in the design, operation, and maintenance of Elevators, and shall be approved or selected



by The Principal Financial Group. The analysis shall include all of the items listed in the Base Document Special Criteria Section, plus:

- a) Review all documents pertaining to the design, construction, operation, and maintenance of the Elevator system.
- b) Interview in-house or third party maintenance staff who are currently operating the system. Ask for information on trouble areas, or areas they see as needing work.
- c) Provide your analysis on the status of overall car control and monitoring, and of individual door controls. Make all necessary recommendations.
- d) Provide your analysis on the maintenance of the elevators. Review the Elevator maintenance contract, and compare to actual system. Note all deficiencies and areas for improved enforcement. Make all necessary recommendations to improve requirements of maintenance contract.

Infrared scanning of electrical equipment, vibration testing on motor and hoistway equipment, and other tests on door closures and safety devices may be required. The scope of work will be provided in a separate guidance document or shall be submitted by the consultant and pre-approved by The Principal Financial Group.

### 13. **Design Documents Review**

The consultant shall make their best efforts in working with the property owner to obtain plans, specifications and related construction documents as available or necessary. Review these documents assessing those concerns contained in this document. Pay particular attention to the nature of all design professionals' involvement in quality assurance and quality control during construction. Do not review shop drawings, design calculations, field reports and similar detailed documentation unless a specific problem warrants further in-depth analysis.

- a. **Construction**
  - i. Quality of original design and engineering practices.
  - ii. Appropriateness of selected systems, components, materials and equipment.
  - iii. Quality of materials, construction methods and workmanship.
  - iv. Unique maintenance or durability factors and significant defects.
  - v. General level of finish in relation to the market for similarly functioning and located properties.
- b. **Functional**
  - i. Site-access, layout, traffic flow, loading dock areas, parking, drainage, utilities, paving, landscaping, subdivision possibilities.
- c. **Design**
  - i. Building-plan functionality, size, space, volume, clear height, efficiency.
  - ii. Adaptability of other use, tenant space, flexibility.
  - iii. Aesthetics, curb appeal.

Review Property Maintenance Program if available to determine the adequacy considering budgets, preventive and scheduled maintenance and servicing of equipment and building components, as it pertains to useful life projections.

#### 14) Construction Closeout Document Review

- a) If borrower and general contractor are related parties:
  - i) Obtain Contractor Schedule of Values
  - ii) Obtain subcontractor/supplier payment schedule to include for each subcontractor or supply with a contract directly with the general contractor or owner:
    - (1) Subcontractor name and phone number
    - (2) Initial contract amount
    - (3) Changes to contract amount to date
    - (4) Payments to date
    - (5) Amount remaining to pay
    - (6) Value of unconditional waivers of lien collected
  - iii) Obtain tenant punch list and estimate cost to complete
  - iv) Indicate any unfinished work noted during site visit and estimate cost to complete.
- b) If borrower and general contractor are not related parties:
  - i) Obtain contractor schedule of values
  - ii) Obtain project contract amount and change orders to date
  - iii) Obtain Value of unconditional waivers of lien collected to date.
  - iv) Obtain most recent payment application if available.
  - v) Obtain tenant and/or owner punch list and estimate cost to complete
  - vi) Indicate any unfinished work noted during site visit and estimate cost to complete.
  - vii) Interview architect and contractor for any outstanding issues or concerns
- c) Summarize construction progress payment status, include:
  - i) Value of incomplete work
  - ii) Value of completed work not yet funded
  - iii) Value of work without unconditional lien waivers
  - iv) Retainage status
  - v) Total money yet to fund on the project and estimate of timing of funding.
- d) Include photos as necessary to fully illustrate the project at the time of report and any incomplete details.

# Exhibit 1

## Example Rely Letter

[Rely Letter Format for Principal Real Estate Investors, LLC as Lender/Purchaser]  
(On Consultant's Letterhead)

[Date]

Principal Real Estate Investors, LLC  
Attn: \_\_\_\_\_  
Des Moines, IA 50392-1350

Re: Property Physical Condition Report Certification  
\_\_\_\_\_  
Commitment No.: \_\_\_\_\_

Dear \_\_\_\_\_:

This letter is written with respect to a (**proposed loan origination/purchase**) by Principal Real Estate Investors, LLC to/from \_\_\_\_\_ ("**Borrower**"/ "**Seller**") which is to (**secure a mortgage on/purchase**) the above-described property (the "Property"). We, the undersigned consultant, have been retained by (**Lender/Purchaser**) to provide a Property Condition Assessment(the "Report") on the Property. The undersigned further understands and acknowledges that providing the Report in a form and substance acceptable to Principal Real Estate Investors, LLC is a condition to the closing of the subject transaction. Please be advised that Principal Real Estate Investors, LLC can rely on the Report entitled \_\_\_\_\_, dated \_\_\_\_\_. In addition, this letter certifies that the Report was completed incorporating the guidelines for scope and format set forth in Principal Real Estate Investors, LLC's guidance documents and that the report satisfies such requirements set forth therein.

The undersigned further acknowledges that \_\_\_\_\_, and any successors and/or assigns may rely on this Report to the same extent that Principal Real Estate Investors, LLC is able to rely on the Report.

Sincerely,

\_\_\_\_\_

## Exhibit 2

DESCRIPTION	Cost Source	COST ESTIMATE			Long Term (10+ years)	Estimated Year
		Immediate (0-1 Year)	Short Term (2-4 Years)	Mid Term (5-10 Years)		
<b>Site</b>						
Seal Asphalt (24,526 SF)	Means		\$ 4,415		\$ 7,400	Year 2
Restripe Parking Lot (24,516 SF)	Means					Year 10
Remove and replace exterior stair east side (1 EA)	Means	\$ 2,800				Year 1
Replace treads and fix loose railing at vacant tenant warehouse (1 EA)	Means	\$ 800				Year 1
<b>ADA ramp --West entrance</b>						
Raised sidewalk and landing (50 SF)	Means		\$ 2,500			Year 3
<b>ADA ramp --South entrance</b>						
Wood access ramp, 4' wide, 70' Long 60"rise w/ turnabout (1 EA)	Means		\$ 7,800			Year 4
Provide ADA parking stalls with signs (2 EA)	Means		\$ 750			Year 4
Add 26 car spaces per zoning, pave NE stone area (11,300 SF)	Means		\$ 17,000			Year 2
<b>Facades</b>						
Fix Broken Bricks and Patch Holes (4 areas)	D Base	\$ 850				Year 1
<b>Roof</b>						
Additional Roof Maintenance \$4,300 / Year, Flashings & Penetrations	D Base	\$ 4,300	\$ 12,900	\$ 25,800	\$ 25,800	All years Year 17 Year 2
Roof Replacement	Means				\$ 143,000	
Add crickets for proper drainage	Subcont.		\$ 8,900			
<b>Interior</b>						
<b>Plumbing</b>						
<b>Heating, Ventilation &amp; Air Conditioning</b>						
<b>Fire Protection</b>						
<b>Electrical</b>						
<b>Conveying Systems</b>						
<b>TOTAL</b>					\$ 176,200	
<b>Market A/Eng. Fees (8%) + Construction Mgmt. Fees (10%)*</b>					\$ 31,716	
		\$ 8,750	\$ 54,265	\$ 25,800		
		\$ 1,575	\$ 9,768	\$ 4,644		

\*A/E & fees per market and job, more or less as the case may require.

State the source of cost data: R.S. Means, Local Suppliers or Subcontractors, Consultants data base, Owner's previous proposals

Recommended Building Categories \_\_\_\_\_

Estimates are in today's dollars \_\_\_\_\_

ADA items are clearly indicated as such \_\_\_\_\_

Please arrive at the most probable cost number for an improvement and pick the most probable year \_\_\_\_\_

**Definitions:**

Immediate (0 - 1 year) - Existing or potentially unsafe conditions, conditions significantly impacting current tenancy, building code violations

Short Term (2 - 4 years) - Deferred maintenance taking priority over routine maintenance, Items needed before accepting future tenants, replacements due to improper design, faulty installation and/or substandard quality of original system or materials

Mid Term (5 - 10 years) - Placed in respective category based on the expiration of its Expected Useful Life (EUL), Effective age (EFF AGE) may be greater than its Actual Age (ACT AGE) due to the degree of preventative maintenance exercised, degree of use, exposure to elements, or initial quality and installation. (EUL) - (EFF AGE) = (RUL)

Long Term (10+ years) - Focus on major building components with a high cost to replace (ie. roof membrane, chiller / cooling tower, transformer, etc.)

### Budget Estimate (Not required on CMBS transactions)

# Exhibit 3

## SEMITRAILER AND TRACTOR

### MAXIMUM ALLOWABLE LENGTH

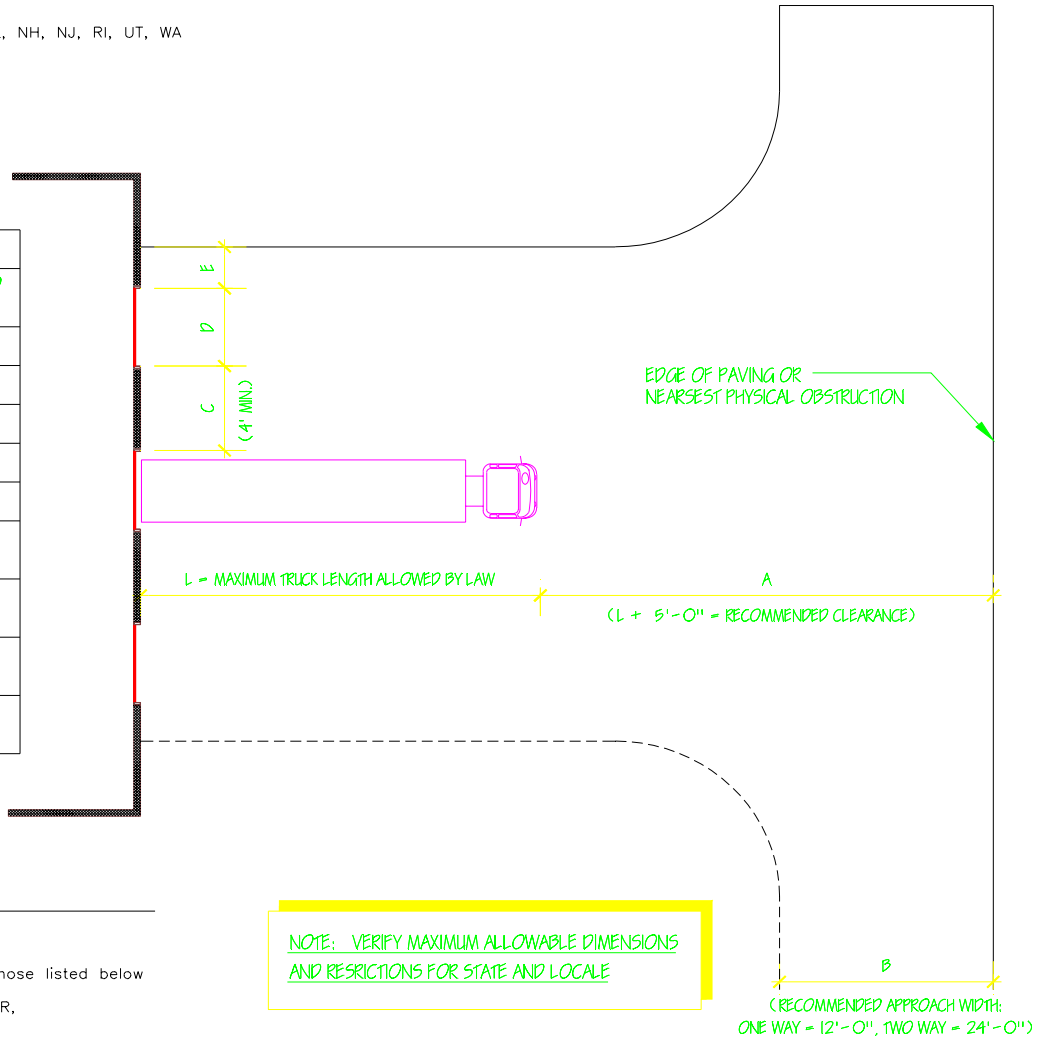
UNIT	TRAILER	STATE
55'-0"	53'-0"	DC
55'-0"	48'-0"	MD
60'-0"	53'-0"	DE, WI
60'-0"	48'-0"	GA, NC, SC, VA, WV
60'-0"	45'-0"	MA, NY
60'-0"	-	MO, OR, VT
65'-0"	57'-0"	TX
65'-0"	53'-0"	OK
65'-0"	50'-0"	LA
65'-0"	48'-0"	HI, ME
65'-0"	-	CA, MN, NM, PA
70'-0"	48'-0"	AK
70'-0"	-	CO, NV
75'-0"	48'-0"	ID, MT
75'-0"	-	ND
80'-0"	53'-0"	SD
85'-0"	60'-0"	WY
-	53'-0"	NB, OH, IL, IN, IA, KS, KY
-	51'-0"	AZ
-	50'-0"	AL, MI, MS
-	48'-0"	AR, CT, FL, NH, NJ, RI, UT, WA
-	-	TN

## DOUBLE SEMITRAILER AND TRACTOR

### MAXIMUM ALLOWABLE LENGTH

UNIT	EACH TRAILER	STATE
60'-0"	28'-0"	GA, SC, VT, VA
61'-0"	-	UT
65'-0"	30'-0"	LA
65'-0"	28'-6"	MA, MN, NY, TX
65'-0"	28'-0"	DE, HI, MD, MO, NM, PA
65'-0"	-	ME, NB
70'-0"	28'-0"	CO, OK
75'-0"	28'-6"	CA, MT
75'-0"	28'-0"	ND
75'-0"	-	AK, OR
80'-0"	28'-6"	SD
85'-0"	-	WY
105'-0"	-	ID
-	30'-0"	MS
-	28'-6"	AL, AZ, IN, IA, KS, MI, TN, WI
-	28'-0"	AK, CT, DC, FL, KY, NH, NJ, NC, WV
-	27'-6"	RI
-	-	IL, NV, OH, WA

CRITICAL SITE DIMENSIONS	
	FIELD VERIFIED DIMENSION
A	
B	
C	
D	
E	
LOADING DOCK DOOR HEIGHT	
MAX. ALLOWABLE TRUCK LENGTH	
MAX. ALLOWABLE TRUCK WIDTH	
MAX. ALLOWABLE TRUCK HEIGHT	



### VEHICLE HEIGHT

MAXIMUM ALLOWABLE TOTAL HEIGHT	
STATE	HEIGHT
In all states, except those listed below	13'-6"
FL	13'-0"
CA, ID, ME, NV, ND, OR, UT, WA, WY	14'-0"
CO, NB	14'-6"

### VEHICLE WIDTH

MAXIMUM ALLOWABLE TOTAL WIDTH	
STATE	WIDTH
In all states, except those listed below	8'-6"
DE, DC, FL, IL, IA, KY, LA, MI, MO, NY, NC, PA, SC, TN, VA, WV	8'-0"

NOTE: VERIFY MAXIMUM ALLOWABLE DIMENSIONS AND RESTRICTIONS FOR STATE AND LOCALE

CRITICAL SITE DIMENSIONS FOR SEMITRAILER TRUCKS			
	<b>CRE ENGINEERING SERVICES</b>	DRAWN BY: RAINEY	SCALE: NONE
		BLDG NO:	CAD FILE: WHSE_TRK
		DATE: 1-25-95	SHEET OF