



PROPERTY CONDITION ASSESSMENT REPORT RESORT



123 Main Street
City, State, Zip
NDDS Project #2311111

Prepared For:

Property Investors

National Due Diligence Services, a Division of American Surveying and
Mapping, Inc.
221 Circle Drive, Maitland, Florida 32751
Telephone: 407-426-7979; Fax: 407-426-9741
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January 1, 2023

Property Investors

RE: Property Condition Report
Resort
123 Main Street
City, State, Zip
NDDS Project #2311111

Dear Sir/Madam

National Due Diligence Services, a division of American Surveying and Mapping, Inc. (ASM) has completed a Property Condition Assessment (PCA) of the above referenced property. The PCA was conducted in accordance with the ASTM International (ASTM) Standard Guide for Property Condition Assessments: *Baseline Property Condition Assessment Process E 2018-15* (the Standard), the applicable engagement letter with **Property Investors** (Client) dated January 1, 2023 and generally accepted industry standards.

This report was prepared solely for the use of Client and any party specifically referenced in Section 2.5 User Reliance. No other party shall use or rely on this report or the findings herein, without the prior written consent of NDDS.

Please do not hesitate to contact us at (877) 439-2582 if you have any questions or if we can be of further service to you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ronnie Long', is positioned above the printed name.

Ronnie Long
Assessments Director

Prepared by:

A handwritten signature in black ink, appearing to read 'James Freely', is positioned above the printed name.

James Freely
Senior Assessor

Reviewed by:

A handwritten signature in black ink, appearing to read 'Ronnie Long', is positioned above the printed name.

Ronnie Long
Assessments Director

National Due Diligence Services, a Division of American Surveying
and Mapping, Inc.

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| PROPERTY CONDITION ASSESSMENT SUMMARY | | | | |
|---|--------------------------|-------------------------------|-------------------------------|-------------------------------------|
| Resort | | | | |
| 123 Main Strret | | | | |
| City, State, Zip | | | | |
| NDDS PROJECT 2311111 | | | | |
| OPINION OF PROBABLE COST TO REMEDY PHYSICAL DEFICIENCIES/DEFERRED MAINTENANCE | | | | |
| ITEM | | | IMMEDIATE COSTS | SHORT-TERM COSTS |
| Asphalt Pavement Crack Routing and Sealing (Resort and Golf Club) | | | | \$4,750 |
| Repair Damaged & Spalled Sections of Concrete Curbing (Resort and Golf Club) | | | | \$1,800 |
| Sidewalk Trip Hazard Repair (Resort and Golf Club) | | | \$3,600 | |
| Clean & Scrape Delaminated Rebar at Concrete Pool Equipment Shed | | | | \$1,000 |
| Repair Damaged Stucco at Conference Center Loading Dock | | | | \$600 |
| Re-Point/Repair CMU Wall Crack at the landscape facility | | | | \$1,200 |
| Assorted BUR Membrane Repairs (Repair Allowance) | | | | \$2,500 |
| Power Station Repairs at the marina | | | | \$5,000 |
| Reinspect Elevators with Expired Certificates | | | \$2,500 | |
| Investigate Fire Alarm Panels in "Trouble" Mode (Resort and Hotel) | | | \$5,000 | |
| ADA Survey (Resort) | | | \$2,500 | |
| ADA Restroom Upgrade Allowance (Resort) | | | \$14,000 | |
| | | | | |
| SUB-TOTAL OF ESTIMATED COSTS | | | \$27,600 | \$16,850 |
| TOTAL ESTIMATED PHYISCAL DEFICIENCIES/DEFERRED MAINTENANCE | | | | \$44,450 |
| CAPITAL REPLACEMENT RESERVES SUMMARY | | | | |
| CAPITAL REPLACEMENT RESERVE TERM | TOTAL UNINFLATED RESERVE | ANNUAL UNINFLATED COST PER SF | TOTAL INFLATED RESERVE (2.5%) | ANNUAL INFLATED COST PER SF (@2.5%) |
| 12-Year | \$ | \$ | \$ | \$ |

| CAPITAL REPLACEMENT RESERVES SUMMARY (RESORT-HOTEL) | | | | |
|---|--------------------------|-------------------------------|-------------------------------|-------------------------------------|
| CAPITAL REPLACEMENT RESERVE TERM | TOTAL UNINFLATED RESERVE | ANNUAL UNINFLATED COST PER SF | TOTAL INFLATED RESERVE (2.5%) | ANNUAL INFLATED COST PER SF (@2.5%) |
| 12-Year | \$ | \$ | \$ | \$ |
| CAPITAL REPLACEMENT RESERVES SUMMARY (GOLF CLUB) | | | | |
| CAPITAL REPLACEMENT RESERVE TERM | TOTAL UNINFLATED RESERVE | ANNUAL UNINFLATED COST PER SF | TOTAL INFLATED RESERVE (2.5%) | ANNUAL INFLATED COST PER SF (@2.5%) |
| 12-Year | \$ | \$ | \$ | \$ |
| CAPITAL REPLACEMENT RESERVES SUMMARY (ANCILARY STRUCTURES AND MARINA) | | | | |
| CAPITAL REPLACEMENT RESERVE TERM | TOTAL UNINFLATED RESERVE | ANNUAL UNINFLATED COST PER SF | TOTAL INFLATED RESERVE (2.5%) | ANNUAL INFLATED COST PER SF (@2.5%) |
| 12-Year | \$ | \$ | \$ | \$ |

Conditions noted in the Property Condition Assessment Summary are representative of the overall conditions of the property. There may be more detail on specific assessment components in the Report text, therefore the Property Condition Assessment.

Summary should not be used as a standalone document.

Costs shown in tables are rough approximations of cost and should not be used for budgeting purposes. If more detailed, thorough, or accurate estimated costs are desired, the services of a professional cost estimator should be engaged.

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1.0 SUMMARY

Property Name: Resort
Property Address: 123 Main Street
City, State, Zip

1.1 General Description

(the "Subject") is an approximately 14- to 58-year-old (completed in phases between 1964 and 2008), **Resort Hotel, Golf Club Facility** and **Marina** sited on a combination of 27 irregularly shaped parcels located on 500 to 500-acres of land in City, State. Ingress and egress to the **Resort Hotel** and **Golf Club Facility** is provided via a main entrance along County Road that along the north end of the Subject. The **Marina** is accessed along State Road 14 to the east and Lake to the northwest. Onsite parking is provided in numerous asphalt paved parking lots throughout the site.

The **Resort Hotel** contains full-sized luxury facilities with full-service accommodations and amenities that attracts both business conferences and vacationing tourists. There are three individual hotels within the resort, San Miguel, San Diego and San Angel that are 2- and 4-stories in height and contain a total of 176-guestrooms. The resort features a **Conference Center** building that is comprised of various sized conference/banquet rooms. In-between the hotel and conference center buildings is a two-story **Restaurant Complex** within a plaza (De Las Palmas) that is comprised of three restaurants (La Hacienda, La Margarita and El Conquistador), five meeting rooms on the lower level and one on the upper level, and a lounge. The Restaurant Complex utilizes two full-service kitchens that provides food and beverage to the hotel and conference center guests.

The **Golf Club Facility** contains a clubhouse, pro shop, Restaurant, Ballroom and Spa Marbella in addition to the two 18-hole championship golf courses (El Campeón & Las Colinas).

Amenities for the Subject include an outdoor heated swimming pool and spa with exterior/tented patios and bar, a fitness center, billiards/game room, business center, 7 outdoor tennis courts and 4 pickleball courts, 2 volleyball courts, playground equipment and others. There are also various water fountains throughout the site and a waterfall feature.

The **Marina** (Del Rey) is comprised of 55-slips constructed out of concrete floating docks with 16 associated shore power stations along the south bank of Lake Harris. Associated with the Marina is a 400 SF mobile home structure utilized as an office.

A site diagram is provided in Appendix A of this report. Photographs of the Subject Property are provided in Appendix B.

1.2 General Physical Condition

| | |
|----------------------------------|----------------|
| General Condition: | Good to Fair |
| Level of Maintenance: | Good |
| Estimated Remaining Useful Life: | 30 to 35 years |

Recent Capital Improvements: None Provided

Planned Capital Improvements: None Provided

1.3 Opinion of Probable Cost

Based on the walk-through of the Subject Property, interviews conducted and information obtained while conducting this PCA, NDDS's opinion of the probable cost to address area of physical deficiency or deferred maintenance, that would be considered outside the normal on-going routine maintenance of a property, are provided in Table 1- Opinion of Probable Costs to Remedy Physical Deficiencies - Deferred Maintenance Schedule in Appendix C of this report.

As well, based on the walk-through survey of the Subject Property, interviews conducted and information obtained while conducting this PCA, NDDS estimates the following minimum capital reserves will be required for the Subject Property. A detailed capital replacement reserves is provided in Table 2 - Capital Replacement Reserve Schedule in Appendix C of this report.

1.4 Deviations from the ASTM Guidelines

Based on the ASTM Guidelines, deviations from Standard are required to be discussed in the PCA Report. NDDS's deviations from the guides are intended to make the PCA more comprehensive and to meet the requirements of Client. The following is a list of the deviations from and additions to ASTM E2018-15.

The condition of the building structures and components evaluated will be broken down into one of four categories:

- 1) Poor – Requiring action with 12 months;
- 2) Fair – Serviceable, but showing age and wear and requiring maintenance, repair or replacement within the timeframe addressed in the Replacement Reserve Table;
- 3) Good – No major signs of age or wear, but may be requiring maintenance, repair or replacement during the reserve term depending on the estimated remaining useful life (RUL) of the component; and
- 4) Excellent – New or like new and not requiring replacement during the reserve term. These are terms not defined or outlined in the Standard.

This PCA includes a Capital replacement reserves which estimates the minimum capital reserves necessary to maintain the Subject Property for its current usage. The inclusion of a Capital Replacement Reserve Schedule is not included in the Standard.

This PCA includes a discussion of seismic considerations, mold and compliance with the Americans with Disabilities Act (ADA), all of which are non-scope considerations under the Standard.

1.5 Recommendations

- 1) Asphalt parking areas typically have an EUL of 20 to 25 years depending on the quality of the original construction, level of maintenance, traffic and weather conditions. The EUL can be extended significantly with periodic sealing of the surfaces and proactive repair of cracks and potholes as they develop. Costs for periodic sealing and striping of the asphalt-paved areas are included in the Capital Replacement Reserve Schedule.

- 2) The application of a partial 1-1/2" asphalt overlay is anticipated during the term and costs for overlaying during the reserve term in phases are also included in the Capital Replacement Reserve Schedule.
- 3) Portions of the parking lot and driveway areas is encumbered with isolated wide (1/4" or larger) that have previously been sealed, but have since reopened. Due to the age of the paving and the fact that the cracks are not widespread alligatoring type, a full overlay is not prudent at this time. These cracks will require individual attention so as to not allow stormwater infiltration into the sub-base. Repairs should include routing along the length of each crack and then sealing. Costs for repairs are included within the Physical Deficiencies/Deferred Maintenance Table 1.
- 4) Pavement markings were found to be in fair condition. Re-striping is not warranted as an immediate improvement, but is recommended as part of either a resurfacing or in conjunction with an asphalt sealant application and included in the Capital Replacement Reserve Schedule.
- 5) Cast-in-place concrete curbing was found to be in good-to-fair condition. Isolated sections of the concrete curbing were noted to be chipped, spalled and damaged throughout the parking lot and driveway areas (Photos X & X). Repair such sections with a concrete patching compound to match existing. Costs for repairs are included within the Physical Deficiencies/Deferred Maintenance Table 1.
- 6) Concrete flatwork generally has an EUL in excess of 25 years if constructed over a properly stabilized base and maintained regularly. No areas requiring immediate attention were noted. The flatwork at the Subject Property should be addressed as part of routine maintenance. Costs for ongoing concrete repair are included in the Capital Replacement Reserve Schedule.
- 7) There were isolated cracked sections that were 1/4" or larger. Most of these cracks can be patched with a non-shrinking grout. Costs have been included to repair the sidewalk cracks in the Cost schedule; however, this work can be completed in-house or by an outside contractor at minimal cost.
- 8) Sidewalks exhibit various sections of heaving and/or settlement. Most of these cracks can be patched with a non-shrinking grout. Special attention is directed to the areas which could be a tripping hazard. These sections of sidewalk should be removed and replaced. Costs for repairs are included within the Physical Deficiencies/Deferred Maintenance Table 1.
- 9) The steel reinforcing bars (rebar) were partially exposed along the underside of the concrete roof/ceiling of the pool mechanical shed. Repairs should include scraping all rusted and delaminated rebar along the underside of the roof/ceiling down to

sound material. Apply a metal bonding agent/anti-corrosive coating. Costs for repairs are included within the Physical Deficiencies/Deferred Maintenance Table 1.

- 10) Exterior maintenance, such as power-washing, painting and caulking, is required every six to eight years depending on the quality of work performed, quality of materials used and weather conditions. The buildings are likely to require maintenance during the reserve term and costs are included in the Capital Replacement Reserve Schedule.
- 11) The BUR systems atop the San Diego hotel building, the Conference Center and Restaurant appears to be nearing the end of the typical range of its EUL of 15 to 20 years; however, there was no reported evidence of widespread leakage. It is possible, provided that there is an increase in preventive maintenance, that the roof may last an additional five years before warranting replacement. A budget has been included in the Physical Deficiencies/Deferred Maintenance Table 1 to perform maintenance repairs to the affected areas of the BUR and extend its EUL. Furthermore, a budget for replacement of the roof has also been included in the Capital Replacement Reserve Schedule.
- 12) Should the warranty(s) of the TPO roof membrane be located, a roof warranty transfer inspection by the roofing manufacturer would be recommended. Such an inspection is usually highly detailed and examines the scope and quality of repairs made, if any, for acceptance purposes. Manufacturers often require the roof to be in pristine condition before transferring the existing warranty, and repairs are usually required. In addition, if any previous repairs were made, although effective, may not be acceptable. The initial inspection fee is typically about \$1,500 to \$2,500 depending on the manufacturer, size, and remaining years left on the warranty with an additional inspection required after all necessary repairs, if any, are made for another fee. There is usually an additional warranty transfer fee.
- 13) The painted metal ladders affixed to the side of the exterior walls and/or parapets exhibit signs of flaking paint, and/or corrosion. We recommend that the affected areas be wire brushed, cleaned, primed and painted with two coats of rust inhibitive paint. This work can be completed in-house or by an outside contractor at minimal cost as part of routine maintenance.
- 14) Overall, the general condition of the individual PTAC units was observed to be satisfactory. Based on the EUL, continued phased replacement of the units is anticipated during the reserve term and an allowance for the replacement of package units is included in the Capital Replacement Reserve Schedule.
- 15) The exterior air-cooled condenser units and interior electric furnaces and air handlers of the split systems generally have an EUL of 10 to 15 years. The EUL can be extended significantly with the periodic replacement of fan motors, burner assemblies and thermostats, which can be done as part of routine maintenance. Based on the EUL, continued phased replacement of the units is anticipated during

the reserve term and an allowance for their replacement is included in the Capital Replacement Reserve Schedule.

- 16) Generally, the packaged RTUs and grade mounted equipment were found to be in good condition. The age of the equipment varies to each portion of the buildings. RTUs of this type generally have a 15 to 20 EUL. Based on the age of the current units, some replacement is anticipated during the reserve term and an allowance for the replacement of package units is included in the Capital Replacement Reserve Schedule.
- 17) The hot water boilers utilized in the Resort Hotel buildings generally have an EUL of 20 to 25 years and are currently of various ages. Considering the age of the equipment, phased replacement of the units is recommended during the reserve term and costs for replacement are included in the Capital Replacement Reserve Schedule.
- 18) The hot water storage tanks associated with the boilers for the guestrooms in the Resort Hotel buildings generally have an EUL of 15 to 20 years and are currently of various ages from 1 to 5 years. Considering the age of the tanks, phased replacement of some of the units is recommended during the reserve term and costs for replacement are included in the Capital Replacement Reserve Schedule.
- 19) Periodic replacement of the individual domestic hot water heaters throughout the buildings near common area restrooms rooms and the kitchens is expected during the reserve term and an allowance for this replacement is included in the Capital Replacement Reserve Schedule.
- 20) The most current elevator certificates were found in each of the elevator cabs and were issued by the Florida Department of Business and Professional Regulation Bureau of Elevator Safety. However, the three certificates in the San Miguel and San Diego hotel buildings were expired as of August 1, 2022 and therefore they need to be reinspected by the same Department.
- 21) Corridor finishes, such was walls and ceilings, can be repaired and painted as needed as part of the routine maintenance of the property. Other than budgeting for a cycle of carpet replacement in the reserves, no further action is required. NDDS has included an allowance for replacing the corridor carpet in the Capital Replacement Reserve Schedule.
- 22) Periodic updating of the fixtures and finishes of the restroom is anticipated during the reserve term and an allowance for this replacement has been included in the Capital Replacement Reserve Schedule.

- 23) Guestroom finishes, such as walls and ceilings, can be repaired and painted as needed as part of the routine maintenance of the property. Periodic replacement of carpeting is anticipated during the reserve term and an allowance for this replacement has been included in the Capital Replacement Reserve Schedule.
- 24) Interior office finishes, such as walls and ceilings, can be repaired and painted as needed as part of the routine maintenance of the property. Periodic replacement of vinyl flooring and carpeting is anticipated during the reserve term and an allowance for this replacement has been included in the Capital Replacement Reserve Schedule.
- 25) Periodic replacement of the major kitchen equipment is anticipated during the reserve term and an allowance for this replacement has been included in the Capital Replacement Reserve Schedule.
- 26) Periodic replacement of the commercial washers and dryers is anticipated during the reserve term and an allowance for this replacement has been included in the Capital Replacement Reserve Schedule.
- 27) Two of the Subject's fire alarm panels are in "Trouble" mode. A professional testing company should be retained to properly check each device and alleviate any problems with the system.
- 28) Based on the wind zone map, the property is located within a Hurricane Susceptible Region. Therefore, wind/hurricane damage protection/insurance may be required.
- 29) Some of the restrooms at the Subject Property have been brought into compliance with the ADA regulations. However, during our site survey, we noted that several of the restrooms provided limited handicapped accessibility. The law became effective for existing buildings classified as "Public Accommodations" on January 26, 1992. We recommend that an ADA survey be conducted to identify all barriers and any readily achievable improvements/modifications. Costs for the survey and an allowance for restroom upgrades are included within the Physical Deficiencies/Deferred Maintenance Table 1.

Upon completion of the additional assessment recommended, it is possible that additional costs will be identified that will need to be included in either the opinion of probable cost to remedy physical deficiencies/deferred maintenance concerns at the Subject Property or in the Capital Replacement Reserve Schedule.

2.0 INTRODUCTION

2.1 Purpose

NDDS was retained to conduct this PCA of the Subject Property to assist in the acquisition and possibly for subsequent underwriting of a proposed mortgage reserve. The PCA was designed to provide an objective, professional opinion of the general condition of the property through the identification of areas of deferred maintenance and an estimation of the minimum ongoing reserves required to maintain the current usage of the property. Unless specifically noted in the report, the cost estimates included in this report do not include costs to reposition the property in any way. In addition, the PCA is not intended identify de minimis conditions that generally can be addressed through routine maintenance.

2.2 Scope of Work

This PCA was conducted in accordance with ASTM *Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process E 2018-15* and any additional requirements of the client. The specific scope included the following:

Documentation Review and Interviews: The objective of the document review and interviews is to augment the walk-through survey and to assist NDDS in its understanding of the Subject Property and its identification of physical deficiencies. NDDS will review readily available records or documents to specifically identify, or assist in the identification of, physical deficiencies, as well as any preceding or ongoing efforts, or costs to investigate or remediate the physical deficiencies, or a combination thereof. NDDS will attempt to review information such as Certificates of Occupancy (COs), outstanding and recorded building and fire code violations, property-maintained maintenance records, inspection reports and warranties. This assessment, however, is not to be considered a regulatory or code compliance audit of the facility.

A property questionnaire will be provided to the property owner and/or owner's representative. The questionnaire will ask about general property information as well as specific questions regarding known code violations and the condition of the substructure, superstructure and roofs of all improvements, interior finishes, mechanical, electrical and plumbing elements (MEP) and the surrounding grounds.

Accuracy and completeness of information varies among information sources. It is not NDDS's obligation to independently verify the information provided or to identify mistakes or insufficiencies in the information provided. NDDS will, however, make reasonable effort to compensate for mistakes or insufficiencies of information reviewed that are obvious in light of other information obtained in the process of conducting the PCA or otherwise known to the consultant.

Walk-Through Survey: The objective of the walk-through survey is to visually observe the Subject Property so as to obtain information on material systems and components for the purposes of providing a brief description, identifying physical deficiencies to the extent that they are easily visible and readily accessible. A single visit will be made to the Subject Property during which time NDDS shall make a visual observation of material systems and components and identify physical deficiencies and any unusual features. An attempt will be made to inspect the exterior of each major property improvement. On the interior of structures on the property, accessible common areas, expected to be used by occupants or the public, such as lobbies,

hallways and restrooms, maintenance and repair areas, and a representative sample of occupant spaces, will be visually and/or physically observed. Observations of interior areas will generally be limited to 10% of occupiable spaces. The assessment of the building façade will be conducted from street or balcony level. The riding of scaffolding equipment is not part of the scope of work.

The walk-through will be conducted by a single assessor with a well-rounded knowledge of pertinent building systems and components. The use of system subspecialists can frequently provide increased detail in reporting and insight into site conditions. Unless specified in the proposal, no such specialists will be retained in the performance of this work.

The condition of the building structures and components evaluated will be broken down into one of four categories: 1) Poor – Requiring action with 12 months; 2) Fair – Serviceable, but showing age and wear and requiring maintenance, repair or replacement within the timeframe addressed in the Replacement Reserve Table; 3) Good – No major signs of age or wear, but may be requiring maintenance, repair or replacement during the reserve term depending on the estimated remaining useful life (RUL) of the component; and 4) Excellent – New or like new and not requiring replacement during the reserve term.

The walk-through survey will focus on the following areas:

- **Property/Site Features:** Observations will be made of the type, condition and adequacy of the general topography, storm water drainage, ingress and egress, paving, curbing and parking areas, flatwork, landscaping and appurtenances, recreation facilities, amenities and ancillary structures, and utilities.
- **Structural Frame and Building Envelope:** Observations will be made of the type, condition and adequacy of the foundation, building frame, façade and curtain walls, and the roofing systems. Structural systems are frequently concealed and may be inaccessible during an assessment. When this occurs, NDDS's assessment will be limited to the identification of readily visible indicators of common problems.
- **Mechanical, Electrical and Plumbing Systems:** Observations will be made of the type, condition and adequacy of the heating, ventilation and air conditioning (HVAC) systems, electrical systems and plumbing systems.
- **Vertical Transportation:** Observations will be made regarding the presence and condition of any elevators or escalators present on the property.
- **Life Safety/Fire Protection:** Observations will be made of the type, condition and adequacy of sprinkler systems, fire alarm systems or any other life safety and fire protection systems.
- **Interior Elements:** Observations will be made of the type, condition and adequacy of the interior finishes, fixtures, appliances and furnishings.
- **Accessibility:** Depending on the applicability of the regulations, a Tier I Visual Survey will be conducted to determine if the property is in compliance with the Americans with Disabilities Act (ADA) or the Fair Housing Act (FHA). The Tier I survey includes a limited visual assessment of the property to assess if it is accessible and useable by people with disabilities. No measurements will be collected as part of the screening. This screening is not to be considered an in-depth survey or audit. As such, it should not be

considered a verification of compliance or a guarantee of the identification of all possible ADA violations.

Opinions of Probable Costs to Remedy Physical Deficiencies: Based on the documentation review, interviews and walk-through survey conducted, NDDS will identify areas of physical deficiency and deferred maintenance.

Physical deficiency is defined as conspicuous defects or significant deferred maintenance of a Subject Property's material systems, components, or equipment as observed as a result of the field observer's walk-through survey. Included within this definition are material life-safety/building code violations and material systems, components, or equipment that are approaching, have reached, or have exceeded their typical EUL or whose RUL should not be relied upon in view of actual or effective age, abuse, excessive wear and tear, exposure to the elements, lack of proper or routine maintenance, etc. This definition specifically excludes deficiencies that may be remedied with routine maintenance, miscellaneous minor repairs, normal operating maintenance, etc., and excludes de minimis conditions that generally do not constitute a material physical deficiency of the Subject Property. Deferred maintenance is defined as physical deficiencies that could have been remedied with routine maintenance, normal operating maintenance, etc., excluding de minimis conditions that generally do not present a material physical deficiency to the Subject Property.

NDDS will provide opinions of the probable cost to address the suggested remedies of the material physical deficiencies and deferred maintenance identified. Opinions of probable costs will be segregated between immediate and short-term costs.

Immediate Costs include (1) material existing or potential unsafe conditions, (2) material building or fire code violations, or (3) conditions that if left uncorrected, have the potential to result in or contribute to critical element or system failure within one year or will result most probably in a significant escalation of its remedial cost. Short-Term Costs will include the of probable costs to remedy physical deficiencies, such as deferred maintenance that may not warrant immediate attention, but require repairs or replacements that should be undertaken on a priority basis in addition to routine preventive maintenance. Such opinions of probable costs may include costs for testing, exploratory probing, and further analysis should this be deemed warranted by the consultant. The performance of such additional services is beyond the scope of this PCA. Generally, the time frame for such repairs is within one to two years.

Opinions of probable costs will only be provided for material physical deficiencies 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. Opinions of probable costs that are either individually or in the aggregate less than a threshold amount of \$3,000 for like items are considered routine maintenance and are not included in this report. If there are more than four separate like items that are below this threshold requirement, but collectively total over \$10,000, such items may be grouped and included.

These opinions are to assist the user of the report in developing a general understanding of the physical condition of the Subject Property. Opinions of probable costs should only be construed as preliminary, order of magnitude budgets. Actual costs will likely 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, and whether competitive pricing is solicited.

It is not the intent of this assessment for NDDS to prepare or provide exact quantities or identify the exact locations of items or systems as a basis for preparing the opinions of probable costs. Extrapolation of representative observations, conditions deemed by NDDS as highly probable, results from information received, or the commonly encountered expected useful lives (EULs) or RULs of the components or systems, or a combination thereof. The source of cost information utilized by NDDS may be from one or more of the following resources: (1) Client provided unit costs; (2) owner's historical experience costs; (3) consultant's cost database or cost files; (4) commercially available cost information such as published commercial data; (5) third party cost information from contractors, vendors, or suppliers; or (6) other qualified sources that the consultant determines appropriate.

NDDS will also generate a Capital Replacement Reserve Schedule. Capital replacement Reserves are for recurring probable expenditures that are not classified as operation or maintenance expenses. The capital replacement reserves should be budgeted for in advance on an annual basis. Capital reserves are reasonably predictable both in terms of frequency and cost. However, capital reserves may also include components or systems that have an indeterminable life but nonetheless have a potential liability for failure within an estimated time period. Capital replacement Reserves exclude systems or components that are estimated to expire after the reserve term and that are not considered material to the structural and mechanical integrity of the Subject Property. Furthermore, systems and components that are not deemed to have a material effect on the use are also excluded. Costs that are caused by acts of God, accidents, or other occurrences that are typically covered by insurance, rather than reserved for, are also excluded. Replacement costs are solicited from ownership/property management, NDDS's discussions with service companies, manufacturers' representatives, and previous experience in preparing such schedules for other similar facilities. Costs for work performed by the ownership's or property management's maintenance staff are also considered. It is understood that a prudent owner would likely invest more than these minimum amounts.

2.3 Limitations and Exceptions

- The scope of work completed was designed solely to meet the needs of NDDS's Client. NDDS's recommendations and opinions of cost are only as of the date the walk-through performed, documentation reviewed and interviews conducted. Conditions at a property and the costs to remedy them can change significantly over a relatively short period of time due to levels of maintenance, acts of nature and other factors. NDDS shall not be liable for any unattended usage of this report by another party.
- No PCA can wholly eliminate uncertainty regarding the potential for physical deficiencies and the performance of a property's building. There is an inherent subjective nature of opinions as to such issues as workmanship, quality of original installation, and estimating the RUL of any given component or system. This PCA was designed to reduce, but not eliminate the uncertainty regarding the potential for component or system failure, within reasonable limits of time and cost, and no warranty is implied.
- The PCA is intended to be a non-intrusive assessment. No destructive testing was completed and concealed areas, such as inside, plenums, behind walls or within

machinery, were not accessed. As such, NDDS makes no warranties regarding exterior insulation and finishing systems (EIFS), curtain walls or other building skin conditions that would not be readily observable and, therefore, outside the scope of this assignment.

- This PCA does not constitute a regulatory or code compliance audit of the building systems of management systems that may be present at the Subject Property. Testing, measuring, or preparing calculations for any system or component to determine adequacy, capacity, or compliance with any standard is outside the scope of work.
- Information in this report, concerning past and current physical concerns, maintenance and replacement activities, and condition of spaces not observed or viewable, is from sources deemed to be reliable, including, but not limited to interviews with property owners, operators and tenants, interviews with municipal agencies and vendors; however, no representation or warranty is made as to the accuracy thereof. NDDS will have no ongoing obligation to obtain and include information that was not reasonably ascertainable, practically reviewable or provided to NDDS in a reasonable timeframe to formulate an opinion and complete the assessment by the agreed upon due date.
- While the general environmental setting of the property is described, this assessment is not intended to be a formal flood plain or wetland determination, and no warranty is made thereof. Any fungi or mold reference included in this report does not constitute a professional mold inspection and is not based upon any sampling, testing and/or abatement. NDDS merely notes the visual presence or absence of fungi or mold while in the course of preparing this report.

2.4 General Property Reconnaissance Information

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|--------------------------|---|
| Date of Assessment: | January 1, 2023 |
| Assessor: | James Freely & Ronnie Long A copy of the Professional Assessor’s qualifications are included in Appendix D. |
| Property Contact/Escort: | Site Contact (123.456.7890) |
| Areas Accessed: | Parking lots, landscaped areas and similar surface improvements were traversed at intervals sufficient to develop an understanding of their overall condition. The outside of the buildings were observed where access was available. Interior reconnaissance included all common areas such as the hallways and similar areas intended to be used by the public, approximately 10% of the hotel guestrooms, all building maintenance and storage areas. |
| Limitations: | A full investigation of the Spa Marbella portion of the Gulf Club building was not completed because it was not open during the time of our site visit. However, Site Contact provided limited access to the building during our site visit on the 1st |

2.5 User Reliance

All reports, both verbal and written, are for the benefit of **Property Investors** (Client) and its successors and assigns. This report has no other purpose and may not be relied upon by any other person or entity without the written consent of NDDS.

Property Investors (Client) may distribute the report to other parties without limitation; however, it is acknowledged that the report provided to third parties is for informational purposes only. NDDS will issue a reliance letter if requested.

3.0 GENERAL PROPERTY DESCRIPTION

3.1 Salient Property Information

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| Property Size: | 500 to 550-acres over 27 parcels of land Source: Property Questionnaire |
| Property Usage: | Resort Hotel, Golf Club, Marina |
| Number of Buildings: | Approximately 10 (main buildings), 10+ outbuildings |
| Date of Construction: | Completed between 1964 and 2008; (14 to 58 years old) Source: Site Contact |
| Net Building Size: | <u>Resort Hotel</u> Lobby/Front Desk 4,200 SF San Miguel Hotel (4-Flrs) . . . 44,000 SF San Diego Hotel (4-Flrs) . . . 57,000 SF San Angel Hotel (2-Flrs) . . . 23,380 SF Restaurant Complex 20,000 SF Convention Center 12,180 SF Meeting Rooms <u>4,722 SF</u> 161,282 SF <u>Golf Club Facility</u> Clubhouse, Nicker's, Pro- . . . 19,377 SF Shop & Banquet Room Golf Cart Barn 9,564 SF Spa Marbella <u>7,778 SF</u> 36,719 SF Source: Property Questionnaire |
| Legal Description: | A legal description for all 27 parcels can be found in APPENDIX. |

3.2 Tenant and Lease Information

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|--------------------|--|
| Tenants: | The Subject Property is family owned and operated by The Resort & Club |
| Lease Information: | NDDS was not provided a lease for review or any information regarding ownership. |

3.3 Utility and Service Providers

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| Potable Water: | On-site water supply wells. |
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| Electricity: | Duke Energy |
| Natural Gas: | TECO/Infinite Energy |
| Storm Water: | Storm water is discharged into the various ponds throughout the site and the municipal system. |
| Sanitary Sewer: | Central Lake CDD |
| HVAC Maintenance: | None Provided |
| Fire/Security: | None Provided |
| Roof Maintenance: | None Provided |

4.0 DOCUMENT REVIEW AND INTERVIEWS

4.1 Property Questionnaire

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|------------------------|--|
| Completed by: | Owner |
| Pertinent Information: | NDDS requested that a property questionnaire be completed by someone familiar with the operation and maintenance of the facility. The questionnaire covered past and planned capital improvements, typical replacement costs, information from previous assessments and the description of any known or suspected issues of concern. A partially completed copy of the property questionnaire was completed by Owner and a copy is included in Appendix E. |
| Concerns: | No major concerns regarding the physical condition of the Subject Property and improvements were noted in the property questionnaire. |

4.2 Interviews

| | |
|------------------------|---|
| Interviewee: | Owner |
| Pertinent Information: | Owner is the President and General Manager of the Resort and his family is part of the second generation of Ownership. |
| Interviewee: | Engineer |
| Pertinent Information: | Engineer is currently the Chief Maintenance Engineer and has worked at the facility for approximately 17-years. |
| Concerns: | No major concerns regarding the physical condition of the Subject Property and improvements were noted during the interviews conducted. |

4.3 Building and Fire Departments

| | |
|------------------------------|---|
| Building Department Contact: | Contact (123.456.7890) |
| Pertinent Information: | NDDS has not received a response from the building department as of the preparation of this report. It should be noted that municipal departments are often slow to respond to these type requests. A copy of the FOIA letter sent is included in the Appendix. |
| Fire Department Contact: | Contact (123.456.7890) |

Pertinent Information: NDDS has not received a response from the fire department as of the preparation of this report. It should be noted that municipal departments are often slow to respond to these type requests. A copy of the FOIA letter sent is included in the Appendix.

Concerns: No concerns or significant code violations were identified during the check of building and fire department records.

Recommendations: No further study or action is recommended at this time.

4.4 Previous Reports

NDDS was not provided any previous reports for the Subject Property.

5.0 SITE

5.1 Topography and Storm Water Drainage

Description

Topography: The topography of the general area can be characterized as having an overall gentle pitch, that poses no apparent adverse conditions. All of the parcel's site improvements (buildings and pavement) are slightly lower than the main road (County Road) along the north end of the site.

There are various grade changes throughout the site near storm water detention ponds, natural watercourses and drainage trenches. See Appendix A for a topography map of the Subject.

Drainage: Surface drainage is primarily achieved through a combination of pavement sheet flow and a system of interconnect catch basins. Storm waters discharge into the municipal storm water system or into various ponds throughout the site.

Surface Water Bodies: The **Marina** resides along the south bank of Lake (Photo 7).

Observations/Comments

General Condition: Good

Age/Last Action: The topography and storm water drainage are original and are maintained as part of the routine maintenance of the facility.

Concerns

Signs of Ponding: No significant areas of ponding were noted by or reported to NDDS's assessor.

Signs of Erosion: No significant areas of erosion were noted by or reported to NDDS's assessor.

Draining Problems: No major drainage problems were noted by or reported to NDDS's assessor.

Indications of Wetlands: NDDS did not observe any water bodies or vegetation indicative of wetlands on the Subject Property. It is unlikely that portions of the Subject Property would be classified as wetlands.

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| Other | No other significant concerns relating to topography or storm water drainage were noted or reported. |
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Recommendations

Generally, good site drainage should prevail. No areas were observed that appear to be subject to chronic flooding. Such areas would typically be identified by surface staining (both pavement and lawn areas), erosion, visibly clogged curb inlets, catch basins, etc. Our scan of some of the catch basins revealed them to be basically free of silt and debris. The topography and storm water drainage should be maintained as part of the routine maintenance of the property.

5.2 Ingress and Egress

Description

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|---------------------|---|
| Ingress and Egress: | Ingress and egress to the Resort Hotel and Golf Club Facility is primarily provided via the main entrance road that is perpendicular to Country Road along the north end of the Subject property. The asphalt paved entrance road is improved with a security booth building and black painted metal security gates. Upon passing through the security booth, the hotel resort and golf course is to the east (left) and the Golf Club facility and golf course and community is to the west (right) also via asphalt paved roadways. |
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Ingress and egress to the Marina is provided via one point along State Road to the east and along the bank of Lake to the north.

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| Signage: | Property signage is abundant throughout the Subject and is utilized to identify the numerous Resort Hotel and Golf Club buildings and amenities. Signage is typically of the monument type constructed of CMU, of various heights, on concrete pad foundations, finished with beige painted stucco with white trim accents. |
|----------|---|

Observations/Comments

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|--------------------|------|
| General Condition: | Good |
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|------------------|---|
| Age/Last Action: | The ingress and egress to the property is original to the construction of the property. The main signs identifying the property are also original and are maintained as part of |
|------------------|---|

the routine maintenance of the facility.

Concerns

| | |
|---------------------|---|
| Poor Access/Egress: | No concerns relating to property ingress or egress were noted by or reported to NDDS's assessor. |
| Poor Signage: | The signage identifying the property was clearly visible from the main roads and driveways throughout the Subject. No concerns regarding the property signage were noted. |
| Other: | No other concerns relating to access to and egress from the property were noted by or reported to the NDDS assessor. |

Recommendations

No actions regarding property signage or changes to the ingress or egress from the Subject Property are recommended at this time. Site signage should continue to be handled as part of the routine maintenance of the facility.

5.3 Paving, Curbing, and Parking

Description

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| Driveways/Parking Areas: | <p>Internal roadways and parking areas are primarily paved with asphalt. Concrete paving is utilized at select locations such as the pavement below the two front porte-cocheres at the passenger drop-offs of the Resort Hotel. Brick pavers are utilized as accents at the main entrance road into the Subject.</p> <p>On-site parking for the Resort Hotel is provided for approximately 179 cars in various lots along the north sides of the associated buildings. Of these spaces, 4 are handicap accessible. At the time of our site visits, the parking lot areas appeared to be partially filled.</p> <p>The primary guest parking for the main Golf Club Facility, which is located within the circle drive at the main entrance and the auxiliary lot to the north, is provided for approximately 45 cars. Of these spaces, 6 are handicap accessible. There are also approximately 137 parking spaces in the large parking lot utilized primarily for the golf course located to the south of the Golf Club building. At the time of our site visits, the parking lot areas appeared to be partially filled.</p> |
|--------------------------|--|

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|------------------|---|
| Curbing: | Curbing primarily consists of cast-in-place concrete. Precast concrete wheelstops are provided at select parking stalls. |
| Covered Parking: | <p>No covered parking for guest vehicles is provided at the Subject Property.</p> <p>There are four open air structures utilized for the landscaping equipment at the far southeast portion of the site. The largest of which is approximately 4,000 SF. These buildings are constructed with a combination of wood, CMU and steel framed components with corrugated metal roofing.</p> <p>A covered parking garage for reportedly 164 golf carts is provided at the far south end of the Spa (Marbella) portion of the Golf Club Facility. The parking garage portion of the building was an addition that was reportedly completed in 2008.</p> |
| Other: | No other significant features were present that related to the driveways, parking areas or curbing. |

Observations/Comments

| | |
|---------------------|---|
| General Condition: | Good-to-Fair |
| Age/Last Condition: | The driveways and parking areas are at least second generation and are maintained as part of the routine maintenance of the facility. Portions of the driveways and parking areas have been repaired or replaced as needed on an ongoing basis. |

Concerns

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|------------------------|--|
| Faded Striping: | The condition of the striping throughout the property varied. It was generally faded, but still visible. |
| Cracking/Alligatoring: | Overall, asphalt paved areas were found to be in good-to-fair condition. Portions of the drives and parking areas appear to have received isolated repairs here and there. Deficiencies observed consisted of weather erosion of asphaltic fines from the surface; open pavement cracks; open pavement cracks that were previously sealed; and localized areas that are crazed and alligatored. Water penetrating the subgrade base material through un-sealed cracks, coupled with the loads created by vehicular traffic, appear to have been the main causes of most of the surface damage. |

Wide spread alligatoring was observed in select locations of the Resort Hotel parking lots, specifically the parking lot to the north of the San Diego hotel. (Photo X)

Depressions/Potholes:

No major depressions or active potholes were observed. However, patching of previous potholes was noted.

Insufficient Parking:

No concerns regarding insufficient parking were reported to the NDDS assessor. The ratio of provided on-site parking spaces to the number of hotel guestrooms is 1.01 spaces per guestroom. This is sufficient considering the generally accepted standard of one space per guestroom.

Other:

Cast-in-place concrete curbing was found to be in good-to-fair condition. However, numerous sections of the concrete curbing were noted to be chipped, spalled and damaged throughout the parking lot. (Photo X).

Recommendations

Asphalt parking areas typically have an EUL of 20 to 25 years depending on the quality of the original construction, level of maintenance, traffic and weather conditions. The EUL can be extended significantly with periodic sealing of the surfaces and proactive repair of cracks and potholes as they develop. Costs for periodic sealing and striping of the asphalt-paved areas are included in the Capital Replacement Reserve Schedule.

The application of a partial 1-1/2" asphalt overlay is anticipated during the term and costs for overlaying during the reserve term in phases are also included in the Capital Replacement Reserve Schedule.

Portions of the parking lot and driveway areas is encumbered with isolated wide (1/4" or larger) that have previously been sealed, but have since reopened. Due to the age of the paving and the fact that the cracks are not widespread alligatoring type, a full overlay is not prudent at this time. These cracks will require individual attention so as to not allow stormwater infiltration into the sub-base. Repairs should include routing along the length of each crack and then sealing. Costs for repairs are included within the Physical Deficiencies/Deferred Maintenance Table 1.

Pavement markings were found to be in fair condition. Re-striping is not warranted as an immediate improvement, but is recommended as part of either a resurfacing or in conjunction with an asphalt sealant application and

included in the Capital Replacement Reserve Schedule.

Cast-in-place concrete curbing was found to be in good-to-fair condition. Isolated sections of the concrete curbing were noted to be chipped, spalled and damaged throughout the parking lot and driveway areas (Photos X & X). Repair such sections with a concrete patching compound to match existing. Costs for repairs are included within the Physical Deficiencies/Deferred Maintenance Table 1.

5.4 Flatwork

Description

Sidewalks:

Concrete sidewalks are typically present along the front and sides of the buildings and intermittently between buildings in the courtyard areas and under exterior covered walkways/breezeways. There were concrete steps with black painted metal hand rails at select locations due to the grade changes of the site and at some of the main entrance doors such as the main lobby and Golf Club.

There are typically no ramped systems at the Resort Hotel buildings since the sidewalks are flush with the asphalt pavement surfaces with the exception of the ADA ramp (Photo 33) to the left (east) of the main lobby entrance and at the southwest corner of the Plaza near the north entrance to the San Angel hotel (Photo 35).

The Golf Club Facility has a designated ADA ramp at the main entrance (Photo 36), adjacent to the concrete stairs, and another ADA ramp adjacent to the main entrance stairs of the Spa building (Photo 37).

Patios/Decks:

There are numerous patios of various shapes and sizes throughout the site. The patio surrounding the inground pool, spa and bar south of the main lobby, consist of concrete pavers that are reportedly approximately 3 years old. The exterior patio surrounding the fountain within the interior of the restaurant plaza is stamped concrete. The upper-level patio deck at the southeast corner of the restaurant complex consists of 12"x12" stone tile pavers. There is another larger concrete patio area (Legends Terrace) utilized for outdoor dining and events at the far north end of the Golf Club (Legends Ballroom).

Other:

There is a large concrete paved area/turnaround at the south end of the Golf Club building utilized for the golf cart storage, wash and "bag drop" area.

Observations/Comments

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|---------------------|---|
| General Condition: | Good to Fair |
| Age/Last Condition: | The flatwork at the Subject Property is original to its date of construction and is maintained as part the routine maintenance. Portions of the flatwork have been repaired or replaced as needed on an ongoing basis. No full-scale replacement has reportedly occurred. |

Concerns

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| Significant Cracking: | Generally typical wear and tear conditions were noted and some hairline cracks were observed. There were also isolated cracked sections that were ¼" or larger. No significant cracking of the flatwork at the Subject Property was noted during the assessment. |
| Heaving/Settlement: | No significant areas of heaving or settlement were observed during the assessment. |
| Trip Hazards: | <p>Trip hazards in the form of minor differential settlement between adjacent sections of broken concrete sidewalk slabs were observed at a few locations throughout the Subject as follows:</p> <ul style="list-style-type: none">- Patio area at the north entrance to the hallway between the San Miguel and San Diego hotel buildings (Photo 26).- The sidewalk to the south of the San Miguel building (Photo 28).- The pavement at the south end of the golf cart garage in the turnaround/bag drop of area (Photos 27 & 29).- The select locations at the sidewalk along the east end of the Golf Club building (Photo 30).- The sidewalk to the tennis courts west of the Golf Club building (Photo 31). |
| Other: | No other significant concerns relating to the flatwork at the Subject Property was noted by or reported to the NDDS assessor. |

Recommendations

Concrete flatwork generally has an EUL in excess of 25 years if constructed over a properly stabilized base and maintained regularly. No areas requiring immediate attention were noted. The flatwork at the Subject Property

should be addressed as part of routine maintenance. Costs for ongoing concrete repair are included in the Capital Replacement Reserve Schedule.

Generally typical wear and tear conditions were noted and some hairline cracks were observed, but these were considered to be minor and the result of shrinkage and temperature expansion/contraction and do not warrant any repairs at this time other than that exercised by maintenance personnel.

There were isolated cracked sections that were ¼" or larger. Most of these cracks can be patched with a non-shrinking grout. Costs have been included to repair the sidewalk cracks in the Cost schedule; however, this work can be completed in-house or by an outside contractor at minimal cost.

Sidewalks exhibit various sections of heaving and/or settlement. Most of these cracks can be patched with a non-shrinking grout. Special attention is directed to the areas mentioned in above, which could be a tripping hazard. These sections of sidewalk should be removed and replaced. Costs for repairs are included within the Physical Deficiencies/Deferred Maintenance Table 1.

5.5 Landscaping and Appurtenances

Description

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| Landscaping: | The Subject is improved with a wide variety of trees, shrubs, lawn areas, flowers and mulch beds. Lawns and plantings have the appearance and earmarks of being professionally maintained. Other improvements include flag poles, water fountains, etc. |
| Sprinkler System: | The various landscaped areas surrounding the Resort Hotel and Gulf Club Facility buildings are serviced by an in-ground irrigation system manufactured by Rain Bird. |
| Property Lighting: | Property-owned, pole-mounted lighting and building-mounted flood lights illuminate the driveways, parking lots throughout the subject. Incandescent or fluorescent light fixtures are also present near select building entrances. Knee-high path lighting is also present throughout the Subject. |
| Fencing/Walls: | The perimeter of the tennis and pickle ball courts at both the Resort Hotel and Golf Club were enclosed by a green |

painted chain link fence with man-gates near sidewalks.

The perimeter of the inground pool and spa patio to the south of the main lobby was enclosed by a black painted aluminum fence and half height CMU walls.

There are numerous concrete retaining walls that account for the varying grade changes throughout the site that range from approximately 3' to 6' in height. The higher walls, such as along the east wall of the tennis courts of the Resort Hotel have a green painted chain-link fence/guardrail at the top of the wall.

Other: Refuse containers were typically located near the rear loading areas or employee entrances to the buildings.

Observations/Comments

General Condition: Good

Age/Last Action: The landscaping and appurtenances the Subject Property are original and are addressed as part routine maintenance.

Concerns

Poor Landscaping: No significant areas of overgrown or dead landscaping were observed during the assessment.

Inadequate Lighting: NDDS completed its assessment during daylight hours. No significant concerns relating to inadequate or non-functional lighting were reported to the NDDS assessor. No obvious damage to the lighting fixtures was observed.

Damaged Fences/Walls: No significant damage to the fences or walls were noted during the assessment of the property.

Other: No other significant concerns relating to the landscaping or appurtenances were noted by or reported to the NDDS assessor.

Recommendations

Overall, lawns and plantings have the appearance and earmarks of being professionally maintained. Landscaped areas were considered to be in good condition. The landscaping and appurtenances should be addressed as part of the routine maintenance of the Subject Property.

5.6 Amenities

Description

Swimming Pool:

The in-ground, rectangular shaped heated swimming pool and spa is located south of the main lobby of the Resort Hotel. Pool equipment consists of three sand filters and electric swimming pool and spa heaters with circulation pumps. The equipment is located in a mechanical equipment shed, constructed of concrete, located in the lawn area to the southwest of the fenced in pool deck area. The pool is surfaced with a blue Marcite-type finish. Neither the pool or hot-tub are fitted with a fixed ADA-compliant pool lift.

Tennis Courts:

There are a total of seven (7) outdoor tennis courts and four (4) pickleball courts. The pickleball courts and one of the tennis courts are located to the north of the San Miguel hotel building and the remaining tennis courts are located in a designated area west of the Golf Club Facility. The courts are enclosed with a green painted chain link fence with associated man-gates.

Golf Course:

The Subject is improved with two championship style 18-hole golf courses.

Observations/Comments

General Condition:

Good

Age/Last Action:

The amenities of the Subject are original and are maintained as part the routine maintenance.

Concerns

No concerns regarding the amenities were noted by or reported to NDDS's assessor.

Recommendations

The amenities are generally in good condition and should continue to be addressed as part of the routine maintenance of the facility.

5.7 Ancillary Structures

Description

Ancillary Structures:

There are four open air, wood and CMU framed buildings with standing seam metal roofs and one Quonset hut at the far southeast corner of the Subject property utilized for housing the landscaping equipment.

The **Marina** is comprised of 55-slips constructed of concrete floating docks along the south bank of Lake. The docks share 16 associated shore power stations. Inland there is an approximately 400 SF mobile home structure utilized as an office. Adjacent to the Marina, there is an approximately 4,000 SF pavilion located near the bank that is not part of this Subject.

Observations/Comments

General Condition:

Good-to-Fair

Age/Last Action:

The marina slips and landscaping building structures are most likely the original and the level of maintenance has been on an “as needed” basis.

Concerns

One of the CMU walls of the landscaping buildings has a large step crack in the mortar joint. (Photos 198 & 199). This appears to be due to a minor settlement issue, and/or from contact. However, it does not appear to have occurred recently.

The tubing for the electrical passthrough lines within the marina clips is significantly cracked/deteriorated (Photo 189).

Recommendations

The large crack in the CMU mortar joints of the landscaping building should be ground out and tuckpointed. Rake-out all deteriorated mortar and point with new mortar to match existing with respect to mortar pigment and joint type. Further investigate the remaining CMU walls of the landscaping buildings and repair similar as required as part of routine maintenance. Costs for immediate repairs are included within the Physical Deficiencies/Deferred Maintenance Table 1.

The tubing for the electrical passthrough lines within the marina clips is significantly cracked/deteriorated and warrants repair/replacement. This should be completed as

part of routine maintenance or as the slips are being replace. An allowance for repairs is included within the Physical Deficiencies/Deferred Maintenance Table 1.

6.0 STRUCTURAL FRAME AND BUILDING ENVELOPE

6.1 Foundation

Description

Foundation: The original plans and specifications for the subject building were not provided. Although not visible, foundations throughout the Resort Hotel and Golf Club reportedly consists of a SOG with integral shallow spread footings at loadbearing foundation walls and isolated pad footings at interior columns. No crawl spaces, basement areas or subterranean vaults were observed.

Observations/Comments

General Condition: Good

Age/Last Action: The foundations are original to the date of each phase of construction and are addressed as part routine maintenance where required.

Concerns

Cracks/Settlement: No significant foundation cracks or settlement were noted by or reported to NDDS's assessor.

Water Damage: No major areas of flooding or water damage that would be associated with concerns relating to the foundation were noted by or reported to NDDS's assessor.

Other: No additional concerns relating to the foundation at the Subject Property were noted by or reported to NDDS's assessor.

Recommendations

Based on our representative areas of observation, the SOG did not reveal any evidence of apparent structural distress. No significant concerns relating to the foundation were noted and no major expenditures relating to the

foundation are anticipated during the reserve term.

6.2 Building Frame

Description

Building Frame: The primary building frame for the three multi-story buildings of the Resort Hotel consists of precast concrete and steel-frame construction, with load-bearing CMU walls.

The primary building frame for Golf Club is of steel-frame with load-bearing CMU walls.

Decking Between Floors: The primary decking system between floors of the three multi-story buildings of the Resort Hotel is precast concrete planks.

There is a mezzanine floor structure at the rear (west) end of the Conference Center that is constructed of open web steel joists and metal grating and supported by the exterior CMU walls and a series of interior steel beams and columns.

Roof Framing/Decking: The flat roofs of the Resort Hotel buildings are framed with precast concrete planks. The flat roofs of the Golf Club facility are framed with open web steel joists that support corrugated metal decking. The pitched roofs of the Resort Hotel and Golf Club buildings are framed with pre-fabricated wood trusses and/or conventionally wood framed with plywood decking.

The roof deck above the Conference Center building consists of precast concrete double tee planks. This is an unconventional type of roof framing system; however, it was reportedly designed with the consideration of a future second floor addition.

Observations/Comments

General Condition: Good

Age/Last Condition: The building framing and decking is original to each phase of construction and maintained as needed.

Concerns

Wall Cracks: Although our observations were limited from a grade vantage point, we observed the sidewalls to be plumb and found no apparent areas of significant distress. No significant signs of cracking were observed on the interior

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| | or exterior walls throughout that would be indicative of settlement. |
| Bowed Walls: | No evidence of bowed walls was noted by or reported to NDDS's assessor. |
| Sagging Ceilings/Floors: | No evidence of sagging ceilings or floors was noted by or reported to NDDS's assessor. |
| Sticking Doors/Windows: | No sticking doors and windows were noted that would indicate significant movement of the buildings. |
| Deteriorated Framing: | The steel reinforcing bars (rebar) were partially exposed along the underside of the concrete roof/ceiling of the pool mechanical shed. (Photo 59). |
| Fire-Retardant Decking: | The use of fire-retardant plywood decking started in the early 1980s. Certain types of fire-retardant treated plywood rapidly deteriorate when exposed to excessive heat and humidity or may cause nails or metal fasteners to corrode. Common signs of fire-retardant plywood include darkening of the wood and the presence of a powder-like substance, warping of the roof and the curling of shingles. No indications of fire-retardant plywood were noted. |
| Other: | No other concerns relating to the framing or decking at the Subject Property were noted by or reported to NDDS's assessor. |

Recommendations

No significant concerns relating to the primary building frames and decking were noted by or reported to NDDS's assessor. No significant expenditures are anticipated during the reserve term.

The steel reinforcing bars (rebar) were partially exposed along the underside of the concrete roof/ceiling of the pool mechanical shed. Repairs should include scraping all rusted and delaminated rebar along the underside of the roof/ceiling down to sound material. Apply a metal bonding agent/anti-corrosive coating. Costs for repairs are included within the Physical Deficiencies/Deferred Maintenance Table 1.

6.3 Façades or Curtain Wall

Description

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|---|--|
| Exterior Walls: | <p>The predominate façades of the Resort Hotel and Golf Club Facility consist of beige painted stucco. Sidewall surfaces have a non-articulated design motif and are free of problematic projections.</p> <p>A porte-cochere exists over the main entrance to the lobby of the Resort Hotel and at the northeast corner of the San Diego building; the system is most likely of steel framing. The ceiling appears to consist of an acrylic stucco finish, and roofing is of a gable and hip design. The porte-cochere's rooflines are at approximately the first-floor level. Signage is affixed to the porte-cochere.</p> <p>There is a half-moon shaped awning at the main entrance to the Golf Club that is sheathed with a blue canvas. The framing for the awning is painted black.</p> |
| Fascia/Soffits/Trim: | <p>The exterior facias are of red painted wood and the soffits are beige painted stucco. Decorative trim pieces such as balusters and colonnades are painted white.</p> |
| Doors/Windows: | <p>The entrance doors typically consist of glass in aluminum frames. Emergency doors and employee areas doors are steel in steel frame. Access to the hotel guestroom patios and balconies are via sliding glass doors in aluminum frames.</p> <p>Windows are predominately of a punctuated design with mullions and tinted double-pane insulated glass. Windows units are fixed/inoperable. Frames consists of anodized aluminum. Window sills are integral with the window frame and lintels are of precast.</p> |
| Balconies, Breezeways & Exterior Stairs: | <p>Select guestroom units have balconies that are accessible via. sliding glass doors. The balcony framing is an extension of the precast floor structure with CMU sidewalls. Guardrails are black painted aluminum and are typically anchored into the precast plank on the upper floor balconies and the concrete patio slab on the ground floor units.</p> <p>There are numerous breezeways in the Hotel Resort complex that provide covered transitions between the hotel buildings and Restaurant Complex. Breezeways typically have painted concrete floors and are covered with a pitched wood framed roof sheathed with terracotta tile. The roof is supported by the exterior walls of the adjacent building structure and/or painted concrete colonnades.</p> <p>Access to the second-floor breezeway and patio at the</p> |

Resort Hotel from grade is via painted, poured-in-place concrete stairs with black painted steel or aluminum railings.

Other: No other significant components to the facades were noted.

Observations/Comments

General Condition: Good

Age/Last Action: The structural components of the facades, including the exterior walls, windows and doors, are original. It was reported that the exterior stucco facades were patched and painted approximately 3 years ago.

Concerns

Deteriorated Wood: No significant evidence of deteriorated wood was noted or reported.

Worn Paint: There were isolated areas where the exterior stucco had been recently patched. This was observed along the upper portions of the north façade of the Conference Center. (Photo 76).

Damaged Masonry: The masonry walls were in good condition. No significant deterioration of the pointing was noted.

Damaged Stucco: There was an isolated area where the exterior stucco was damaged at the outer southwest corner of the Conference Center in the loading dock area. (Photo 78).

Water Penetration: No evidence of water penetration through walls, around windows and doors, or in any other manner related to the façade of the building, was observed by or reported to NDDS's assessor.

Termites/Borers: No evidence of termites or other wood boring insects was observed by or reported to NDDS's assessor.

Other: No other concerns relating to the facades at the Subject Property were noted by or reported to NDDS's assessor.

Recommendations

No significant concerns relating to the building facades were noted by or reported to NDDS's assessor. No significant expenditures are anticipated during the reserve

term. Repairs and periodic maintenance, such as painting and caulking, are handled on an as-needed basis.

Repair the damaged stucco facade at the southwest corner of the Conference Center building near the loading area. Remove damaged stucco surfaces down to substrate. Repair isolated deteriorated stucco areas with patch mix as a primer and re-coat all surfaces with 1-coat flat acrylic paint to match existing. Costs for repairs are included within the Physical Deficiencies/Deferred Maintenance Table 1.

Exterior maintenance, such as power-washing, painting and caulking, is required every six to eight years depending on the quality of work performed, quality of materials used and weather conditions. The buildings are likely to require maintenance during the reserve term and costs are included in the Capital Replacement Reserve Schedule.

The remaining portions of the facade should be monitored and addressed as part of the routine maintenance of the Subject Property.

6.4 Roofing

Description

Roofing System:

There are three (3) primary roofing systems atop the Resort Hotel and Golf Club Facility buildings. The flat portions at the higher elevations over the three hotel buildings, Conference Center, Restaurant Complex and west half of the Gulf Club Facility, consist of either a TPO or BUR membrane. The pitched roofs along the lower and perimeter roofs are sheathed with terracotta tiles. These roofs are typically of a gable and hip design or shed type along the exterior perimeter.

The secondary roof system consists of standing seam metal that is utilized at the rear of the Restaurant Complex, Conference Center and Gulf Club Facility buildings near their respective loading docks and rear service entrance doors.

Drainage:

The flat roofs have a slight slope designed to direct storm water to interior roof drains that tie underground into the storm water system. Overflow scuppers are also provided at select locations.

Gutters are located along the eaves of the pitched and standing seam metal roofs and feed storm water into downspouts that discharge into landscaped areas or paved

areas near the buildings.

| | |
|------------------|---|
| Parapets/Coping: | The parapet walls along the perimeter of the flat roofs are typically an extension of the CMU sidewall system with terracotta tile coping. Roof side parapet surfaces consists of the upturned, either TPO or BUR, membrane with a termination bar and/or to the top of the wall at the coping. |
| Other: | Typical roof penetrations are present for sanitary stacks, furnace and water heater exhausts, roof vents and RTU penetrations for anchorage and mechanical systems. Other roof appurtenances consist of painted metal ladders affixed to the side of the exterior walls and/or parapets to provide access to select portions of the roof. |

Observations/Comments

| | |
|--------------------|---|
| General Condition: | Good to Fair |
| Age/Last Action: | <p>The primary flat roofing systems are all at least second generation. The TPO membrane system atop the flat roofs were reportedly installed within the past 5 years and according to owner, they are covered under a roof warranty. The BUR membrane is of various ages and are patched and repaired as needed and/or resurfaced with a silver coating or aluminum asphalt paint sealant.</p> <p>The age of the pitched terracotta roofs is either original to their installation, or also recently replaced over the past 5 years.</p> |

Concerns

| | |
|----------------------|---|
| Leaks: | No active leaks were noted by or reported to NDDS's assessor; however, according to the pre-survey questionnaire filled out by owner, the roof of the Convention Center and a portion of the Restaurant Complex roof had prior leaks that have since been repaired. |
| Significant Ponding: | No indications of significant ponding were noted during the assessment. |
| Evidence of Repairs: | There were various areas that have been patched and/or repaired atop the older BUR roofs of the Convention Center and Restaurant complex. |
| Area of Roof Damage: | No significant areas of damaged roofing were noted during the assessment; however, deficiencies such as splits in the |

surface membrane, alligatoring and numerous areas of blistering were observed atop the older, flat, BUR membrane of the Convention Center and Restaurant complex (Photos 99 & 100).

Various patches to the stucco finishes along the inside and outside faces of the parapet walls were made, specifically atop the Convention Center building. (Photos 75 & 76).

There were isolated damaged, cracked and/or missing terracotta coping tiles atop the pitched roofs and parapet walls at several locations. (Photos 101 & 102).

Moss was observed below one of the RTU's atop the Convention Center roof which is an indication of standing water at this location. (Photo 104)

Damaged Gutters/
Clogged Roof Drains:

The gutters and downspouts appeared to be in good condition. No significant areas of damage or missing sections were observed or reported during the assessment.

Other:

The painted metal ladders affixed to the side of the exterior walls and/or parapets exhibit signs of flaking paint, and/or corrosion. (Photo X).

Recommendations

The BUR systems atop the San Diego hotel building, the Conference Center and Restaurant appears to be nearing the end of the typical range of its EUL of 15 to 20 years; however, there was no reported evidence of widespread leakage. It is possible, provided that there is an increase in preventive maintenance, that the roof may last an additional five years before warranting replacement. A budget has been included in the Physical Deficiencies/Deferred Maintenance Table 1 to perform maintenance repairs to the affected areas of the BUR and extend its EUL. Furthermore, a budget for replacement of the roof has also been included in the Capital Replacement Reserve Schedule.

The TPO roof systems atop the San Miguel and San Angel hotel buildings and the Golf Club Facility that are reportedly less than 5 years old, generally have an expected useful life of 20-25 years and should provide many additional years of service before warranting a new covering beyond the term. No further action is required at this time other than routine maintenance.

Should the warranty(s) of the TPO roof membrane be located, a roof warranty transfer inspection by the roofing

manufacturer would be recommended. Such an inspection is usually highly detailed and examines the scope and quality of repairs made, if any, for acceptance purposes. Manufacturers often require the roof to be in pristine condition before transferring the existing warranty, and repairs are usually required. In addition, if any previous repairs were made, although effective, may not be acceptable. The initial inspection fee is typically about \$1,500 to \$2,500 depending on the manufacturer, size, and remaining years left on the warranty with an additional inspection required after all necessary repairs, if any, are made for another fee. There is usually an additional warranty transfer fee.

The dark stains on the surface of the terracotta roof tiles is not necessarily an indication of the age of the tile (Photo X). The stains are most likely a result of algae/mildew build up and/or stains due to the close proximity of the overhanging eaves and the shading it provides from the sun that prevents natural drying of the tiles. The dark stains do not affect the water shedding capability of the individual tiles. Based on an EUL of approximately 75 years for the terracotta roofs, no major replacement of the roofing systems is anticipated during the reserve term, provided normal levels of routine maintenance, such as patching or replacing any damaged tiles.

In addition, activities including, but not limited to, keeping roof drains clear and repairing leaks promptly, should be done as part of routine maintenance and we recommend bi-annual roof inspections to make sure that the roof drain flashings are watertight, and that the strainers are not clogged with debris or missing. This can be done in-house at a minimum cost and therefore is not included in the XX schedule.

The painted metal ladders affixed to the side of the exterior walls and/or parapets exhibit signs of flaking paint, and/or corrosion. (Photo X). We recommend that the affected areas be wire brushed, cleaned, primed and painted with two coats of rust inhibitive paint. This work can be completed in-house or by an outside contractor at minimal cost as part of routine maintenance.

7.0 MECHANICAL, ELECTRICAL, AND PLUMBING SYSTEM

7.1 Heating, Ventilation, and Air Conditioning

Description

Heating and Cooling:

The typical guestrooms of the three **Resort Hotel** buildings are individually heated and cooled by an independent, self-contained, PTAC unit manufactured by General Electric or Armana. These are self-contained console-type units incorporating a compressor and electric resistance heat. The units are located at exterior walls with through-wall louvers. The thermostatic controls are wall-mounted within the guestroom.

Heating and cooling for the **4th floor** guestrooms, penthouse, conference room and common corridors of the **San Miguel** building are provided by a combination of roof-mounted package units of 3 to 5-ton capacity and split systems, with air-cooled condenser units atop the flat portion of the roof and fan or air handler units located in mechanical equipment closets.

Heating and cooling for the **Conference Center** building and **Restaurant Complex** are provided by a combination of grade and roof-mounted package units between 5 and 15-ton capacity and split systems, with air-cooled condenser units at grade or atop the roof and fan or air handler units are located in mechanical equipment closets or are ceiling hung in service areas. The roof mounted units for the **Restaurant Complex** are located on the flat portion of the roof along the west end of the building and the units atop the **Conference Center** building are located along the south end of the roof.

Heating and cooling for the **Golf Club Facility** are provided by a combination of grade and roof-mounted package units between 5 and 10-ton capacity and split systems, with air-cooled condenser units at grade and fan or air handler units located in mechanical equipment closets. The roof mounted units are located on the flat roof above the Nicker's restaurant and Legends Ballroom portion of the building.

Fresh air is primarily brought into the building's common areas by rooftop heating and air conditioning units, the through wall PTACs at the guestrooms, and natural air infiltration via windows and doors. Point source exhaust fans serve the toilet rooms. Such fans are operated by a

wall mounted switching device.

Observations/Comments

General Condition: Good to Fair

Age/Last Action: The heating, ventilation and air conditioning (HVAC) systems are of various ages and manufactures and are all at least second generation to the buildings with the exception of some of the units at the Golf Club Facility.

The HVAC systems are serviced and repaired as need as part of the routine maintenance of the facility. Units are replaced when required on an on-going basis.

Concerns

Inoperable Equipment: All of the systems and equipment observed were operable at the time of the assessment. No significantly obsolete equipment was noted. No concerns regarding inoperable equipment was reported to NDDS by the property contacts.

Insufficient Capacity: No concerns regarding the capacity of the HVAC systems were reported to NDDS. The units appeared adequately sized for the current usage of the property.

Other: No additional concerns relating to the HVAC system at the Subject Property were noted by or reported to NDDS's assessor.

Recommendations

During our site visit we observed the HVAC units functioning correctly in the cooling capacity. Since our observations were made at a time when the units are seasonally shutdown with respect to the heating mode, we were unable to observe whether they function correctly in this capacity.

Overall, the general condition of the individual PTAC units was observed to be satisfactory. Based on the EUL, continued phased replacement of the units is anticipated during the reserve term and an allowance for the replacement of package units is included in the Capital Replacement Reserve Schedule.

The exterior air-cooled condenser units and interior electric furnaces and air handlers of the split systems generally have an EUL of 10 to 15 years. The EUL can be extended significantly with the periodic replacement of fan motors,

burner assemblies and thermostats, which can be done as part of routine maintenance. Based on the EUL, continued phased replacement of the units is anticipated during the reserve term and an allowance for their replacement is included in the Capital Replacement Reserve Schedule.

Generally, the packaged RTUs and grade mounted equipment were found to be in good condition. The age of the equipment varies to each portion of the buildings. RTUs of this type generally have a 15 to 20 EUL. Based on the age of the current units, some replacement is anticipated during the reserve term and an allowance for the replacement of package units is included in the Capital Replacement Reserve Schedule.

The regular changing of the air conditioning filters, cleaning of drip pans and keeping the drain lines clear as well as cleaning of the condenser coils should be handled as part of routine maintenance.

7.2 Electrical

Description

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|----------------------|--|
| Level of Service: | <p>Electrical service enters the buildings below grade into their designated electrical rooms from pad mounted transformers located along the perimeter of the buildings. Electrical power varies between an 800-amp, 208/120-volt, 3-phase 4 wire service a to 1,200-amp, 277/480-volt 3-phase service.</p> <p>Electrical service for the Marina is a 200-amp service. The main electrical panel is pole mounted and powers the 15 electrical outlet stations on the docks.</p> |
| Wiring: | <p>The branch wiring within the building was reported to be copper.</p> |
| Overload Protection: | <p>There are numerous electrical distribution panels located throughout the buildings in mechanical closets. Circuit overload protection is provided by circuit breakers. The capacity of a typical panel varies from 125 to 600 amps</p> |
| Metering: | <p>The building meters are typically located adjacent to the transformers or on the main electrical panels within the buildings.</p> |
| Other: | <p>The Resort Hotel buildings are improved with two natural gas-fired emergency electrical generators. One unit is located along the north side of the San Diego building and</p> |

the other at the south end of the San Angel building. Both are package-type units manufactured by Generac and have a 20kW output capacity. The generators provide power via two automatic transfer switches located within buildings to numerous power panels and circuits for emergency lighting, fire alarm and communication systems when operating.

The lift station, located behind the waterfall feature for the Resort Hotel, has a backup electric generator that utilizes a 500-gallon propane tank. This generator is owned and maintained by the Community Development District (CDD).

Observations/Comments

General Condition: Good

Age/Last Action: The electrical system is original and is maintained as part of the routine maintenance of the facility.

Concerns

Insufficient Capacity: No concerns regarding the capacity of the electrical system was reported to NDDS.

Aluminum Wiring: No aluminum branch wiring was observed or reported.

Inappropriate Receptacles: In general, ground fault current interrupt (GFCI) were required by code to be installed in area near water sources, such as in bathrooms and kitchens. In the areas observed, NDDS noted GFCI receptacles were present in the appropriate areas.

Other: The emergency generators appeared to be in good condition; they looked like they receive preventive maintenance and servicing. The age of the units are not known. It is reported by building management to be run-tested monthly.

Recommendations

No concerns with the electrical system were noted. The electrical system should continue to be maintained as part of the routine maintenance of the facility.

7.3 Plumbing

Description

Supply Piping:

The main water supply well is located near the main parking lot of the Resort Hotel with is a 6-inch well with a 30-horsepower motor and pump. It is approximately 200 feet deep with a 10,000-gallon tank that supplies potable water to the hotel, restaurant and clubhouse. This potable system is cross-connected by valves to the Town water supply, as well as to the Central Lake Community Development District's (CDD) potable water supply.

Supply piping within Subject's buildings piping is only partially exposed. However, to the extent that we were able to observe the piping, the water service is of copper. Domestic hot water supply piping appears to be partially insulated. Natural gas piping was observed to be of black iron.

Waste Piping:

Observed sections of drainage piping consist of PVC (white plastic). Waste flows by gravity through the house sewer into the lift stations. The lift station for the Hotel Resort is located behind the waterfall feature adjacent to the parking lot for the main lobby entrance.

Hot Water Production:

Domestic hot water for the guestrooms of the three Hotel Resort buildings is generated by gas-fired boilers that are typically located along the perimeter of the buildings with an capacity between 250,000 and 495,000 Btu/hr manufactured by Lochinvar. Each boiler has an associated pair of hot water storage tanks typically manufactured by Rheem with a storage capacity of 115-gallons. There are reportedly 7 hot water boilers and 14 hot water storage tanks. These tanks are typically located in mechanical closets at the ends of the main corridor of each building and/or in a exterior mechanical rooms. Two of the tanks are located below a wood framed canopy along the north side of the San Diego building.

Domestic hot water for the Restaurant Complex, Conference Center and Golf Club is produced by individual commercial quality, natural gas-fired water heaters located in mechanical rooms throughout. The tanks are of various capacity and manufacturers.

Other:

No additional concerns relating to the plumbing system at the Subject Property were noted by or reported to the NDDS assessor.

Observations/Comments

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|--------------------|--|
| General Condition: | Good |
| Age/Last Action: | The supply and waste piping are original and is maintained as part of the routine maintenance of the facility. Water heaters are replaced on an as-needed basis. During our visit on the morning of August 23, one of the two 115-gallon hot water storage tanks at the west end of the San Miguel building were being replace with a new tank due to age. |

Concerns

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|------------------------------|--|
| Inoperable Equipment: | All of the systems and equipment observed were operable at the time of the assessment, with the exception of the tank being replaced in the San Miguel building. No significantly obsolete equipment was noted. No concerns regarding inoperable equipment was reported to NDDS by the property contacts. |
| Galvanized Piping: | <p>Galvanized pipe is defined as “a steel pipe or wrought-iron pipe, of standard dimensions, which has been galvanized by coating it with a thin layer of zinc.” Galvanized piping has been utilized as a water supply system throughout the country, and is not limited to certain dates of construction. Galvanized piping systems typically exhibit corrosion more quickly than other plumbing systems. Galvanized steel piping is still in use; however, it is not installed in modern construction. It oxidizes from the inside out, the oxidation (rust) reduces the interior diameter of the pipe, restricting the flow of water and it usually first leaks at threaded joints where the pipes are joined. Galvanized pipe corrodes more quickly when it comes in direct contact with copper; dielectric couplers are special connectors to prevent galvanic action or electrolysis.</p> <p>No evidence of galvanized piping was noted by or reported to the NDDS assessor.</p> |
| Deterioration/Leaks: | No evidence of wide spread deterioration of or leaks in the supply and waste piping was observed by or reported to the NDDS assessor. |
| Insufficient Water Pressure: | No concerns associated with insufficient water pressure were observed by or reported to the NDDS assessor. |
| Blocked Drainage: | No concerns associated with blocked waste water drains were observed by or reported to the NDDS assessor. |

| | |
|-----------------------|--|
| Inadequate Hot Water: | No concerns associated with the quantity or quality of the hot water supply were observed by or reported to the NDDS assessor. |
| Other: | No additional concerns relating to the plumbing system at the Subject Property were noted by or reported to the NDDS assessor. |

Recommendations

No significant replacement of the supply and waste lines is anticipated during the reserve term. These systems should be maintained as part of routine maintenance.

The hot water boilers utilized in the Resort Hotel buildings generally have an EUL of 20 to 25 years and are currently of various ages. Considering the age of the equipment, phased replacement of the units is recommended during the reserve term and costs for replacement are included in the Capital Replacement Reserve Schedule.

The hot water storage tanks associated with the boilers for the guestrooms in the Resort Hotel buildings generally have an EUL of 15 to 20 years and are currently of various ages from 1 to 5 years. Considering the age of the tanks, phased replacement of some of the units is recommended during the reserve term and costs for replacement are included in the Capital Replacement Reserve Schedule.

Periodic replacement of the individual domestic hot water heaters throughout the buildings near common area restrooms rooms and the kitchens is expected during the reserve term and an allowance for this replacement is included in the Capital Replacement Reserve Schedule.

7.4 Elevators

Description

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|------------|---|
| Elevators: | <p>The Resort Hotel buildings are served by four (4) hydraulic elevators manufactured by ThyssenKrupp, Skyline or MEI. Of the four passenger elevators, one is located in the San Diego building, two in the San Miguel building and one in the 2-story open-air walkway near the pool deck. There are no passenger elevators in the 2-story San Angel building.</p> <p>There is one (1) hydraulic freight elevator that serves the two main kitchens located in the Restaurant Complex.</p> <p>The elevators observed were rated at 2,000 or 2,500 lb. capacity. Car doors are the single speed side opening type.</p> |
|------------|---|

Passenger cab finishes vary and consist of sheet vinyl or ceramic tile floors, paneled walls and ceilings with brass handrails, and a lighted ceiling system. The freight elevator finishes consist of steel checkered plate. Elevator equipment is typically located within mechanical rooms adjacent to the elevator shaft.

Other: No other significant lifts or mechanical forms of vertical transport systems were noted at the Subject Property.

Observations/Comments

General Condition: Good

Age/Last Action: The elevator equipment is at least second generation and is maintained under a service contract with Oracle Elevator Company. Repairs and replacement of parts is handled on an as needed basis.

Concerns

Inoperable Equipment: All of the elevators were operational at the time of the assessment. No problems regarding the elevators were reported to the NDDS assessor.

Out-of-Date Inspection: The inspection tags within the three elevator cabs in the San Miguel and San Diego hotel buildings were expired with an expiration date of August 1, 2022. (Photo 142)

The elevators that served the open-air walkway and Restaurant Complex had current inspection tags with an expiration date of August 1, 2023.

Other: No other concerns regarding the elevators at the Subject Property were noted by or reported to the NDDS assessor.

Recommendations

Elevator cab finishes were generally considered to be in good condition. The elevator machine rooms were noted to be clean, well ventilated, to have a locked entrance door, to have a smoke detector, and to have supplemental air conditioning. No major mechanical deficiencies were observed.

Elevators typically need annual service, which is considered a routine maintenance item, and a major overhaul every 20 to 25 years. However, the elevators are maintained under an annual service contract with Oracle Elevator Company that includes all necessary repairs and replacement.

Allowances for this work, therefore, are not included in the Capital Replacement Reserve Schedule.

The most current elevator certificates were found in each of the elevator cabs and were issued by the Florida Department of Business and Professional Regulation Bureau of Elevator Safety. However, the three certificates in the San Miguel and San Diego hotel buildings were expired as of August 1, 2022 and therefore they need to be reinspected by the same Department.

8.0 INTERIOR ELEMENTS

8.1 Lobby/Front Desk Area:

Description

As one enters the main lobby of the, located adjacent to the San Miguel building, the registration desk is to the right and is finished primarily in wood with a granite countertop. There is a seating area to the left as you enter the lobby and direct access to the outdoor deck area overlooking the pool below. At the far-left end of the lobby is the business center computers. The lobby is single story in height with a vaulted ceiling. Wall surfaces are predominantly finished with painted plaster wall finishes, flooring consists of 10"x10" clay tile, and the ceiling system is a 2'x2' ACT with recessed lighting.

Observations/Comments

General Condition:

Good

Generally, the lobby area was considered to be in good condition. No major physical deficiencies were noted.

Recommendations

Interior common area finishes, such as walls and ceilings, can be repaired and painted as needed as part of the routine maintenance of the lobby. No further action is required at this time.

8.2 Toilet Room Facilities

Description

Common area restrooms are provided at several locations throughout the Hotel Resort and Golf Club. The restrooms have commercial-quality fixtures: wall-mounted toilets and wall-mounted lavatories set in vanities. Vanities consist of granite countertops. Finishes consist of ceramic tile flooring, a combination of full height and wainscot ceramic tiling, vinyl wall coverings and a painted gypsum board ceiling. Wall and floor mounted metal partition walls and/or full height wood framed dividing walls are provided in the larger restrooms.

Observations/Comments

General Condition: Good

Recommendations

Common area restroom fixtures were observed to be in good condition. No significant deficiencies were noted. Wall and floor finishes were observed to be in good condition with the expected wear and tear. No further action is required at this time; however, periodic updating of the fixtures and finishes of the restrooms is anticipated during the reserve term and an allowance for this replacement has been included in the Capital Replacement Reserve Schedule.

8.3 Conference Center

Description

Banquet / Meeting Rooms

One large banquet/meeting room, divisible by six (6) via ceiling hung insulated wall partitions, constitutes the majority of the Conference Center building. There is an "L" shaped lobby/foyer, elongated in the east-west direction, along the north end of the building. Interiors conformed to the same general pattern. Finishes consisted of a suspended ceiling system consisting of 2'x2' ACT with exposed splines, vinyl wall coverings with a wood chair rail, and carpeted floors. Interior, double hung, solid wood panel doors signify the individual entrance to the main rooms.

Observations/Comments

General Condition: Good

All of the banquet/meeting room spaces were found to be in good condition. Finishes and fixtures do not show any significant signs or wear or damage.

Concerns

No significant damage to the walls and ceilings were noted during the assessment. The floors were generally in good condition with no significant areas of damage or wear observed.

Recommendations

Interior area finishes, such as walls and ceilings, can be repaired and painted as needed as part of the routine maintenance of the property. Periodic updating of the fixtures and finishes of the restroom is anticipated during the reserve term and an allowance for this replacement has been included in the Capital Replacement Reserve Schedule.

8.4 Restaurant Complex

Description

The Resort Hotel has a two-story plaza that is attached to the southeast corner of the Conference Center building. It features two full-service restaurants and a variety of indoor and out-door lounges. There is also a sit-down facility for a breakfast buffet at the south end of the Restaurant Complex. Guests serve themselves from a buffet, which is prepared each morning. Breakfast is also served in the upper floor of the Plaza. Guest can also order food during the later hours of the day from the restaurants that have two full-service kitchens. The breakfast area is limited to the serving of breakfast only, with the capability to open the area for special events and receptions.

Observations/Comments

General Condition:

Good

Generally, the restaurant and sit-down facilities were found to be in good condition. No significant deficiencies were observed, and no further action is required at this time. All restaurant and dining fixtures and finishes were found to be in good condition.

Concerns

No significant damage to the walls and ceilings were noted during the assessment. The floors were generally in good condition with no significant areas of damage or wear observed.

Recommendations

Interior area finishes, such as walls and ceilings, can be repaired and painted as needed as part of the routine maintenance of the property. No further action is required at this time.

8.5 Common Corridors, Stairwells and Guestroom Doors

Description

Corridors are primarily double-loaded for guestroom access, and the corridors appear to exceed the proper width of 44". They are carpeted with what appears to be above commercial specification grade carpeting. Wall and ceiling surfaces are finished with painted stucco wall coverings. Lighting is supplied via wall sconces or ceiling mounted figures. Corridors have the typical alcove containing an ice machine, vending machines and/or a washer and dryer.

The typical stairwells within the three Resort Hotel buildings are constructed with CMU walls with a painted plaster finish. Stairs are poured in place concrete and either painted or carpeted with commercial grade carpeting. Guardrails are of painted metal. Select handrails are brass.

Guestroom doors are self-closing. We looked at a few representative guestroom doors, and they were labeled for a 1½ hour fire resistance rating, which is typically required by code. Guestroom doors are accessed with a computerized key card access system and are complete with door view ports and security latches.

Observations/Comments

General Condition:

Good

Overall, corridors were found to be in good condition. Corridor carpeting is in good condition and is at least second generation to the buildings. Wall surfaces were in good condition as well with minimal surface marks and scratches. Exterior surfaces of guestroom doors and jams are considered to be in good condition. They are well coated and have minimal surface imperfections resulting from wear and tear, baggage contact, etc.

Concerns

No significant damage to the walls and ceilings of the common areas was noted during the assessment.

Recommendations

Corridor finishes, such as walls and ceilings, can be repaired and painted as needed as part of the routine

maintenance of the property. Other than budgeting for a cycle of carpet replacement in the reserves, no further action is required. NDDS has included an allowance for replacing the corridor carpet in the Capital Replacement Reserve Schedule.

8.6 Guestrooms and Suites

Description

Interior Finishes:

Guestroom finishes and furnishings are similar throughout the three Resort Hotel buildings including; king and queen beds with headboards, work stations with multi-media access, and credenzas with flat screen televisions.

Guest bathrooms are furnished with floor mounted porcelain water closet with flush tank, partial wall mirror and lavatories set granite counters. All of the rooms typically have bathtubs with showers. Bathroom finishes consist of travertine tile flooring and wet wall covering, and painted gypsum board ceilings.

Guestroom type and design breakdown is as follows:

| Guestroom Type | Mark | Number of Guest Rooms |
|------------------------------|------|-----------------------|
| Standard Double Queen | A | 90 |
| Club Double Queen | B | 23 |
| Club King | C | 15 |
| King Suite | D | 5 |
| Standard King | G | 41 |
| Exec. Suite – 2 Room w/ King | H | 1 |
| Penthouse – 3 Bedroom | L | 1 |
| Total | | 176 |

Observations/Comments

General Condition:

Good

Guestrooms conformed to the same general pattern. Overall, finishes and case goods were considered to be in good condition. No significant deficiencies or excessive wear and tear were noted. Case goods exhibited the expected level of marring considering their age, and wall and floor finishes were acceptable and commensurate with hotel's age.

Bathroom fixtures and finishes were found to be in good to fair condition with normal expected wear and tear observed.

The following is a list of the rooms that were viewed during our assessment:

| Unit # | Bldg. | Mark | Condition |
|----------------|------------|-----------|-----------|
| 106 | San Miguel | A | Good |
| 115 | San Miguel | G | |
| 122 | San Diego | C (PATIO) | |
| 146 | San Diego | C (PATIO) | |
| 201 | San Miguel | A | |
| 202 | San Miguel | A | |
| 310 | San Miguel | G | |
| 311 | San Miguel | A | |
| 404 | San Miguel | D | |
| 406 | San Miguel | H | |
| 416 | San Diego | B (BAY) | |
| 501 | San Angel | G | |
| 503 | San Angel | G | |
| 507 | San Angel | G | |
| 519 | San Angel | G | |
| 520 | San Angel | G (ADA) | |
| 605 | San Angel | A | |
| 609 | San Angel | A | |
| 614 | San Angel | A | |
| 616 | San Angel | A | |
| 20 Total (11%) | | | |

Concerns

No significant damage to the walls and ceilings of the guestrooms were noted during the assessment.

Recommendations

Guestrooms conformed to the same general pattern. Overall, finishes and case goods were considered to be in good condition. No significant deficiencies or excessive wear and tear were noted. Case goods exhibited the expected level of marring considering their age, and wall and floor finishes were acceptable and commensurate with hotel's age. Fixtures and finishes were found to be in good condition with only normal expected wear and tear

observed. Periodic replacement of carpeting is anticipated during the reserve term and an allowance for this replacement has been included in the Capital Replacement Reserve Schedule.

8.7 Administrative Offices

Description

The marketing office is located at the south end of the San Angel building on the second-floor level.

The wedding event coordinators office is located on the first floor of the San Diego building.

The Group Sales office is located near the main entrance to the Golf Club Facility building.

Office finishes typically include vinyl tile or carpeted floors, painted gypsum board walls, and painted gypsum board ceilings with surface mounted lights.

Observations/Comments

General Condition: Good

Concerns

The administration offices would be considered in good condition. No significant damage to the walls and ceilings of the common areas was noted during the assessment. No major deficiencies were noted that require immediate action at this time.

Recommendations

Interior office finishes, such as walls and ceilings, can be repaired and painted as needed as part of the routine maintenance of the property. Periodic replacement of vinyl flooring and carpeting is anticipated during the reserve term and an allowance for this replacement has been included in the Capital Replacement Reserve Schedule.

8.8 Central Kitchen

Description

There are two central kitchens in the Restaurant Complex, one located on each floor, that serves the multiple restaurants and catering events of both the Resort Hotel and Convention Center. There is one central kitchen in the Golf Club that primarily serves the restaurant and catered events in the Ballroom.

Finishes typically include quarry tile flooring and base, Marlite wall panels, and suspended acoustic ceilings. Major equipment items include a walk-in cooler, upright and under-counter refrigerators and freezers, four to six burner gas ranges, convection ovens, exhaust hoods with fire suppression system, commercial dishwashers, two and three compartment sinks, and the usual array of small appliances, prep tables and metal shelving.

Observations/Comments

General Condition: Good

Concerns

All wall, floor, and ceiling surfaces appeared to be in good condition. The kitchen equipment is in various condition and is operating satisfactory according to hotel and restaurant management. No further action is required at this time.

Recommendations

Interior finishes, such as walls and ceilings, can be repaired and painted as needed as part of the routine maintenance of the kitchens; however, periodic replacement of the major kitchen equipment is anticipated during the reserve term and an allowance for this replacement has been included in the Capital Replacement Reserve Schedule.

8.9 Housekeeping/Laundry

Description

The Resort Hotel is provided with two commercial laundry rooms for housekeeping personnel located in a designated laundry room on the first floor. The laundry room utilize commercial washers and dryers. The commercial washers are manufactured by B&C and the commercial dryers are gas-fired and manufactured by UniMac. The washers and dryers are owned and maintained by the property. Interior finishes consist of vinyl tile flooring, painted CMU walls and unfinished concrete ceilings.

Observations/Comments

General Condition: Good

Concerns

All finishes conformed to the same general pattern and could be overall classified as in satisfactory condition. Laundry room equipment was reported to be satisfactory. Equipment is reported owned by management. No further action is required at this time.

Recommendations

Interior finishes, such as walls and ceilings, can be repaired and painted as needed as part of the routine maintenance of the laundry rooms; however, periodic replacement of the commercial washers and dryers is anticipated during the reserve term and an allowance for this replacement has been included in the Capital Replacement Reserve Schedule.

9.0 LIFE SAFETY/FIRE PROTECTION

9.1 Sprinklers and Standpipes

Description

Fire Sprinklers and Standpipes: The Resort Hotel and Golf Club facility buildings are fully protected with a supervised wet pipe sprinkler and standpipe system utilizing steel piping. The system is complete with fire department Siamese connections; OS&Y valves chained open that are tamper switch protected; standpipe flow switches. Fire sprinkler risers are located at various locations throughout the buildings in either designated F.A.C.P. rooms or mechanical areas.

Observations/Comments

General Condition: Good

Age/Last Action: The fire sprinkler system is original and is maintained as part of the routine maintenance of the facility. There were no leaks noted in the valves and pipes that were surveyed and no deficiencies or distress were reported or observed.

Concerns

Inoperable Equipment: There were no obvious visual indications of inoperable fire sprinkler equipment. According to the property contact, the system is fully operable.

Insufficient Water Pressure: According to the property contact, the water pressure at the Subject Property is sufficient to operate the fire sprinkler system.

Out-of-Date Inspections: NDDS reviewed the inspection certificates for the fire sprinkler system and found them to be current.
Inspection tags at one of the risers observed indicated the system is tested quarterly and was most recently tested on July 27, 2022 by Glick Response Fire Protection, LLC.

Recalled Sprinkler Heads: Over the years, there have been extensive recalls of sprinkler heads manufactured by Central, Omega and Star. Some of these sprinklers could either fail in a fire, or trigger unexpectedly. According to property management, the sprinkler heads at the property were inspected and none of the sprinkler heads were involved in a recall.

Other: No additional concerns relating to the sprinkler system at the Subject Property were noted by or reported to NDDS's assessor.

Recommendations

No major overhaul or replacement of the fire sprinkler system is anticipated during the reserve term. The system should continue to be maintained as part of the routine maintenance of the facility.

9.2 Alarm Systems

Description

Fire Alarm Systems: The following detection devices were noted: hard-wired smoke detectors, battery pack emergency lighting, pull station activated siren and strobes, and fire alarm control panels with communication capabilities. The main hotel fire alarm panel is located in a designated room behind the main lobby entrance desk. The panel is a Silent Knight model IFP-2000 manufactured by Honeywell. The system is reportedly supervised. There are various other fire alarm panel throughout the Subject communicate with the main panel.

Observations/Comments

General Condition: Good

Age/Last Action: The fire alarm systems at the Subject Property are at least second generation and are maintained as part of the routine maintenance of the facility.

The battery-operated and hard-wired smoke detectors are of various ages. Batteries are replaced on a periodic basis and non-functioning units are replaced on an as needed basis. This work is done as part of routine maintenance.

Concerns

Inoperable Equipment: All of the systems and equipment observed were reportedly operable at the time of the assessment; however, two of the fire alarm panels observed indicated that they were in "Trouble" mode.

With respect to the individual detection devices, no problems were reported.

Other: No additional concerns relating to the alarm systems were noted by or reported to NDDS's assessor.

Recommendations

No major overhaul or replacement of the alarm systems is anticipated during the reserve term. Other than routine, continued annual inspections and maintenance as required, no further action is needed at this time. However, it should be noted that NDDS did not conduct any tests of these devices, which is beyond the scope of this survey.

Two of the Subject's fire alarm panels are in "Trouble" mode. A professional testing company should be retained to properly check each device and alleviate any problems with the system.

9.3 Other Systems

Description

System: In addition to the wet pipe fire sprinkler system, fire protection is provided by self-contained portable extinguishers and cabinet enclosed fire extinguishers.

Observations/Comments

General Condition: Good

Age/Last Action: The portable fire extinguishers are at least second generation and are maintained as part of routine maintenance.

Concerns

Inoperable Equipment: Fire extinguishers were noted to have current inspection tags, last checked in July 2022 by A & A Fire & Safety, Inc. No further action is required at this time.

Other: No additional property-owned life safety or fire protection systems were present at the Subject Property.

Recommendations

No major overhaul or replacement of the system is anticipated during the reserve term. The system should continue to be maintained as part of the routine maintenance of the facility and each fire extinguisher should be pressure tested, re-charged (if needed) and re-tagged yearly.

10.0 ADDITIONAL CONSIDERATIONS

10.1 Natural Hazards

Description

Seismic Zone:

Zone: 0

Source: Uniform Building Code, Figure 16-2, Seismic Zone Map of the U.S.

Flood Plain Designation: Zone A (Typical) & Zone AE (Marina)

Source: Federal Emergency Management Agency (FEMA), Flood Insurance Rate Maps (FIRM) Panel No. 12069C0485E dated 12/18/2012

Wind Zone and Hurricane:

Susceptible Region: Wind Zone III

Hurricane Susceptible Region: Yes

Observations/Comments

Age/Last Action: No seismic or wind upgrades were noted or reported at the Subject Property. It is assumed that construction was completed in accordance with the codes applicable as of the date of construction.

Seismic Concerns: Properties located in Zones 3 or 4 are considered potentially vulnerable to significant impact from earthquake activity. The Subject Property is not located in one of these zones of elevated risk of seismic activity.

Wind or Hurricane Concerns: Properties located in high Wind Zones III or IV, a Special Wind Region or a Hurricane Susceptible Region are considered potentially more vulnerable to significant impact from wind and hurricanes (high wind, storm surge, etc). The subject property is located in Zone III and a Hurricane Susceptible Region.

Recommendations

Based on the wind zone map, the property is located within a Hurricane Susceptible Region. Therefore, wind/hurricane damage protection/insurance may be required.

10.2 Microbial Contamination (Mold)

Description

A visual screening for suspect mold was conducted. The screening was limited to observations in the areas walked and should not be considered a comprehensive survey of the property. No sampling was conducted. No assessment or assessment behind walls or in any other generally inaccessible areas was performed. Inquiries were made of the owner and/or property manager regarding any knowledge of past and current leaks at the property, any known mold issues, and any tenant complaints regarding health problems, musty odors or water leaks. When applicable, areas of reported or likely water leaks or water intrusion/penetration were inspected.

Observations/Comments

Concerns

No significant indications of mold or water infiltration were noted by NDDS's assessor. No concerns relating to mold or water infiltration were reported to NDDS by property management.

Recommendations

No concerns relating to mold were identified during the assessment and no further action is recommended at this time.

10.3 Americans with Disabilities Act

Title III of the Americans with Disabilities Act of 1990 (ADA) prohibits discrimination on the basis of disability by public accommodations and requires places of public accommodation and commercial facilities to be designed, constructed and altered in compliance with the accessibility standards outlined in the regulations. Places of public accommodation are facilities, or portions thereof, that are operated by a public entity, whose operations affect commerce and would be open to the public. General categories include: 1) Hotels or other place of lodging; 2) Restaurants other establishments serving food or drink; 3) Theaters or other places of exhibition

or entertainment; 4) Convention centers or other places of public gathering; 5) Grocery stores or other sales or rental establishments; 6) Banks or other service establishments; 7) Bus terminals or other transportation stations; 8) Museums or other places of public display; 9) Parks or other places of amusement; 10) Nurseries, schools or other places of education; 11) Day care centers or other social service centers; and, 12) Bowling alleys or other places of exercise or recreation. Commercial facilities include facilities whose operations will affect commerce and are intended for non-residential use by a private entity such as manufacturing facilities and office buildings. Private clubs and residences are not covered under the ADA. A facility can be a mixture of any of these categories, for example a manufacturing facility that has an extensive customer service operation would be considered a public accommodation at the service area and a commercial facility for the remainder of the facility.

All places of public accommodation and commercial facilities constructed for first occupancy after January 26, 1993 must be constructed to be accessible. Any alteration made to a place of public accommodation or commercial facility after January 26, 1992, must be made so as to ensure that, to the maximum extent feasible, the altered portions of the facility are readily accessible to and useable by individuals with disabilities. Alterations include, but are not limited to, remodeling, renovations, rehabilitation, reconstruction, historic restoration, changes or rearrangement in the plan configuration of walls and full-height partitions. Normal maintenance, reroofing, painting or wallpapering, asbestos removal, or changes to mechanical and electrical systems are not alterations unless they affect the usability of the building or facility.

A public accommodation is required to remove architectural barriers in existing facilities, prior to the making of any alterations, where such removal is readily achievable, i.e., easily accomplished and able to be carried out without much difficulty or expense. Examples include, but are not limited to, providing designated handicapped parking spaces, adding small ramps and curb cuts, widening doorways, rearranging furniture, adding raised markings on elevators, installing grab bars in toilet stalls and rearranging toilet partitions to increase maneuvering space. If not readily achievable, alternative methods of providing service, such as access to the management office, must be offered. Alternative methods include, but are not limited to, installing an intercom system between the leasing office and an accessible area, or relocating activities to accessible locations. The determination as to whether removal of a barrier or an implementation of a component or system is readily achievable is often a business decision, which is based on the resources available to the owner or tenants, and contingent upon the timing of implementation. Determination of whether barrier removal is readily achievable is on a case-by-case basis; the United States Department of Justice did not provide numerical formulas or thresholds of any kind to determine whether an action is readily achievable. It is the property owner's burden to prove that a modification is not readily achievable, or would pose an undue financial or administrative burden.

NDDS is providing a Tier I survey. A Tier I survey is limited to visual observations and does not include taking extensive measurements or counts, or the inspection all areas of the Subject Property. As such, a Tier I inspection would not be expected to be as comprehensive or accurate as a Tier II or Tier III ADA survey. The scope of this limited visual survey is specifically limited to the following four areas: parking, path-of-travel, public restrooms and elevators. NDDS's opinions regarding ADA compliance should be considered preliminary and a finding that the property is in general compliance with ADA guidelines should not be construed to mean that no areas of ADA non-compliance exist.

On July 23, 2004, the Architectural and Transportation Barriers Compliance Board (also known as the Access Board) published a final rule adopting revised guidelines to implement the ADA and the Architectural Barriers Act (ABA) in the Federal Register. 69 Fed. Reg.44083. These guidelines became effective on September 21, 2004 as guidance for the ADA standard setting agencies (Department of Justice and Department of Transportation) and the ABA standard setting agencies (Department of Defense, Department of Housing and Urban Development, the General Services Administration, and the U.S Postal Service). Each of these standard setting agencies is required to publish enforceable regulations that include design standards that consistent with the Access Board's guidelines. The Access Board's guidelines have no legal effect on the public until the standard setting agencies have completed their rule making process.

The Department of Justice has published an Advance Notice of Proposed Rulemaking (ANPRM) to begin the process of revising the Department's ADA regulations to adopt design standards that are consistent with the revised ADA Accessibility Guidelines published by the Access Board.

The ANPRM is the first of three steps in the regulatory process and is designed to solicit public comment on several issues relating to the potential application of the revised guidelines and to obtain background information needed for the regulatory impact analysis (a report analyzing the economic costs and benefits of a regulatory action) that will accompany the proposed and final rules. The ANPRM will be followed by notice of proposed rulemaking (NPRM) and a final rule.

Parking Facility

The term "parking facility" is used instead of the term "parking lot" in the ADA guidelines so that it is clear that both parking lots and parking structures are required to comply with these requirements. The number of parking spaces required to be accessible is to be calculated separately for each parking facility; the required number is not to be based on the total number of parking spaces provided in all of the parking facilities provided on the site. Each parking facility should comply with the following table.

| Parking Requirements: | Total Spaces | Total ADA | ADA Van |
|-----------------------|--------------|--|-----------------|
| Proposed in () | 1-25 | 1 | 1 |
| | 26-50 | 2 | 1 |
| | 51-75 | 3 | 1 |
| | 76-100 | 4 | 1 |
| | 101-150 | 5 | 1 |
| | 151-200 | 6 | 1 |
| | 201-300 | 7 | 1(2) |
| | 301-400 | 8 | 1(2) |
| | 401-500 | 9 | 2 |
| | 501-1000 | 2% of total | 1 of 8 (1 of 6) |
| | > 1000 | 20, plus 1 for each 100, or fraction thereof, over 1,000 | 1 of 8 (1 of 6) |

Description

Parking Facilities:

On-site parking for the **Resort Hotel** is provided for approximately 179 cars in various lots along the north sides

of the associated buildings. Of these spaces, 4 are handicap accessible. At the time of our site visits, the parking lot areas appeared to be partially filled.

The primary guest parking for the main **Golf Club Facility**, which is located within the circle drive at the main entrance and the auxiliary lot to the north, is provided for approximately 45 cars. Of these spaces, 6 are handicap accessible. There are also approximately 137 parking spaces in the large parking lot utilized primarily for the golf course located to the south of the Golf Club building. At the time of our site visits, the parking lot areas appeared to be partially filled.

Concerns

| | |
|--------------------------|--|
| Insufficient Spaces: | The number of ADA parking spaces at the Subject Property meets the current and proposed regulations; however, there are no van accessible ADA parking spaces, of which at least one is required at both the Resort Hotel and Golf Club Facility. |
| Poor Location of Spaces: | Accessible parking spaces were adequately spread across the retail facility providing compliant parking at various locations. |
| Inadequate Signage: | Each ADA parking space lacked the required vertical signage, with the international symbol of accessibility. |

Recommendations

NDDS recommends that the ADA parking spaces be brought into compliance with proper identification signage and a required van-accessible ADA parking space. Each space requires the addition of a vertical mounted sign. and one of the exiting ADA parking spaces needs to be converted to a van-accessible ADA parking space.

Path of Travel

There should be at least one accessible route provided within the boundary of the Subject Property from public transportation stops accessible parking spaces, passenger loading zones, if provided, and public streets and sidewalks. An accessible route means having an adequate number of properly located, ADA compliant curb cuts, ramps and entrances with the appropriate signage.

Description

| | |
|------------------|--|
| Accessible Path: | The accessible paths at the Subject Property are adequate. |
|------------------|--|

Concerns

| | |
|-------------------------|---|
| Insufficient Curb Cuts: | Curb cuts were present when needed along the accessible routes. |
| Insufficient Ramps: | Ramps were present as needed along the accessible routes. |
| Insufficient Routes: | There were a sufficient number of accessible routes at the Subject Property. The routes appeared to be of sufficient width and free of obstacles. |
| Insufficient Entrances: | The accessible entrances appeared to be of sufficient width, with ADA compliant thresholds and hardware. |
| Insufficient Signage: | There was adequate signage to direct people to the accessible routes and entrances on the property. |

Recommendations

The accessible routes on the Subject Property appeared to be sufficient and in general compliance with the ADA guidelines and no further action is recommended at this time.

Restrooms

Restroom facilities should accommodate the disabled with respect to the existence of toilet stalls that appear to be designed for accessibility, lavatories or sink at accessible heights with adequate clearance underneath, and compliant emergency fire alarms and strobes.

Description

During our site survey, we noted that the some of the restrooms provides limited handicapped accessibility. The law became effective for existing buildings classified as "Public Accommodations" on January 26, 1992. We recommend that an ADA survey be conducted to identify all barriers and any readily achievable improvements / modifications. Below are some, but not all, of the modifications that need to be further studied and/or remedied.

Create Accessible Toilet Stall - ADA requires that at least one accessible stall must be available in restrooms with more than one stall. At least one of the Subject's restrooms presently does not meet this requirement. We recommend creating an accessible stall by removing an existing toilet and combining the two existing stalls.

Relocate Accessible Toilet - One or more of the Subject's accessible restroom(s) were found to have toilets which do not meet ADA maneuverability requirements of a 60" diameter radius (Photo 200). We recommend relocating toilets in all accessible restrooms which do not meet the maneuverability requirement. This may require the removal of an adjacent urinal and/or standard stall.

Lower Urinal for Handicapped Access - At present, the common area restrooms are equipped with only standard mounting height wall urinals without grab bars. One (1) urinal should be lowered or removed and replaced with a lower mounted wall urinal to provide handicapped access. Installation should include grab bars and patching of all affected wall surfaces during installation.

Insulate Exposed Pipes Below Sink - Water supply and drain pipes under lavatories and sinks shall be insulated or otherwise configured to protect against contact (Photo 201).

Relocate Flush Valve - ADA requires that the flush valve in accessible restroom be placed on the approach side rather than the wall side. Presently, one or more of the Subject's accessible restrooms has flush valves on the wrong side. We recommend relocating the flush valve from wall side to approach side.

Elevators

Elevators should have call buttons with visual signals to indicate when a call is registered and answered; interior control buttons designated by Braille and by raised standard alphabet characters for letters and Arabic symbols for numerals; emergency controls grouped at the bottom of the control panel; interior panel floor buttons with visual signals which light when each call is registered and extinguish when each call is answered; visual and audible signaling provided at each floor stop; doors with a reopening device that will stop and reopen a car door if the door becomes obstructed; and an emergency two-way communications system, which does not require voice communication.

Description

Elevators: There were three passenger elevators the hotel buildings and one for the elevated walkway. All of which were ADA complaint as described above.

Observations/Comments

Concerns

| | |
|-----------------------------|--|
| Improper Call Buttons: | The call buttons on each floor were in general compliance with visual signals indicating when a call is registered and is answered. The call buttons were at a height that would be considered accessible to someone in a wheelchair. |
| Improper Interior Controls: | The interior control panels appeared to be in general compliance with the ADA guidelines, with raised numbers and Braille, emergency controls grouped at the bottom, floor indicators with visual signals and audible signaling at each floor stop. The control panels were accessible to someone in a wheelchair. |
| Inadequate Doors: | The doors of the passenger elevators were at least 32 inches wide and had reopening devices that stop and reopen the door in the event they are stopped by a person or object. |

Recommendations

The passenger elevators at the Subject Property appeared to be in general compliance with the ADA guidelines. No further action is recommended at this time

10.4 Fair Housing Amendments Act

The Fair Housing Amendments Act of 1988 (FHAA) requirements cover buildings consisting of four or more dwelling units with first occupancy after March 13, 1991. If such buildings have one or more elevators, all dwelling units are covered by the Act; otherwise, in buildings without elevators, only ground floor dwelling units are covered by the Act. Townhouses are exempted from the Act. The Department of Housing and Urban Development (HUD) has published Final Design Guidelines (see Federal Register, 24 CFR, Vol. 56, No. 44, March 6, 1991, page 9497). The Act requires design and construction to meet the seven design requirements listed below:

1. An accessible building entrance on an accessible route that can be used by a person using a wheelchair must be provided.
2. Public and common use areas of the dwellings must be readily accessible to and usable by persons with disabilities.
3. Doors designed to allow passage into and within all premises, usable to a person in a wheelchair, must be provided.
4. An accessible route must be provided into and through the covered dwelling unit to allow passage by a person in a wheelchair.
5. All light switches, electrical outlets, thermostats and other environmental controls requiring access must be provided at accessible locations.
6. Bathroom walls must provide reinforcements to allow for later installation of grab bars and shower seats.
7. Kitchens and bathrooms must be designed to allow an individual in a wheelchair to maneuver about the space.

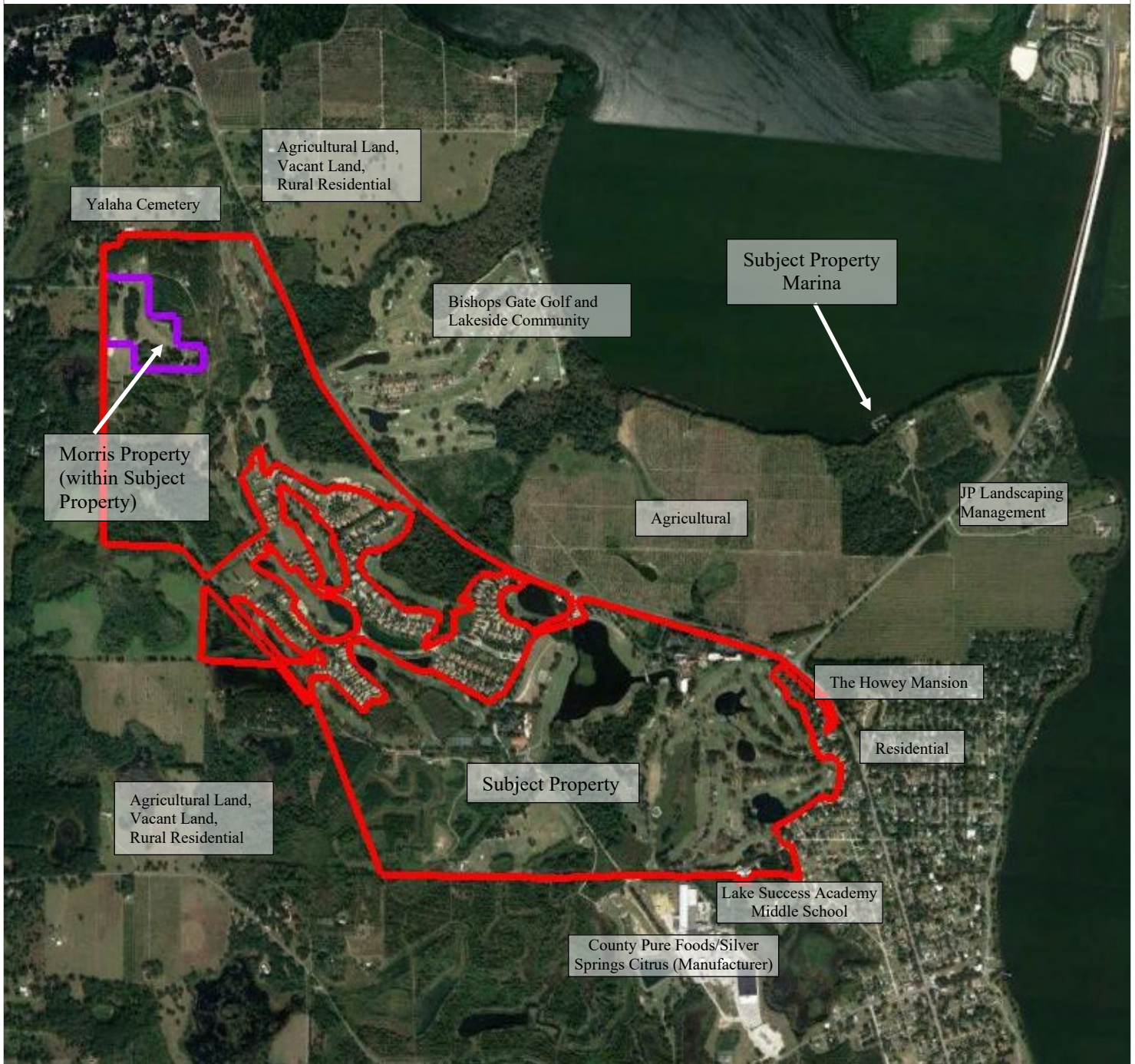
Recommendations

The subject property was first occupied before March 13, 1991; as such, it is not required to comply with the provisions for new construction buildings under the FHAA.

APPENDIX A

PROPERTY MAPS, DRAWING, AND DESCRIPTION

PROPERTY DIAGRAM



NOT TO SCALE

FIGURE 2



TOPOGRAPHIC MAP

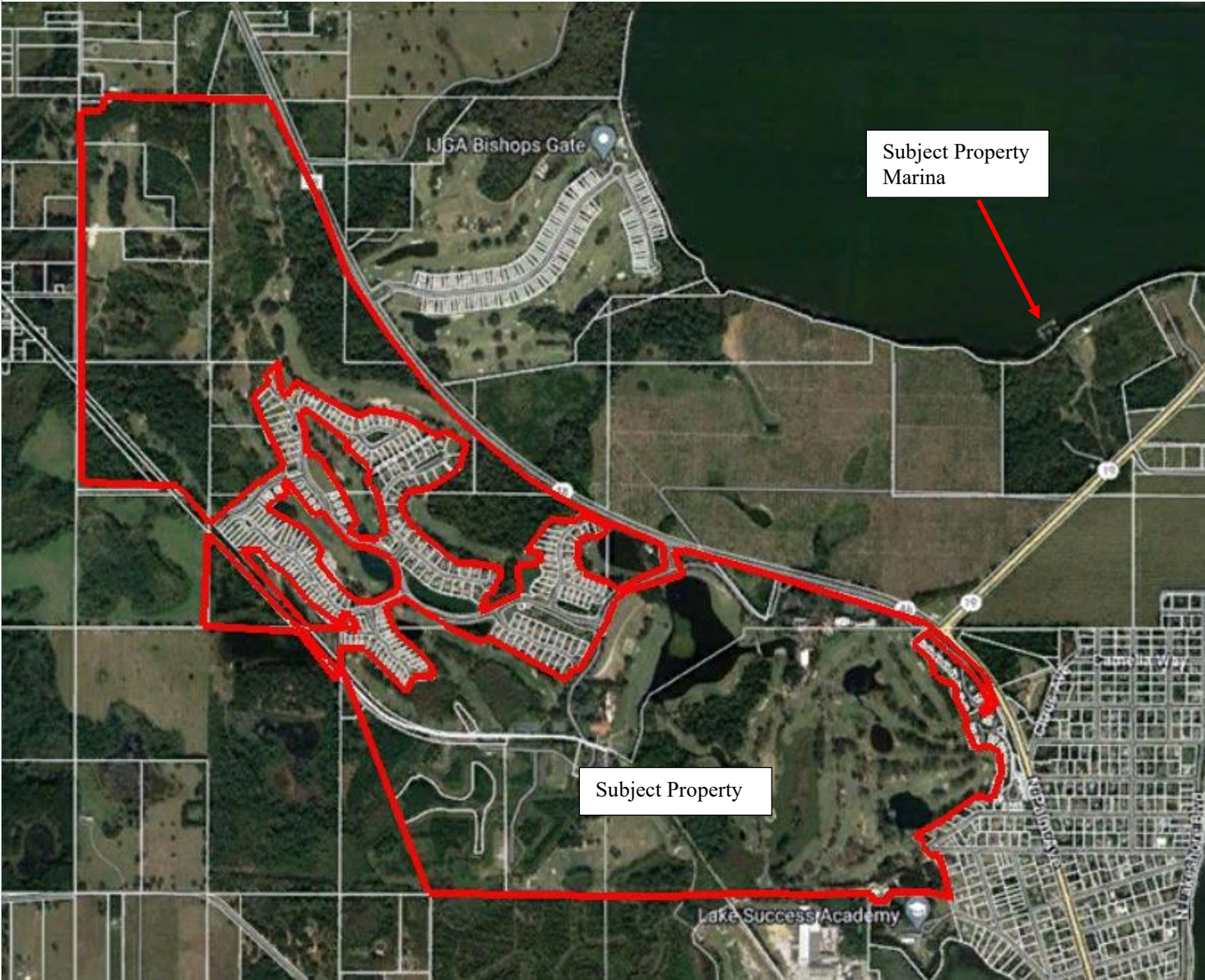


U.S.G.S 7.5-MINUTE MAP

FIGURE 3



TAX MAP

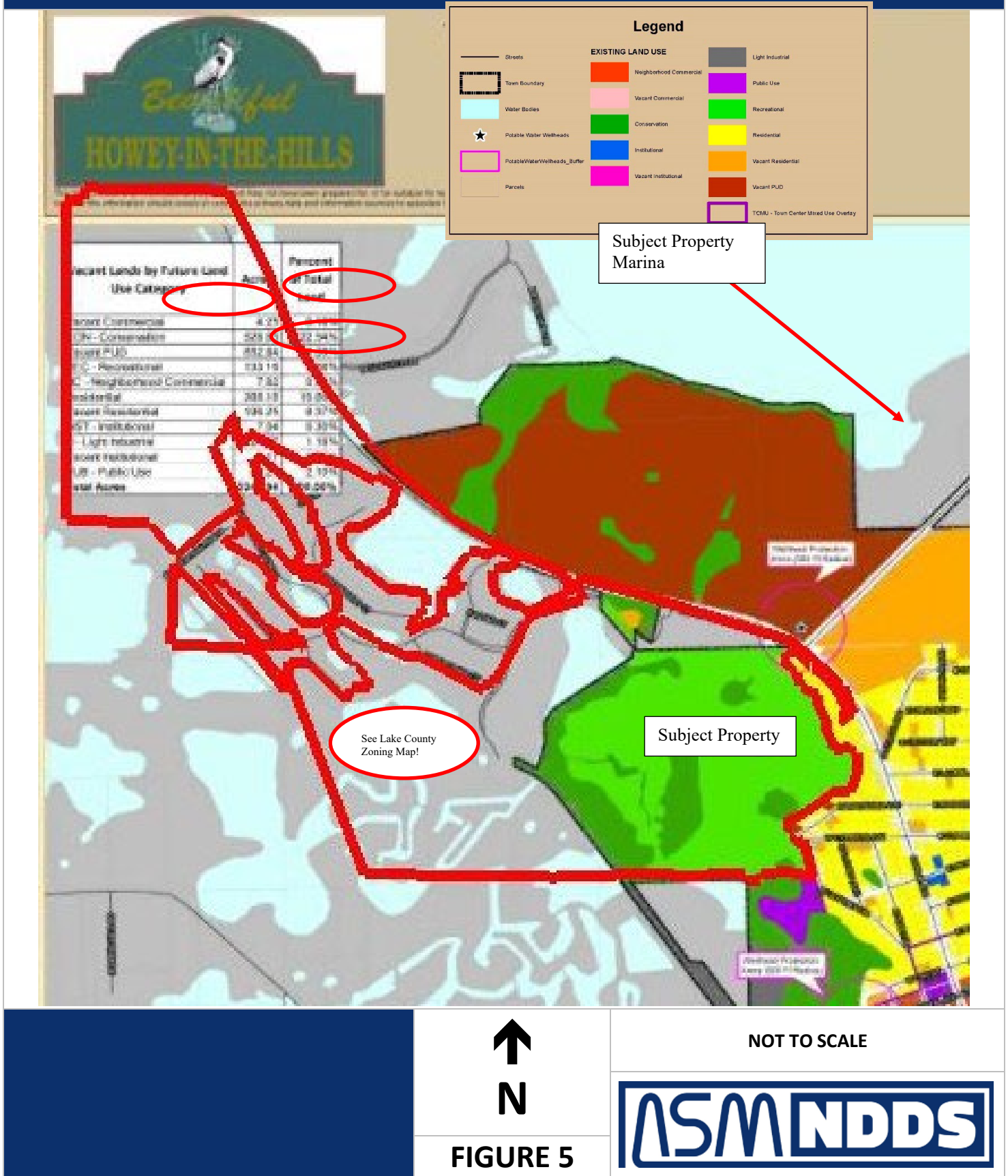


NOT TO SCALE

FIGURE 4



CITY LAND USE MAP



FLOOD MAP

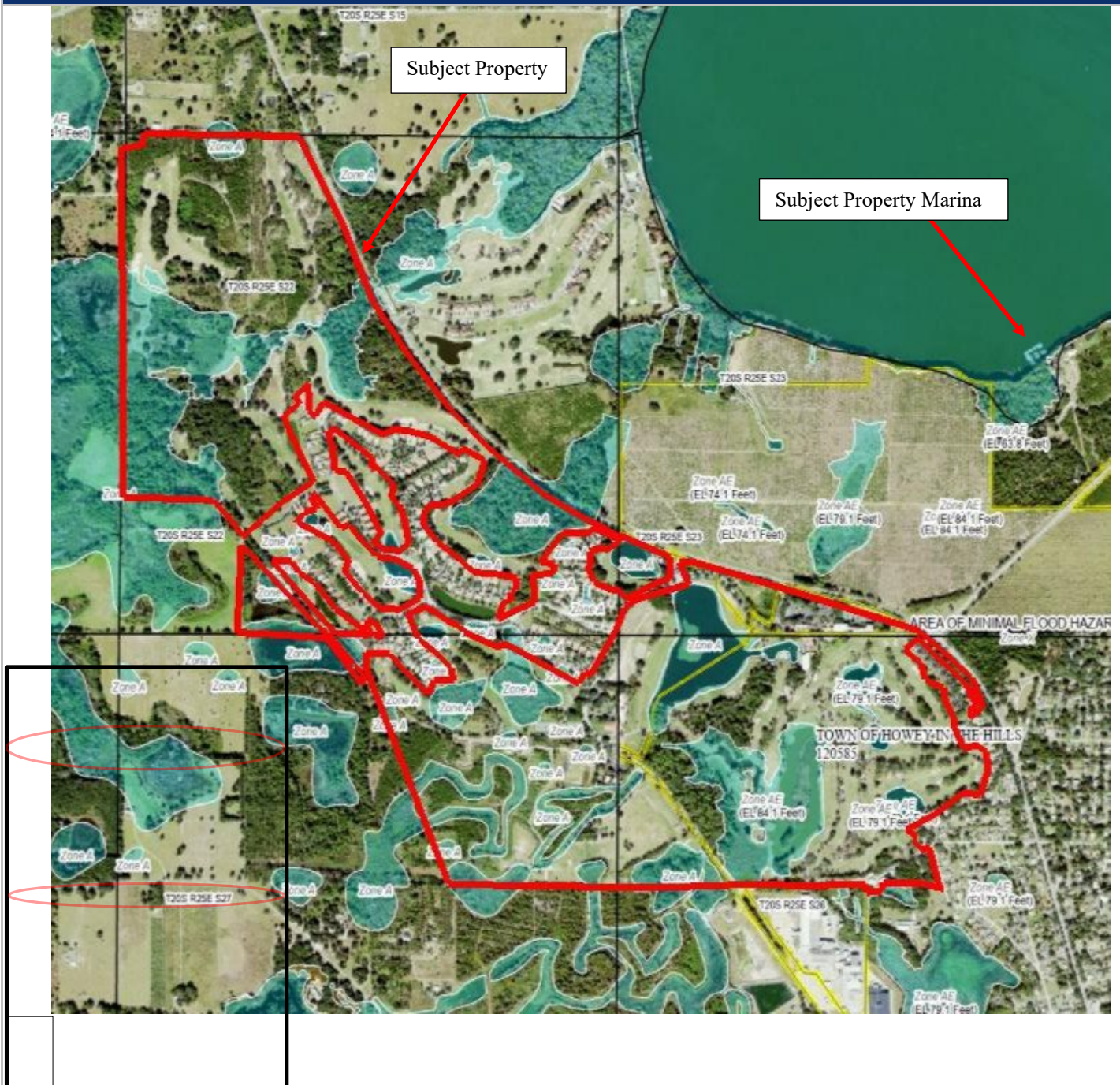


FIGURE 6

FEMA MAP NO.: 12069C0485E
DATE: 12/18/2012



APPENDIX B
PROPERTY PHOTOGRAPHS



1. Main entrance to the Subject along County Road, looking southeast.



2. Main entrance gate along County Road, looking southeast.



3. Typical asphalt paved driveway between the Resort Hotel and Golf Club Facility.



4. Entrance to the Resort Hotel



5. Entrance to the Golf Club Facility



6. Entrance to the Marina, looking northeast.



7. Southern bank at the Marina,



8. Monument sign at the main entrance



9. Driveway to the main lobby of the Resort Hotel.



10. Typical monument type signage.



11. Typical asphalt paved driveway at the Resort Hotel.



12. Typical asphalt paved driveway at the Resort Hotel.



13. Typical asphalt paved driveway at the Resort Hotel.



14. Asphalt paved driveway and parking lot along the north side of the San Diego building, looking east.



15. Asphalt paved parking lot near the main lobby entrance, looking north.



16. Asphalt paved parking lot near the main lobby entrance, looking west.



17. Asphalt paved parking lot at the south end of the Golf Club Facility.



18. Typical ADA handicap parking stall.



19. Typical asphalt pavement damage.



20. Typical asphalt pavement damage.



21. Typical asphalt pavement damage.



22. Typical cast-in-place concrete curb damage.



23. Typical damage to a precast concrete wheelstop.



24. Concrete flatwork below the porte cochere at the easternmost entrance to the San Diego building.



25. Typical cracks in the concrete sidewalk.



26. Patio area between the San Miguel and San Diego buildings. Note the cracks in the concrete sidewalk.



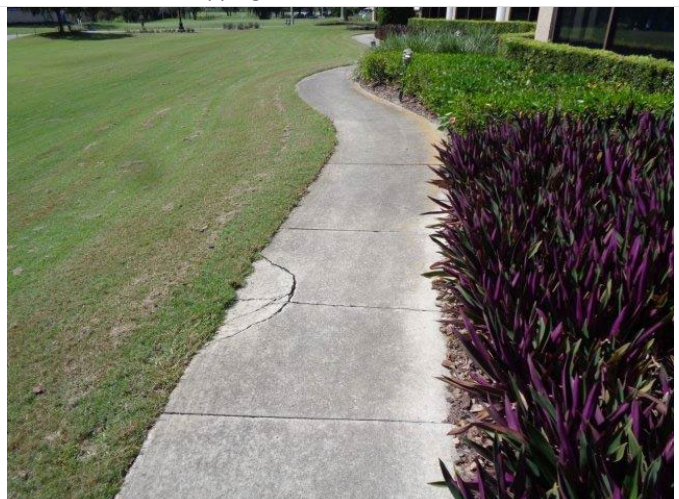
27. Patio area at the south end of the Golf Club. Note the cracks in the concrete sidewalk.



28. Sidewalk along the south of the San Miguel building. Note the tripping hazard.



29. Flatwork at the south end of the Golf Club. Note the tripping hazard.



30. Sidewalk along the east end of the Golf Club. Note the tripping hazard.



31. Sidewalk to the tennis courts west of the Golf Club.
Note the tripping hazard.



32. Entrance to the main lobby.



33. Breezeway between the San Miguel and San Diego buildings, looking south. Note the ADA ramp.



34. Easternmost entrance to the San Diego building.



35. ADA handicap ramp at the north end of the San Angel building.



36. ADA handicap ramp at the main entrance to the Golf Club building.



37. ADA handicap ramp at the main entrance to the Spa Marbella portion of the Golf Club building.



38. ADA traction pad at the curb cut to the main entrance of Spa Marbella.



39. Plaza De La Fontana at the south end of the restaurant complex, looking west.



40. Pond to the west of the main entrance into the Subject, looking northwest.



41. Pond at the east end of the Plaza De La Fontana, looking west.



42. Waterfall feature at the northwest corner of the Resort Hotel parking lot, looking southeast.



43. Typical lighting standard.



44. Typical lighting standard.



45. Tennis and pickle ball courts at the north of the San Miguel building, looking southwest.



46. Tennis courts to the west of the Golf Club, looking west.



47. Swimming pool and patio at the south end of the main lobby, looking south.



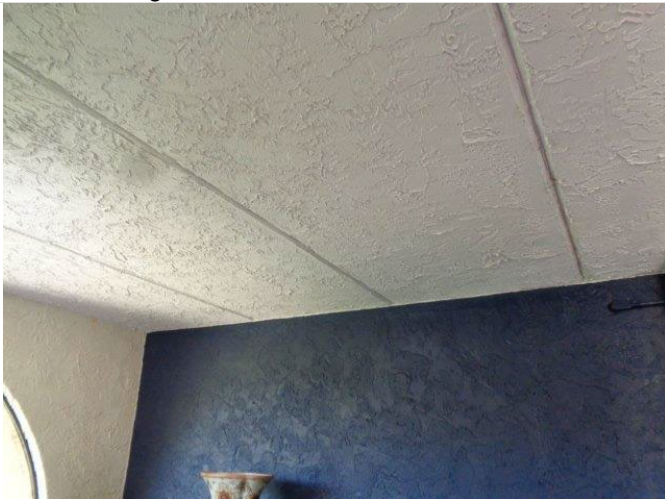
48. Spa adjacent to the swimming pool referenced in Photo 47.



49. Playground located south of the Golf Club parking lot, looking south.



50. Typical refuse containers.



51. Typical precast concrete plank floor framing in the Resort Hotel buildings.



52. Typical precast concrete plank floor framing in the Resort Hotel buildings.



53. Precast double tee planks that form the roof structure of the Conference Center building.



54. Mezzanine floor structure at the rear (west) end of the Conference Center building.



55. Typical roof framing in the Golf Club building.



56. Typical wood truss roof framing.



57. Typical wood truss roof framing in the Golf Club parking garage.



58. Concrete shed at the southwest corner of the inground pool equipment.



59. Spalled concrete and corroded rebar in the concrete shed referenced in Photo 58.



60. One of the four landscaping buildings.



61. One of the four landscaping buildings.



62. One of the four landscaping buildings.



63. Typical concrete slip in the Marina (Del Rey).



64. Typical concrete slip construction.



65. Typical wood pier foundation for the concrete slips.



66. Partial view of the north façade of the San Miguel building, looking southeast.



67. Partial view of the south façade of the San Miguel building, looking northwest.



68. North entrance between the San Miguel and San Diego buildings, looking southwest.



69. Partial view of the north façade of the San Diego building, looking southeast.



70. Partial view of the south façade of the San Diego building, looking northeast.



71. Elevated walkway adjacent to the main lobby entrance, looking south.



72. Partial view of the west façade of the San Angel building, looking northeast.



73. Partial view of the east façade of the San Angel building, looking west.



74. Partial view of the east and north facades of the Conference Center building, looking southwest.



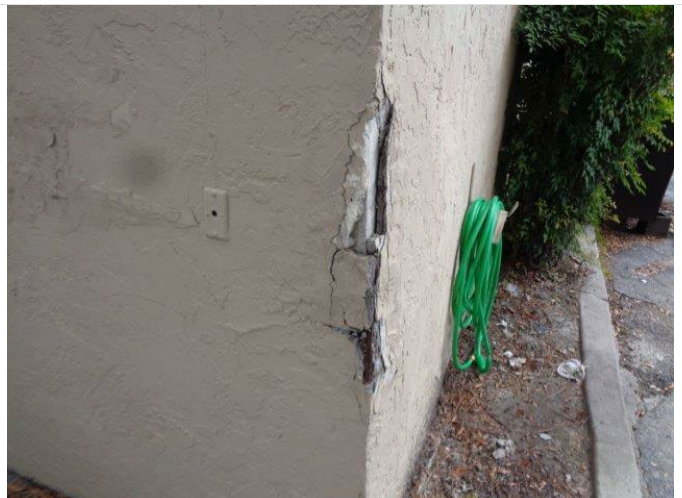
75. Partial view of the north façade of the Conference Center building, looking southwest. Note the stucco repairs.



76. Closer up of the north façade referenced in Photo 75. Note the stucco repairs.



77. Loading dock at the west (rear) end of the Conference Center building.



78. Close up of the southwest corner of the loading dock referenced in Photo 77. Note the damaged stucco façade.



79. View of the Plaza De Las Palmas at the middle of the Restaurant Complex.



80. View of the Plaza De La Fontana at the south end of the Restaurant Complex, looking southwest.



81. Main entrance to the Golf Club, looking east.



82. Main entrance to the Spa Marbella at the southern portion of the Golf Club, looking south.



83. Partial view of the east façade of the Golf Club building, looking northeast.



84. Patio at the north end of the Golf Club building, looking southwest.



85. South façade of the Golf Club building, looking north. Note the entrance to the golf cart garage.



86. Partial view of the roof atop the San Diego building, looking east. Note the BUR membrane.



87. View of the roof of the San Miguel building, looking west.



88. Partial view of the roof of the San Miguel building. Note the TPO membrane and various RTU's and a/c condensers.



89. View of the clay tile roof atop the main lobby, looking west.



90. Partial view of the roof atop the San Angel building, looking south. Note the TPO membrane.



91. Partial view of the roof atop the Conference Center building, looking west. Note the BUR membrane.



92. Partial view of the standing seam metal roof at the rear of the Conference Center, looking west.



93. Partial view of the standing seam metal roof at the rear of the Conference Center, looking northwest.



94. Partial view of the roof atop the Billiards room, looking east.



95. Partial view of the roof atop the Golf Club, looking north. Note the TPO membrane.



96. Partial view of the roof atop the Golf Club, looking south. Note the TPO membrane.



97. Typical parapet wall atop the roof.



98. Typical interior roof drain. Note the debris partially blocking the drain strainer.



99. Typical BUR membrane damage.



100. Typical BUR membrane damage.



101. Damaged clay terracotta tile.



102. Damaged clay terracotta coping.



103. Stain terracotta tiles. Note that this does not effect the water shedding capability of the tile.



104. Moss was observed below one of the RTU's atop the Convention Center roof.



105. Typical PTAC unit for the guestrooms.



106. Typical PTAC unit for the guestrooms.



107. Through wall louvers for the typical PTAC unit of the guestrooms.



108. Typical thermostat for the guestrooms.



108. Typical packaged RTU's and a/c condensers atop the roof.



109. Typical split system a/c condensers atop the roof.



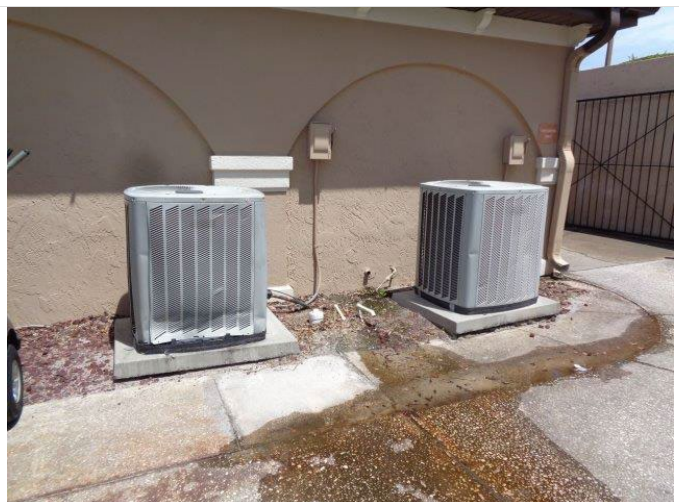
110. Typical split system a/c condenser at grade.



111. Typical split system a/c condenser at grade.



112. Typical packaged unit at grade.



113. Typical split system a/c condensers at grade.



114. Typical packaged RTU.



115. Older packaged RTU.



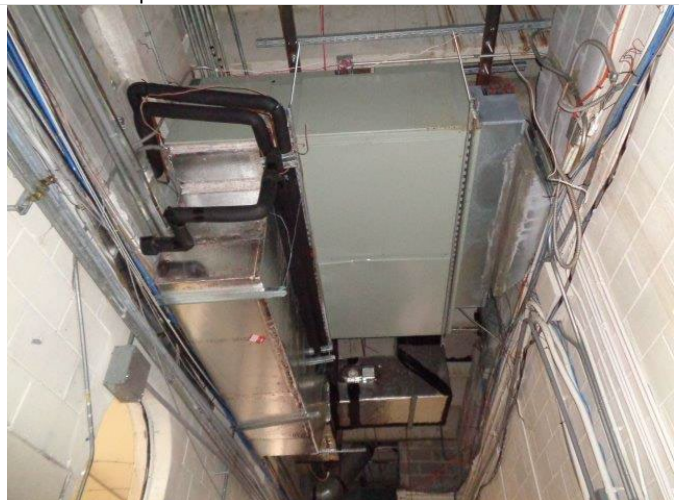
116. Typical packaged unit at grade.



117. New packaged 10-20 ton unit behind the Restaurant Complex.



118. Typical split system furnace.



119. Ceiling hung air handler unit at the rear of the Conference Center building.



120. Pad mounted electrical transformer at the Resort Hotel.



121. Pad mounted electrical transformer at the Golf Club.



122. Typical electric meter.



123. Typical main electric panel and distribution panels.



124. Typical distribution panels.



125. Typical distribution panel for the individual guestrooms.



126. Electrical panel for the Marina slips.



127. Typical GFCI outlet.



128. One of two natural gas emergency electrical back-up generators at the Resort Hotel.



129. One of two natural gas emergency electrical back-up generators at the Resort Hotel.



130. Diesel emergency electrical back-up generator for the lift station at the Resort Hotel.



131. Typical gas-fired hot water boiler for the Resort Hotel.



132. Typical gas-fired hot water boiler for the Resort Hotel.



133. Typical hot water storage tanks for the Resort Hotel.



134. Typical hot water storage tanks for the Resort Hotel.



135. Typical individual domestic hot water heater.



136. Typical individual domestic hot water heater.



137. Inground pool heater.



138. Inground pool pumps and filter.



139. Typical passenger elevator in the Resort Hotel buildings.



140. Passenger elevator in for the breezeway of the Resort Hotel.



141. Service elevator for the kitchens in the Restaurant Complex.



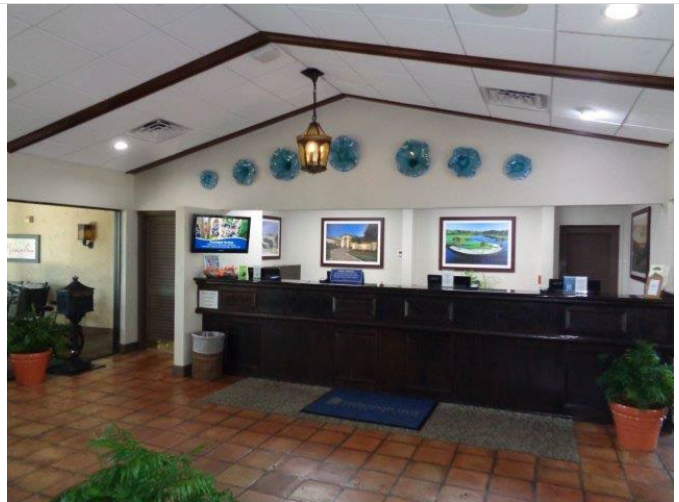
142. One of three out-of-date inspection tags in the passenger elevators of the Resort Hotel buildings.



143. Typical hydraulic elevator equipment.



144. Typical hydraulic elevator equipment.



145. Main lobby desk.



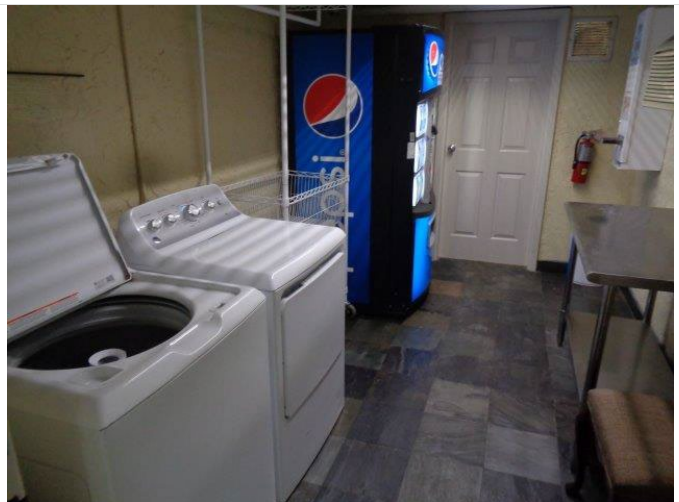
146. Main lobby seating area.



147. Typical common corridor within the Resort Hotel buildings.



148. Typical common corridor within the Resort Hotel buildings.



149. Typical ice machine, vending machine and washer/dryer alcove off a typical common corridor.



150. Typical interior stairwell within the Resort Hotel.



151. Typical interior stairwell within the Resort Hotel.



152. Typical Club King guestroom.



153. Typical Standard Double Queen guestroom.



154. Typical King Suite guestroom.



155. Typical Club Double Queen guestroom.



156. Typical guestroom credenza.



157. Typical guestroom bathroom.



158. Typical guestroom bathroom.



159. One of two ADA handicap guestrooms.



160. One of two ADA handicap guestrooms. Note the "roll-in" shower.



161. Typical guestroom balcony.



162. Typical guestroom patio.



163. Penthouse patio.



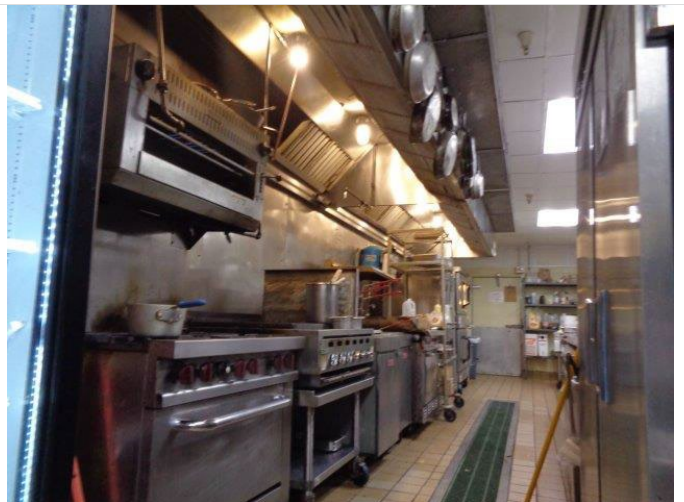
164. Second floor breezeway in the Resort Hotel.



165. Upper patio of the Restaurant Complex.



166. El Conquistador Restaurant within the Restaurant Complex.



167. Typical kitchen.



168. Typical kitchen.



169. Typical kitchen.



170. Typical kitchen.



171. Typical commercial grade washers and dryers for the Resort Hotel.



172. Typical commercial grade washers and dryers for the Resort Hotel.



173. Employee breakroom in the San Diego building.



174. Billiards room.



175. Conference Center lobby.



176. Main Conference Center Board Room/Banquet Room.



177. Typical Board Room/Banquet Room.



178. Typical Board Room/Banquet Room.



179. Typical Board Room/Banquet Room.



180. Breakfast dining room.



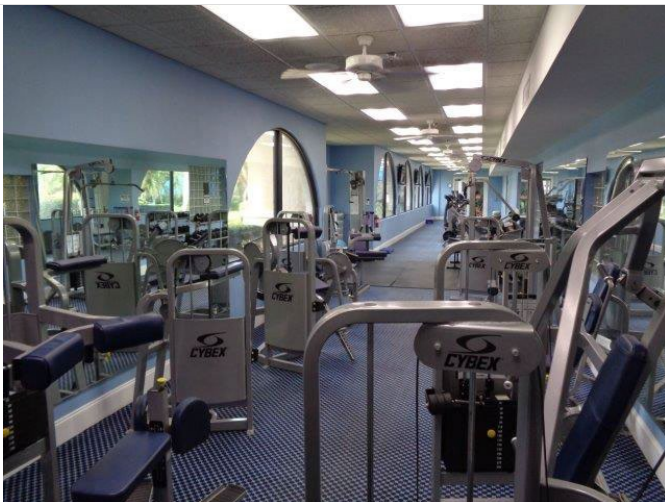
181. Nicker's Restaurant.



182. Clubhouse.



183. Legends Ballroom.



184. Fitness center in the Golf Club building.



185. Monument sign at the Marina (Del Rey) dock entrance.



186. Dock entrance to the Marina (Del Rey).



187. Typical Marina slip.



188. Typical shore power station for the Marina slips.



189. Typical access panel for the boat slips. Note the damaged/deteriorated electrical passthrough tubes.



190. Main fire alarm panel behind the main lobby desk.



191. Typical fire alarm panels in the Resort Hotel.



192. Fire alarm panel at the main entrance foyer of the Golf Club.



193. Typical fire sprinkler riser in the Resort Hotel.



194. Fire sprinkler riser at the Golf Club.



195. Typical fire extinguisher.



196. Typical fire hydrant.



197. Typical fire department connection.



198. South side of one of the landscaping buildings. Note the step crack in the CMU wall.



199. Close up view of the step crack referenced in Photo 198.



200. ADA designated stall does not meet maneuverability requirements of 60" diameter radius.



201. Insulate pipes below sink.

APPENDIX C
**PHYSICAL DEFICIENCY/DEFERRED MAINTENANCE AND CAPITAL
RESERVE SCHEDULE**



1/1/23

TABLE 1

OPINION OF PROBABLE COSTS TO REMEDY PHYSICAL DEFICIENCIES - DEFERRED MAINTENANCE TABLE

Resort
123 Main Street
City, State, Zip
NDDS Project # 2311111

| ITEM | QUANTITY | UNIT | UNIT COST | IMMEDIATE COSTS | SHORT TERM COSTS | COMMENTS |
|--|----------|------|-------------|-----------------|------------------|--|
| Asphalt Pavement Crack Routing and Sealing | 350 | LF | \$7.50 | \$0 | \$3,625 | Portions of the parking lot and driveway areas is encumbered with isolated wide (1/4" or larger) that have previously been sealed, but have since reopened. These cracks will require individual attention so as to not allow stormwater infiltration into the sub-base. Repairs should include routing along the length of each crack and then sealing. |
| Repair Damaged & Spalled Sections of Concrete Curbing | 100 | LF | \$12.00 | \$0 | \$1,200 | Isolated sections of the concrete curbing were noted to be chipped, spalled and damaged throughout the parking lot and driveway areas. Repair such sections with a concrete patching compound to match existing. |
| Sidewalk Trip Hazard Repair | 4 | EA | \$600.00 | \$2,400 | \$0 | Sidewalks exhibit various sections of heaving and/or settlement. Most of these cracks can be patched with a non-shrinking grout. Special attention is directed to the areas which could be a tripping hazard. These sections of sidewalk should be removed and replaced. |
| Clean & Scrape Delaminated Rebar at Concrete Pool Equipment Shed | 1 | LS | \$1,000.00 | \$0 | \$1,000 | The steel reinforcing bars (rebar) were partially exposed along the underside of the concrete roof/ceiling of the pool mechanical shed. Repairs should include scraping all rusted and delaminated rebar along the underside of the roof/ceiling down to sound material. Apply a metal bonding agent/anti-corrosive coating. |
| Repair Damaged Stucco | 1 | MD | \$600.00 | \$0 | \$600 | Repair the damaged stucco facade at the southwest corner of the Conference Center building near the loading area. Remove damaged stucco surfaces down to substrate. Repair isolated deteriorated stucco areas with patch mix as a primer and re-coat all surfaces with 1-coat flat acrylic paint to match existing. |
| Assorted BUR Membrane Repairs (Allowance) | 1 | LS | \$2,500.00 | \$0 | \$2,500 | Areas of deferred maintenance were noted at several roof sections of the BUR membrane. It is recommended repairs be completed to ensure the system remains water tight. |
| Investigate TPO roof warranty(s) ** | 1 | LS | \$1,500.00 | \$0 | \$0 | Should the warranty(s) of the TPO roof membrane be located, a roof warranty transfer inspection by the roofing manufacturer would be recommended. |
| Re-paint Metal Ladders Atop Roof * | 2 | MD | \$600.00 | \$0 | \$0 | The painted metal ladders affixed to the side of the exterior walls and/or parapets exhibit signs of flaking paint, and/or corrosion. We recommend that the affected areas be wire brushed, cleaned, primed and painted with two coats of rust inhibitive paint. This work can be completed in-house or by an outside contractor at minimal cost as part of routine maintenance. |
| Reinspect Elevators with Expired Certificates | 1 | LS | \$500.00 | \$2,500 | \$0 | The three certificates in the San Miguel and San Diego hotel buildings were expired as of August 1, 2022 and need to be reinspected. |
| Investigate Fire Alarm Panels in "Trouble" Mode | 1 | LS | \$1,000.00 | \$2,500 | \$0 | Two of the Subject's fire alarm panels are in "Trouble" mode. A professional testing company should be retained to properly check each device and alleviate any problems with the system. |
| ADA Survey*** | 1 | LS | \$1,500.00 | \$1,500 | \$0 | During our site survey, we noted that the Subjects restrooms provided limited handicapped accessibility. The law became effective for existing buildings classified as "Public Accommodations" on January 26, 1992. We recommend that an ADA survey be conducted to identify all barriers and any readily achievable improvements/modifications. |
| ADA Restroom Allowance*** | 1 | LS | \$14,000.00 | \$14,000.00 | \$0 | ADA requires that at least one accessible stall must be available in restrooms with more than one stall. At least one of the Subject's restrooms presently does not meet this requirement. We recommend creating an accessible stall by removing an existing toilet and combining the two existing stalls in at least two restrooms. |
| ESTIMATED COST | | | | \$22,900 | \$8,925 | |
| Total Physical Deficiencies - Deferred Maintenance: | | | | | \$31,825 | |



Resort
123 Main Street
City, State, Zip
NDDS Project # 2311111

TABLE 2
CAPITAL REPLACEMENT
RESERVE SCHEDULE

9/21/2022

Projected Term: 12
Building Age: 58
No. of Buildings: 6
#Units/Guest Rooms: 176
Facility Type: Hotel

| ITEM | EUL | EFF AGE | RUL | QUANTITY | UNIT | UNIT COST | SECTION NO. | CAPITAL REPLACEMENT RESERVES SCHEDULE - COST PER YEAR | | | | | | | | | | | | SUMMARY | |
|--|--------|---------|--------|----------|------|-------------|-------------|---|-----------|------------|-----------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------|
| | | | | | | | | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 | YEAR 6 | YEAR 7 | YEAR 8 | YEAR 9 | YEAR 10 | YEAR 11 | YEAR 12 | | TOTAL RESERVES |
| SITE | | | | | | | | | | | | | | | | | | | | | |
| Asphalt Seal & Stripe (Parking Lots) | 4 | 3 | 1 | 100,000 | SF | \$0.15 | 5.3 | \$15,000 | - | - | - | - | \$15,000 | - | - | - | - | \$15,000 | - | - | \$45,000 |
| Asphalt Seal (Driveways) | 4 | 3 | 4 | 42,000 | SF | \$0.10 | 5.3 | \$4,200 | - | - | - | - | \$4,200 | - | - | - | - | \$4,200 | - | - | \$12,600 |
| Apply 1 1/2" Asphalt overlay (25%) | 4 | 1 | 3 | 35,500 | SF | \$1.25 | 5.3 | - | - | - | \$44,375 | - | - | - | \$44,375 | - | - | - | - | \$44,375 | \$133,125 |
| Pavement and Curbing - Allowance | 4 | 0 | 4 | 142,000 | SF | \$0.15 | 5.3 | - | - | - | \$21,300 | - | - | - | - | \$21,300 | - | - | - | \$21,300 | \$63,900 |
| Concrete Flatwork - Maintenance | 4 | 0 | 4 | 1 | LS | \$4,500.00 | 5.4 | - | - | - | \$4,500 | - | - | - | - | \$4,500 | - | - | - | \$4,500 | \$13,500 |
| Resurface Concrete Swimming Pool | 15 | 8 | 7 | 1 | EA | \$5,000.00 | 5.6 | - | - | - | - | - | - | - | - | - | - | - | - | \$5,000 | |
| Resurface Tennis Courts | 5 | 2 | 3 | 2 | EA | \$800.00 | 5.6 | - | - | - | \$1,600 | - | - | - | - | \$1,600 | - | - | - | - | \$3,200 |
| EXTERIORS | | | | | | | | | | | | | | | | | | | | | |
| Exterior Maintenance (General) | 2 | 1 | 1 | 1 | LS | \$2,500.00 | 6.3 | - | - | \$2,500.00 | - | \$2,500.00 | - | \$2,500.00 | - | \$2,500.00 | - | \$2,500.00 | - | \$2,500.00 | \$15,000 |
| Re-Caulking, Exterior Facades | 12 | 3 | 9 | 15,000 | LF | \$3.50 | 6.3 | - | - | - | - | - | - | - | - | \$52,500 | - | - | - | \$52,500 | |
| Re-Paint Exterior Sidelwall Surfaces | 7 | 3 | 4 | 66,350 | SF | \$1.25 | 6.3 | - | - | - | \$82,938 | - | - | - | - | - | - | - | \$82,938 | - | \$165,876 |
| Repaint Wood Trim | 7 | 3 | 4 | 3,500 | LF | \$2.50 | 6.3 | - | - | - | \$8,750 | - | - | - | - | - | - | - | \$8,750 | - | \$17,500 |
| ROOFING | | | | | | | | | | | | | | | | | | | | | |
| Re-Roofing TPO (San Miguel) | 25 | 5 | 20 | 12,000 | SF | \$4.50 | 6.4 | - | - | - | - | - | - | - | - | - | - | - | - | - | \$0 |
| Re-Roofing TPO (San Angel) | 25 | 5 | 20 | 12,000 | SF | \$4.50 | 6.4 | - | - | - | - | - | - | - | - | - | - | - | - | - | \$0 |
| Rip-Off & Replace BUR (San Diego) | 15 | 12 | 3 | 8,000 | SF | \$6.00 | 6.4 | - | - | - | \$48,000 | - | - | - | - | - | - | - | - | - | \$48,000 |
| Rip-Off & Replace BUR (Conference Center) | 15 | 12 | 3 | 11,100 | SF | \$6.00 | 6.4 | - | - | - | \$66,600 | - | - | - | - | - | - | - | - | - | \$66,600 |
| Rip-Off & Replace BUR (Restaurant Complex) | 15 | 12 | 3 | 4,500 | SF | \$6.00 | 6.4 | - | - | - | \$27,000 | - | - | - | - | - | - | - | - | - | \$27,000 |
| HVAC SYSTEMS | | | | | | | | | | | | | | | | | | | | | |
| Replace Package RTU's (up to 3 tons) | 15 | 10 | 5 | 4 | EA | \$3,300.00 | 7.1 | - | - | - | - | \$3,300.00 | \$3,300.00 | \$3,300.00 | \$3,300.00 | - | - | - | - | \$13,200 | |
| Replace Package RTU's (3-10 tons) | 15 | 10 | 5 | 6 | EA | \$9,000.00 | 7.1 | - | - | - | - | \$9,000.00 | \$9,000.00 | \$9,000.00 | \$9,000.00 | \$9,000.00 | \$9,000.00 | - | - | \$54,000 | |
| Replace Package RTU's (10-20 tons) | 20 | 2 | 18 | 1 | EA | \$20,000.00 | 7.1 | - | - | - | - | - | - | - | - | - | - | - | - | \$0 | |
| Replace A/C Condensers (Split System) | 15 | 11 | 4 | 8 | EA | \$1,400.00 | 7.1 | - | - | - | \$2,800 | \$2,800 | \$2,800 | \$2,800 | - | - | - | - | - | \$11,200 | |
| Replace Furnaces/AHU (Split System) | 15 | 11 | 4 | 8 | EA | \$1,200.00 | 7.1 | - | - | - | \$2,400 | \$2,400 | \$2,400 | \$2,400 | - | - | - | - | - | \$9,600 | |
| PTAC/Thru-wall (Guestrooms) | 10 | 9 | 1 | 176 | ROOM | \$800.00 | 7.1 | \$11,733 | \$11,733 | \$11,733 | \$11,733 | \$11,733 | \$11,733 | \$11,733 | \$11,733 | \$11,733 | \$11,733 | \$11,733 | \$11,733 | \$140,796 | |
| PTAC/Thru-wall (Common Areas) | 10 | 8 | 2 | 4 | EA | \$800.00 | 7.1 | - | \$800 | \$800 | \$800 | \$800 | \$800 | - | - | - | - | - | - | \$3,200 | |
| ELECTRIC SYSTEMS | | | | | | | | | | | | | | | | | | | | | |
| Generator (up to 11.5 kW) | 20 | 10 | 10 | 1 | EA | \$12,000.00 | 7.2 | - | - | - | - | - | - | - | - | - | \$12,000 | - | - | \$12,000 | |
| Generator (up to 11.5 kW) | 20 | 15 | 5 | 1 | EA | \$12,000.00 | 7.2 | - | - | - | - | \$12,000 | - | - | - | - | - | - | - | \$12,000 | |
| PLUMBING SYSTEMS | | | | | | | | | | | | | | | | | | | | | |
| Central Domestic Hot Water Boiler | 20 | 15 | 5 | 7 | EA | \$3,200.00 | 7.1 | - | - | - | - | \$3,200.00 | \$3,200.00 | \$3,200.00 | \$3,200.00 | \$3,200.00 | \$3,200.00 | \$3,200.00 | - | \$22,400 | |
| Central Hot Water Storage Tank | 15 | 5 | 10 | 14 | EA | \$1,500.00 | 7.3 | - | - | - | - | - | - | - | - | - | \$3,000 | \$3,000 | \$3,000 | \$9,000 | |
| Individual Domestic Water Heater | 12 | 9 | 3 | 8 | EA | \$1,200.00 | 7.3 | - | - | \$2,400 | \$2,400 | \$2,400 | \$2,400 | - | - | - | - | - | - | \$9,600 | |
| Replace Swimming Pool Pump/Filter | 10 | 7 | 3 | 1 | EA | \$2,500.00 | | - | - | \$2,500 | - | - | - | - | - | - | - | - | - | \$2,500 | |
| ELEVATORS | | | | | | | | | | | | | | | | | | | | | |
| Hydraulic Pump/Motor | 25 | 8 | 13 | 5 | S | \$8,000.00 | 7.4 | - | - | - | - | - | - | - | - | - | - | - | - | \$0 | |
| Elevator Cab Finishes | 15 | 5 | 10 | 4 | S | \$3,500.00 | 7.4 | - | - | - | - | \$3,500.00 | - | - | - | - | - | \$3,500.00 | - | \$7,000 | |
| INTERIOR | | | | | | | | | | | | | | | | | | | | | |
| Refinish Common Toilet Rooms | 20 | 15 | 5 | 6 | EA | \$10,000.00 | 8.2 | - | - | - | - | \$20,000 | - | \$20,000 | - | \$20,000 | - | - | - | \$60,000 | |
| Replace Conference Center Finishes | 20 | 14 | 6 | 4,500 | SF | \$15.00 | 8.3 | - | - | - | - | - | \$67,500 | - | - | - | - | - | - | \$67,500 | |
| Replace Worn Common Area Carpeting | 10 | 5 | 5 | 6,000 | SF | \$7.00 | 8.5 | - | - | - | - | \$14,000 | \$14,000 | \$14,000 | - | - | - | - | - | \$42,000 | |
| FF&E - Hard Goods | varies | varies | varies | 176 | ROOM | \$4,000.00 | 8.6 | \$58,666 | \$58,666 | \$58,666 | \$58,666 | \$58,666 | \$58,666 | \$58,666 | \$58,666 | \$58,666 | \$58,666 | \$58,666 | \$58,666 | \$703,992 | |
| FF&E - Soft Goods | varies | varies | varies | 176 | ROOM | \$2,000.00 | 8.6 | \$29,333 | \$29,333 | \$22,166 | \$22,166 | \$22,166 | \$22,166 | \$22,166 | \$22,166 | \$22,166 | \$22,166 | \$22,166 | \$22,166 | \$280,326 | |
| Replace Office Finishes | 10 | 5 | 5 | 2 | EA | \$5,000.00 | 8.7 | - | - | - | - | \$5,000 | \$5,000 | - | - | - | - | - | - | \$10,000 | |
| Commercial Kitchen Finishes | 20 | 13 | 7 | 4,000 | SF | \$6.00 | 8.8 | - | - | - | - | - | - | \$24,000 | - | - | - | - | - | \$24,000 | |
| Replace Commercial Washer/Dryer | 15 | 10 | 5 | 6 | EA | \$8,200.00 | 8.9 | - | - | - | - | \$8,200 | \$8,200 | \$8,200 | \$8,200 | \$8,200 | \$8,200 | - | - | \$49,200 | |
| Appliance Package | 7 | | | | | | | | | | | | | | | | | | | | |
| Notes: | | | | | | | | | | | | | | | | | | | | | |
| 1. | | | | | | | | TOTAL UNINFLATED | \$118,932 | \$109,032 | \$285,840 | \$220,953 | \$198,365 | \$212,865 | \$229,840 | \$146,165 | \$204,665 | \$133,965 | \$234,828 | \$123,865 | \$2,212,315 |
| 2. | | | | | | | | Inflation factor 2.5% | 100.00% | 102.50% | 105.06% | 107.69% | 110.38% | 113.14% | 115.97% | 118.87% | 121.84% | 124.89% | 128.01% | 131.21% | - |
| | | | | | | | | TOTAL INFLATED | \$118,932 | \$195,698 | \$300,311 | \$337,942 | \$218,958 | \$240,837 | \$265,384 | \$273,744 | \$249,364 | \$187,394 | \$300,600 | \$182,522 | \$2,941,506 |
| | | | | | | | | CUMULATIVE TOTAL INFLATED | \$118,932 | \$224,540 | \$524,850 | \$762,793 | \$981,751 | \$1,222,588 | \$1,487,972 | \$1,661,716 | \$1,911,081 | \$2,078,385 | \$2,178,984 | \$2,541,506 | |
| Definitions | | | | | | | | | | | | | | | | | | | | | |
| AVE. EUL - Average Expected Useful Life | | | | | | | | | | | | | | | | | | | | | |
| EFF. AGE - Effective Age (Estimated) | | | | | | | | | | | | | | | | | | | | | |
| RUL - Remaining Useful Life (Estimated) | | | | | | | | | | | | | | | | | | | | | |
| EA - Baths, Var. - Var | | | | | | | | | | | | | | | | | | | | | |
| SF - Square Feet; LF - Linear Feet | | | | | | | | | | | | | | | | | | | | | |
| TI - Tenant Improvement | | | | | | | | | | | | | | | | | | | | | |

| RESERVE SUMMARY | | |
|-----------------------------|-------------|-------------|
| Total Reserves | \$2,212,315 | \$2,541,506 |
| Per SF Reserves (All Years) | \$12,569.97 | \$14,440.37 |
| Per Unit (Per Year) | \$1,047.50 | \$1,203.36 |



TABLE 1

09/21/22

OPINION OF PROBABLE COSTS TO REMEDY PHYSICAL DEFICIENCIES - DEFERRED MAINTENANCE TABLE

Resort (Golf Club)
123 Main Street
City, State, Zip
NDDS Project # 2311111

| ITEM | QUANTITY | UNIT | UNIT COST | IMMEDIATE COSTS | SHORT TERM COSTS | COMMENTS |
|---|----------|------|------------|-----------------|------------------|--|
| Asphalt Pavement Crack Routing and Sealing | 150 | LF | \$7.50 | \$0 | \$1,125 | Portions of the parking lot and driveway areas is encumbered with isolated wide (1/4" or larger) that have previously been sealed, but have since reopened. These cracks will require individual attention so as to not allow stormwater infiltration into the sub-base. Repairs should include routing along the length of each crack and then sealing. |
| Repair Damaged & Spalled Sections of Concrete Curbing | 50 | LF | \$12.00 | \$0 | \$600 | Isolated sections of the concrete curbing were noted to be chipped, spalled and damaged throughout the parking lot and driveway areas. Repair such sections with a concrete patching compound to match existing. |
| Sidewalk Trip Hazard Repair | 2 | EA | \$600.00 | \$1,200 | \$0 | Sidewalks exhibit various sections of heaving and/or settlement. Most of these cracks can be patched with a non-shrinking grout. Special attention is directed to the areas which could be a tripping hazard. These sections of sidewalk should be removed and replaced. |
| Investigae TPO roof warranty(s) ** | 1 | LS | \$1,500.00 | \$0 | \$0 | Should the warranty(s) of the TPO roof membrane be located, a roof warranty transfer inspection by the roofing manufacturer would be recommended. |
| Investigae Fire Alarm Panels in "Trouble" Mode | 1 | LS | \$2,500.00 | \$2,500 | \$0 | Two of the Subject's fire alarm panels are in "Trouble" mode. A professional testing company should be retained to properly check each device and alleviate any problems with the system. |
| | | | | | | |
| ESTIMATED COST | | | | \$3,700 | \$1,725 | |
| Total Physical Deficiencies - Deferred Maintenance: | | | | | \$5,425 | |



Resort (Golf Club)
123 Main Street
City, State, Zip
NDDS Project # 2311111

TABLE 2

9/21/2022

CAPITAL REPLACEMENT
RESERVE SCHEDULE

Projected Term: 12
Building Age: 14
No. of Buildings: 1
Gross/Net SF: 38,000
Facility Type: Resort

| ITEM | EUL | EFF AGE | RUL | QUANTITY | UNIT | UNIT COST | SECTION NO. | CAPITAL REPLACEMENT RESERVES SCHEDULE - COST PER YEAR | | | | | | | | | | | | SUMMARY | |
|---|-----|---------|-----|----------|---------------------------|-------------|-------------|---|------------|----------|------------|------------|------------|------------|------------|-----------|------------|-----------|------------|----------------|--|
| | | | | | | | | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 | YEAR 6 | YEAR 7 | YEAR 8 | YEAR 9 | YEAR 10 | YEAR 11 | YEAR 12 | TOTAL RESERVES | |
| SITE | | | | | | | | | | | | | | | | | | | | | |
| Asphalt Seal & Stripe (Golf Club Parking Lot) | 4 | 3 | 1 | 40,000 | SF | \$0.15 | 5.3 | \$6,000 | - | - | - | \$6,000 | - | - | - | \$6,000 | - | - | - | \$18,000 | |
| Asphalt Seal & Stripe (Golf Course Parking Lot) | 4 | 3 | 4 | 46,000 | SF | \$0.15 | 5.3 | \$6,900 | - | - | - | \$6,900 | - | - | - | \$6,900 | - | - | - | \$20,700 | |
| Apply 1 1/2" Asphalt overlay (25%) | 4 | 1 | 3 | 21,500 | SF | \$1.25 | 5.3 | - | - | \$26,875 | - | - | - | \$26,875 | - | - | - | \$26,875 | - | \$80,625 | |
| Pavement and Curbing - Allowance | 4 | 0 | 4 | 86,000 | SF | \$0.15 | 5.3 | - | - | - | \$12,900 | - | - | - | \$12,900 | - | - | - | \$12,900 | \$38,700 | |
| Concrete Flatwork - Maintenance | 4 | 0 | 4 | 1 | LS | \$4,500.00 | 5.4 | - | - | - | \$4,500 | - | - | - | \$4,500 | - | - | - | \$4,500 | \$13,500 | |
| Resurface Tennis Courts | 5 | 2 | 3 | 6 | EA | \$800.00 | 5.6 | - | - | \$4,800 | - | - | - | - | \$4,800 | - | - | - | - | \$9,600 | |
| EXTERIORS | | | | | | | | | | | | | | | | | | | | | |
| Exterior Maintenance (General) | 2 | 1 | 1 | 1 | LS | \$1,500.00 | 6.3 | - | \$1,500.00 | - | \$1,500.00 | - | \$1,500.00 | - | \$1,500.00 | - | \$1,500.00 | - | \$1,500.00 | \$9,000 | |
| Re-Caulking, Exterior Façades | 12 | 3 | 9 | 7,500 | LF | \$3.50 | 6.3 | - | - | - | - | - | - | - | - | \$26,250 | - | - | - | \$26,250 | |
| Re-Paint Exterior Sidewall Surfaces | 7 | 3 | 4 | 20,970 | SF | \$1.25 | 6.3 | - | - | - | \$26,212 | - | - | - | - | - | - | \$26,212 | - | \$52,424 | |
| Repaint Wood Trim | 7 | 3 | 4 | 1,500 | LF | \$2.50 | 6.3 | - | - | - | \$3,750 | - | - | - | - | - | - | \$3,750 | - | \$7,500 | |
| ROOFING | | | | | | | | | | | | | | | | | | | | | |
| Golf Club (TPO) | 25 | 5 | 20 | 9,800 | SF | \$4.50 | 6.4 | - | - | - | - | - | - | - | - | - | - | - | - | \$0 | |
| HVAC SYSTEMS | | | | | | | | | | | | | | | | | | | | | |
| Replace Package RTU's (up to 3 tons) | 15 | 10 | 5 | 4 | EA | \$3,300.00 | 7.1 | - | - | - | - | \$3,300.00 | \$3,300.00 | \$3,300.00 | \$3,300.00 | - | - | - | - | \$13,200 | |
| Replace Package RTU's (3-10 tons) | 15 | 10 | 5 | 2 | EA | \$9,000.00 | 7.1 | - | - | - | - | \$9,000.00 | \$9,000.00 | - | - | - | - | - | - | \$18,000 | |
| Replace A/C Condensers (Split System) | 15 | 11 | 4 | 6 | EA | \$1,400.00 | 7.1 | - | - | - | \$2,800 | \$2,800 | \$2,800 | - | - | - | - | - | - | \$8,400 | |
| Replace Furnaces/AHU (Split System) | 15 | 11 | 4 | 6 | EA | \$1,200.00 | 7.1 | - | - | - | \$2,400 | \$2,400 | \$2,400 | - | - | - | - | - | - | \$7,200 | |
| ELECTRIC SYSTEMS | | | | | | | | | | | | | | | | | | | | | |
| No major replacement expected | | | | | | | | | | | | | | | | | | | | | |
| PLUMBING SYSTEMS | | | | | | | | | | | | | | | | | | | | | |
| Individual Domestic Water Heater | 12 | 9 | 3 | 5 | EA | \$1,200.00 | 7.3 | - | - | \$1,200 | \$1,200 | \$1,200 | \$1,200 | \$1,200 | - | - | - | - | - | \$6,000 | |
| INTERIOR | | | | | | | | | | | | | | | | | | | | | |
| Refinish Common Toilet Rooms | 20 | 14 | 6 | 4 | EA | \$10,000.00 | 8.2 | - | - | - | - | - | \$20,000 | \$20,000 | - | - | - | - | - | \$40,000 | |
| Refinish Locker Rooms | 20 | 14 | 6 | 1,000 | SF | \$15.00 | 8.3 | - | - | - | - | - | \$15,000 | - | - | - | - | - | - | \$15,000 | |
| Replace Worn Common Area Carpeting | 10 | 5 | 5 | 800 | SF | \$7.00 | 8.5 | - | - | - | - | \$5,600 | - | - | - | - | - | - | - | \$5,600 | |
| Replace Office Finishes | 10 | 5 | 5 | 1 | EA | \$5,000.00 | 8.7 | - | - | - | - | \$5,000 | - | - | - | - | - | - | - | \$5,000 | |
| Commercial Kitchen Finishes & Equipment | 20 | 14 | 6 | 1,200 | SF | \$30.00 | 8.8 | - | - | - | - | - | \$36,000 | - | - | - | - | - | - | \$36,000 | |
| Notes: | | | | | TOTAL UNINFLATED | | | \$12,900 | \$1,500 | \$32,875 | \$55,262 | \$42,200 | \$91,200 | \$51,375 | \$27,000 | \$39,150 | \$1,500 | \$56,837 | \$18,900 | \$430,699 | |
| | | | | | Inflation factor 2.5% | | | 100.00% | 102.50% | 105.06% | 107.69% | 110.38% | 113.14% | 115.97% | 118.87% | 121.84% | 124.89% | 128.01% | 131.21% | - | |
| | | | | | TOTAL INFLATED | | | \$12,900 | \$1,538 | \$34,539 | \$59,511 | \$46,581 | \$103,184 | \$59,579 | \$32,095 | \$47,700 | \$1,873 | \$72,756 | \$24,798 | \$497,055 | |
| | | | | | CUMULATIVE TOTAL INFLATED | | | \$12,900 | \$14,438 | \$48,977 | \$108,488 | \$155,069 | \$258,253 | \$317,833 | \$349,927 | \$397,627 | \$399,501 | \$472,257 | \$497,055 | - | |

Definitions

AVE. EUL - Average Expected Useful Life
EFF. AGE - Effective Age (Estimated)
RUL - Remaining Useful Life (Estimated)
EA - Each; Var. - Var
SF - Square Feet; LF-Linear Feet
TI - Tenant Improvement
LS - Lump Sum

RESERVE SUMMARY

| Total Reserves | Total Uninflated | Total Inflated |
|-----------------------------|------------------|----------------|
| Per SF Reserves (All Years) | \$430,699 | \$497,055 |
| Per SF (Per Year) | \$11.33 | \$13.08 |
| | \$0.94 | \$1.09 |

TABLE 2

TABLE 1

OPINION OF PROBABLE COSTS TO REMEDY PHYSICAL DEFICIENCIES - DEFERRED MAINTENANCE TABLE


|  | | | | | | 09/21/22 |
|---|----------|------|------------|-----------------|------------------|--|
| <p>Resort (Ancillary Structures) 123 Main Street City, State, Zip NDDS Project # 2311111</p> | | | | | | |
| ITEM | QUANTITY | UNIT | UNIT COST | IMMEDIATE COSTS | SHORT TERM COSTS | COMMENTS |
| Shore Power Station Sleeve Replacement | 1,250 | LF | \$10.00 | \$0 | \$12,500 | The tubing for the electrical passthrough lines within the marina clips is significantly cracked/deteriorated and warrants repair/replacement. |
| Re-Point CMU Wall Crack(s) | 1 | LS | \$1,200.00 | \$0 | \$1,200 | The large crack in the CMU mortar joints of the landscaping building should be ground out and tuckpointed. Rake-out all deteriorated mortar and point with new mortar to match existing with respect to mortar pigment and joint type. Further investigate the remaining CMU walls of the landscaping buildings and repair similar as required as part of routine maintenance. |
| ESTIMATED COST | | | | \$0 | \$13,700 | |
| Total Physical Deficiencies - Deferred Maintenance: | | | | | \$13,700 | |

TABLE 2

CAPITAL REPLACEMENT RESERVE SCHEDULE

| <div><div>ASM NDDS</div></div> | | | | | | | | | | | | | | | | | | | | | 9/21/2022 |
|--|-----|---------|-----|----------|------|-----------|-------------|---|---------|----------|----------|------------------|----------|----------------|-----------|-----------|-----------|-----------|-----------|----------------|---|
| Resort (Ancillary Structures) 123 Main Street City, State, Zip NDDS Project # 2311111 | | | | | | | | | | | | | | | | | | | | | Projected Term: 12 Building Age: 30 No. of Slips: 55 Facility Type: Marina |
| ITEM | EUL | EFF AGE | RUL | QUANTITY | UNIT | UNIT COST | SECTION NO. | CAPITAL REPLACEMENT RESERVES SCHEDULE - COST PER YEAR | | | | | | | | | | | | SUMMARY | |
| | | | | | | | | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 | YEAR 6 | YEAR 7 | YEAR 8 | YEAR 9 | YEAR 10 | YEAR 11 | YEAR 12 | TOTAL RESERVES | |
| SITE | | | | | | | | | | | | | | | | | | | | | |
| Dock Replacement | 10 | 7 | 3 | 1,200 | LF | \$150.00 | 5.7 | - | - | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$180,000 | |
| Dock Repair (Allowance) | 4 | 3 | 1 | 1,200 | LF | \$5.00 | 5.7 | \$5,500 | - | - | - | \$5,500 | - | - | - | \$5,500 | - | - | - | \$16,500 | |
| | | | | | | | | | | | | | | | | | | | | | |
| Notes: | | | | | | | | TOTAL UNINFLATED | \$5,500 | \$0 | \$18,000 | \$18,000 | \$23,500 | \$18,000 | \$18,000 | \$23,500 | \$18,000 | \$18,000 | \$18,000 | \$196,500 | |
| 1. | | | | | | | | Inflation factor 2.5% | 100.00% | 102.50% | 105.06% | 107.69% | 110.38% | 113.14% | 115.97% | 118.87% | 121.84% | 124.89% | 128.01% | 131.21% | - |
| 2. | | | | | | | | TOTAL INFLATED | \$5,500 | \$0 | \$18,911 | \$19,384 | \$25,940 | \$20,365 | \$20,874 | \$21,396 | \$28,632 | \$22,480 | \$23,042 | \$23,618 | \$230,142 |
| | | | | | | | | CUMULATIVE TOTAL INFLATED | \$5,500 | \$5,500 | \$24,411 | \$43,795 | \$69,735 | \$90,100 | \$110,975 | \$132,371 | \$161,004 | \$183,483 | \$206,525 | \$230,142 | - |
| Definitions | | | | | | | | | | | | | | | | | | | | | |
| AVE: EUL - Average Expected Useful Life | | | | | | | | | | | | | | | | | | | | | |
| EFF. AGE - Effective Age (Estimated) | | | | | | | | | | | | | | | | | | | | | |
| RUL - Remaining Useful Life (Estimated) | | | | | | | | | | | | | | | | | | | | | |
| EA - Each; Var. - Var | | | | | | | | | | | | | | | | | | | | | |
| SF - Square Feet; LF-Linear Feet | | | | | | | | | | | | | | | | | | | | | |
| TI - Tenant Improvement | | | | | | | | | | | | | | | | | | | | | |
| LS - Lump Sum | | | | | | | | | | | | | | | | | | | | | |
| RESERVE SUMMARY | | | | | | | | | | | | Total Uninflated | | Total Inflated | | | | | | | |
| Total Reserves | | | | | | | | | | | | \$196,500 | | \$230,142 | | | | | | | |
| Per SLIP Reserves (All Years) | | | | | | | | | | | | \$3,572.73 | | \$4,184.40 | | | | | | | |
| Per SLIP (Per Year) | | | | | | | | | | | | \$297.73 | | \$348.70 | | | | | | | |

APPENDIX D
PERSONAL QUALIFICATIONS



JAMES FREELY

SENIOR ASSESSOR

Summary of Professional Experience

Mr. Freely is responsible for conducting Property Condition Assessments (PCA's) and has managed and conducted over 300 projects with ASTM guidelines for acquisition purposes, underwriting purposes, Freddie Mac, Fannie Mae and other client specific scopes of work to facilitate high end real estate transactions. He is experienced in assessing site improvements, building structures and envelopes, and mechanical, electrical and plumbing systems for evidence of deferred maintenance and problematic or deleterious materials, identifying immediate repairs and calculating on-going and replacement reserves needed to maintain a property. Properties evaluated have included, but are not limited to, high-rise residential and office buildings, multi-family complexes, retail shopping centers, parking garages, hospitality buildings and industrial facilities for equity investors and mortgagee.

Mr. Freely's primary background experience has focused on providing engineering services for structural, civil and architectural work for industry and contractors. More than a decade of experience as a structural and forensic engineer has allowed him to work directly with real estate and insurance companies, building owners, developers, attorneys and home buyers. Forensic work primarily involved assessment of damages due to settlement, fire, wind, hail, explosion, vibrations, moisture intrusion and other causes; determination of the cause of damage or failure of construction materials; and development of methods of repair for damaged or deteriorating buildings. An offshoot of these services has been the continued practice of design, restoration and/or rehabilitation of buildings and other structures.

Education, Certifications and Training

Bachelor of Science in Engineering: University of Illinois, Champaign-Urbana

FE/EIT Certified, Illinois - 061-029497

Asbestos Building Inspector Initial - ABI1707262624



RONNIE LONG, CEM, CEC

ASSESSMENTS DIRECTOR

Summary of Professional experience

Mr. Long has over 20-years of experience in environmental investigation and assessment, property assessment and building forensics. Mr. Long has managed hundreds of Environmental Site Assessments (ESAs) and Property Condition Assessments (PCAs) nationwide including gas stations, dry cleaners, hotels, shopping malls, retail centers, high rise office buildings, multifamily residential, amusement parks, resorts, hospitals, industrial manufacturing plants, assisted living and nursing homes, government complexes, agricultural facilities, automobile dealerships, renewable energy projects and large land tracts.

He is an accomplished manager of numerous environmental assessment, remediation and monitoring projects with demonstrated knowledge of the principles, practices, technology, regulation and methods of environmental management and sustainability. His environmental background includes a detailed understanding of assessing risk associated with hazardous and regulated materials storage, use generation and disposal, above ground and underground storage tanks, asbestos-containing materials (ACM), lead-based paint (LBP), mold and radon. Mr. Long has managed numerous subsurface investigations to assess the horizontal and vertical extent of soil and groundwater contamination as well as monitoring and reporting groundwater and surface water contamination. He is a certified environmental manager, certified environmental consultant, certified asbestos inspector, asbestos project management planner and asbestos project designer. He is also trained and experienced in wetland delineation, stream condition assessment, lake condition assessment, soil sampling, surface water sampling, groundwater sampling, and radon, asbestos and lead sampling.

Mr. Long is experienced in assessing site improvements, building structures and envelopes, mechanical, electrical and plumbing systems for evidence of deferred maintenance or problematic or deleterious materials. He is also skilled in identifying anticipated expenditures and preparing anticipated replacement reserve schedules.

Education, Certifications and Training

Bachelor of Science in Agriculture-Missouri State University
Certified Environmental Manager # EA-FQXH62DP-Environmental Assessment Association
Certified Environmental Consultant # EA-FQXH62DP-Environmental Assessment Association
Certified AHERA Asbestos Inspector #160393-5393-University of Florida
Certified AHERA Asbestos Management Planner #160394-5399-University of Florida
Certified AHERA Asbestos Project Design #160711-5486-University of Florida
ASTM Training on Phase I and Phase II Environmental Site Assessments-ASTM International
ASTM Training on Property Condition Assessments-ASTM International
Wetland Delineation Training-US Army Corps of Engineers
Certified Erosion and Sediment Control Inspector-Florida Department of Environmental Protection
Certified Erosion and Sediment Control Instructor-Florida Department of Environmental Protection Florida
Lake Condition Assessment Audit-Florida Department of Environmental Protection
Florida Stream Condition Assessment Audit-Florida Department of Environmental Protection
Florida Stormwater Operator Level 2-Florida Stormwater Association
Hazardous Waste Operations, Standard Emergency Response Standard, 40 HAZWAPER-OSHA

National Due Diligence Services a Division of American Surveying and Mapping
Incorporated 3191 Maguire Blvd., Suite 200, Orlando, FL 32803
Telephone: 407-426-7979; Fax: 407-970-9369

APPENDIX E
INTERVIEW/QUESTIONNAIRE DOCUMENTATION/CORRESPONDENCE

APPENDIX F
SUPPORTING DOCUMENTS