



HOTEL & LEISURE ADVISORS

PROPERTY CONDITION ASSESSMENT (PCA) SERVICE DESCRIPTION

The following scope of work describes the property condition assessment (PCA) service that H&LA offers for an existing property. A property condition assessment is an analysis that assesses the general physical condition and maintenance status of an existing building and property. The PCA survey provides recommendations for repair, replacement or correction work with cost estimates which affords receivers, owners, and lenders the opportunity to stabilize and protect the value of a distressed asset. Additionally, brokers can utilize a PCA survey to enhance their property offering materials. The deliverable is a property condition report (PCR) that is a detailed complement to the MAI appraisals and market studies that H&LA already provides. The PCA is performed in accordance with ASTM Standard E 2018 in addition to the Uniform Standards of Professional Appraisal Practice (USPAP) guidelines.

Existing Facility Analysis

This task analyzes the existing property including the physical structure(s) and surrounding grounds. Beginning with a review of available construction documentation, a facility program is developed. A non-invasive on-site tour of the property is conducted. While on-site, interviews are conducted with property representatives, maintenance engineers, and local building and fire safety officials. Subsequent interviews include equipment manufacturers and the facility contractors/equipment servicers if required. The result of the existing facility analysis is the creation of a comprehensive facilities program that profiles the physical characteristics of the property.

A spatial condition assessment matrix is developed from the on-site observations. This matrix looks at each of the facility's core spatial components and assesses their current condition at the site visit. Each space receives a ranking related to its physical condition. If warranted, recommendations for additional renovation/remediation work are identified.

Programmed areas included in the spatial condition assessment matrix include public spaces such as lobbies, banquet and meeting rooms, pre-function spaces, restaurants and other food and beverage outlets, business centers, fitness facilities, indoor pools, day spas, health clubs, arcades, and family entertainment centers. Circulation spaces such as corridors and stairwells are evaluated. Private spaces such as guest rooms, suites, and administrative offices are evaluated. Back of house areas evaluated include kitchens, laundry, maintenance rooms, and storage facilities.

Building Systems Analysis

Prior to assessing the building systems, maintenance records including expenditures and capital budgets are reviewed. Construction documents and any building commissioning documentation are reviewed. During the non-invasive on-site tour, the building systems are observed and evaluated along with the individual spaces.

A systems condition assessment matrix is developed from the on-site observations. This matrix looks at each of the facility's core systems and assesses their current condition at the time of the site visit. Each system receives a ranking related to its physical condition. If warranted, recommendations for additional renovation and/or remediation work are identified.

The building and property systems included in the property conditions assessment are as follows: the exterior grounds system including landscaping, parking, signage and exterior lighting; the structural system including foundation and frame; the building envelope system including exterior walls, doors, windows, balconies, and roof; the mechanical, electrical and plumbing systems; the conveyance system including elevators and/or escalator; the life safety system including fire and smoke detection as well as sprinkler systems; and accessibility systems limited to evaluating accessible parking, accessible routes, and number of accessible guest rooms, public toilet rooms, and elevators.

Indoor waterpark structure evaluations are included in the systems analysis due to the fact that they are typically separate from the other building components and have their own mechanical and plumbing systems.

Brand Compliance Analysis

In order to keep a franchise affiliation or re-flag to a new affiliation, this analysis documents and recommends specific brand requirements. Current brand criteria are evaluated against existing conditions, and recommendations are made to upgrade the facility in alignment with brand requirements. Interviews are coordinated with the corporate brand decision makers, resulting in documentation of the latest brand thinking and brand positioning. The result of this analysis is a brand specific renovation scope of work.

Recommendation Cost Analysis

Based upon the recommended scope of work described in both the spatial condition and the system condition assessment matrices, we provide a written cost analysis of the renovation recommendations. We will utilize various cost data sources to provide an opinion of probable cost for the suggested repair, replacement or correction scope of work. The cost analysis is to be used as a budget tool for the subject prior to the engagement of an architect and/or contractor. The opinion of probable cost is neither a warranty or representation of the actual costs that potentially could be incurred.

This cost analysis is generated from several sources. Statistical data using RS Means' Costworks, actual contractor estimates, H&LA in-house data, ISHC's CapEx 2007, the HVS Hotel Development Cost Survey 2008, and national trends are a few of the sources used for providing an opinion of probable cost.

Narrative Report

The property condition assessment report will identify those areas and/or systems that require some level of repair, replacement or correction that is considered significant to maintain and stabilize the overall value of the subject. We will provide a detailed facility program profiling the subject's physical characteristics. We will provide our assessment of the condition of both spatial and system components of the facility. We will recommend an anticipated scope of repair, replacement or correction work, and give an opinion of probable cost.

We will communicate our findings in a narrative self-contained property condition assessment report which will provide sufficient information concerning the subject property and our analysis of condition. The property condition assessment will conform with ASTM Standard E 2018 and the Uniform Standards of Professional Appraisal Practice (USPAP) as a real property consulting assignment.



PROPERTY CONDITION ASSESSMENT FOR THE EXISTING RESORT CITY, COUNTY, STATE

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