

IN THE CIRCUIT COURT OF THE  
17<sup>TH</sup> JUDICIAL CIRCUIT IN AND FOR  
BROWARD COUNTY, FLORIDA

FLORIDA HOLDING 4800, LLC,

CASE NO. \_\_\_\_\_

Plaintiff,

v.

PROPERTY CONSULTING GROUP,  
INC.,

Defendant.

**COMPLAINT FOR DAMAGES  
AND DEMAND FOR JURY TRIAL**

COMES NOW the Plaintiff, FLORIDA HOLDING 4800, LLC, by and through her undersigned attorneys, and hereby sues the Defendant, PROPERTY CONSULTING GROUP, INC., and states as follows:

**The Parties, Jurisdiction and Venue**

1. This is an action for damages in excess of \$15,000.00, exclusive of interest and costs.
2. Plaintiff, FLORIDA HOLDING 4800, LLC ("FH 4800"), is a corporation duly organized under the laws of the State of Florida, has its principal place of business in Broward County, Florida, and is otherwise *sui juris*.
3. Defendant, PROPERTY CONSULTING GROUP, INC. ("PCG"), is a corporation organized under the laws of the State of Florida, has its principal place of business in Broward

County, Florida, and is otherwise *sui juris*. PCG may be served through its registered agent James Hanskat at 2722 NE 1<sup>st</sup> Street, Suite 2, Pompano Beach, FL 33062.

4. Venue is proper in this Court as Broward County, Florida is where the breaches at issue herein took place and where the causes of action pled below arose.

5. All conditions precedent to the filing of this action have occurred, been waived, or otherwise performed.

### **Factual Background**

6. This action arises from the inspection of commercial real property located at 4200 NW 16<sup>th</sup> Street, Lauderhill, Florida (hereinafter the "Property").

7. Prior to April 2013, Plaintiff considered purchasing the Property from the prior owner.

8. On April 11, 2013, and during the course of performing its due diligence relating to the Property, Plaintiff engaged PCG and the parties entered into an agreement (the "Contract") whereby PCG agreed to perform a Property Condition Assessment and Phase I Environmental Site Assessment (the "Inspection"). A copy of the Contract is attached hereto as **Exhibit A**.

9. The Contract provided a scope of work to be conducted by PCG (the "Proposed Scope").

10. The Proposed Scope included determining the "efficiency of the Structural, Mechanical, and Electrical systems." Contract at Page 1.

11. The Contract states that a report will be generated which "will address sufficiency of the structural, mechanical, electrical, plumbing, and roofing systems and estimated remaining life of these components." *Id.* at 2.

12. The Contract also states that “the report will be prepared for the purpose of disclosing the conditions of the improvements in general conditions of the subject property.... this report may be utilized for due diligence purposes during the inspection.” *Id.*

13. The Contract includes a prevailing party attorney fee provision by virtue of §57.105, Fla. Stat., which states that Plaintiff “agrees to pay for all costs of collection, as well as reasonable attorney fees incurred by PCG.” *Id.* at 3.

14. Plaintiff paid \$4,000 to PCG to conduct the Inspection.

15. On April 12, 2013, PCG conducted the Inspection.

16. On April 23, 2013, PCG issued its report of findings associated with the Inspection (the “Report”). A copy of the Report is attached hereto as **Exhibit B**.

17. The Report states that it is “based upon careful evaluation of the observed conditions.” Report at Introductory Summary.

18. The Report states that it “may be relied upon by [Plaintiff] in determining whether to make a purchase [of the Property].” Report at Page 2.

19. The Report states that “the purpose of this [Report] is to evaluate the present condition and anticipated engineering needs of the [Property].” *Id.*

20. The Report also states that PCG conducted a document review and interviewed the then-current property owner/manager to inquire about and review “historical repairs and replacements and their costs, level of preventative maintenance exercise, pending repairs and improvements, frequency of repairs and replacements, and existence of ongoing or pending litigation related to subject property’s physical condition.” Report at Page 3.

21. The Report states that it “is based on observations made during the property “walk-through.” *Id.* at pg. 4.



22. The Report also states that “accessible areas of the roof” were physically observed.  
*Id.*

23. The Report states that “observations were conducted at the property as to the type, condition and adequacy of the following items: substructure, superstructure, facade, and roofing.”  
*Id.* (emphasis added).

24. The Report also states that “no significant structural problems with the building were noted and all construction techniques and materials appear to be properly installed and adequate for the current and anticipated near-term use of the building.” *Id.* at pg. 7.

25. The Report also states that “it would appear that the roof is approximately twenty (20) years old and appeared to be in good overall condition with no signs of active leaks noted.”  
*Id.* at pg. 8.

26. The Report also states that “the expected useful life of the roof of this type is typically be 25-30 years with proper maintenance. Therefore, the roof has an estimated remaining useful life of approximately 5-10 years with continued proper maintenance.” *Id.*

27. The Report goes further and specifies that no substantive costs will be required with respect to the roof for 7 years. *Id.* at pg. 27.

28. The Report states that “observations were conducted at the property as to the type, condition and adequacy of the following items: plumbing, heating, ventilation and air-conditioning, electrical, and elevators/escalators.” *Id.* at pg. 4.

29. The Report also states that “the chillers and split-coil units ranged in age from approximately 3-7 years old and were noted to be in good condition.” *Id.* at pg. 9.

30. The Report also states that “the HVAC equipment should have a significant amount of remaining useful life and no replacements are anticipated over the term.” *Id.*

31. The Report provides that there are no “immediate needs” or “near term needs” relating to the roof and chillers/HVAC system for at least 7 more years. *Id.* at pgs. 5, 27.

32. In or about June 2013, and based upon the representing findings of the Inspection as set forth within the Report provided by PCG, Plaintiff purchased the Property.

33. Thereafter, leaks associated with the roof and cooling problems associated with the HVAC system were reported by tenants to the Plaintiff.

34. In or about March 2014, Plaintiff discovered that the true condition of the roof was not as indicated in the Report.

35. Specifically, Plaintiff learned from a roofing contractor performing work at the Property that the entire roof was in poor condition, did not have any additional useful life, and required a complete replacement.

36. In or about March 2014, Plaintiff discovered that the true condition of the HVAC system was not as indicated in the Report.

37. Specifically, Plaintiff learned from an HVAC contractor performing work at the Property that the chillers were in poor condition and required replacement.

38. The leaks associated with the roof, and the problems associated with the HVAC system, resulted in mold growth within the building.

39. As a result, several tenants left the Property.

40. Plaintiff has retained the law firm of Murdoch, Weires & Neuman to protect its rights.

### **COUNT I – BREACH OF CONTRACT**

41. Plaintiff restates the allegations set forth above in paragraphs 1 through 26 as if set forth in full herein.

42. This is a claim for breach of contract against PCG relating to the Contract.

43. The parties entered into the Contract.

44. Pursuant to the Contract, PCG agreed to perform the work set forth within the Proposed Scope which included, without limitation, adequate interviews of the then-current property owner and/or manager, and tenants, make reasonable review of the maintenance and repair records for the Property, and conduct a sufficient physical inspection of various areas of the Property as set forth in the Proposed Scope relating to its Inspection.

45. PCG breached the Contract by failing to provide the work specified within the Proposed Scope including, without limitation, the following:

- a. Failing to perform interviews of the then-current property owner and/or manager, and tenants;
- b. Failing to review the maintenance and repair records for the Property;
- c. Failing to conduct a physical inspection of the Property as specified in the Proposed Scope; and
- d. Creating the Report which was not based upon the Proposed Scope.

46. As a direct, foreseeable, and proximate result of the breach by the Defendant, Plaintiff has suffered substantial damage including, but not limited to, overpaying for the true condition of the Property, lost use of the Property, lost income from the Property, and damages resulting from claims made against the Property by tenants.

WHEREFORE, Plaintiff demands judgment for damages against Defendant for breach of contract, in an amount to be determined at trial, as well as attorney's fees, interest and the



costs of bringing this action as allowed by law, and any other and further relief as is just and proper.

**COUNT II – NEGLIGENCE**  
**(Failing to discover the Roof condition)**

47. Plaintiff restates the allegations set forth above in paragraphs 1 through 26 as if set forth in full herein.

48. This is an alternative claim to Count I, the breach of contract claim such that, if it is demonstrated that PCG complied with the obligations set forth within the Contract and its related Proposed Scope, then it performed those responsibilities in a negligent manner and failed to reasonably discover the true condition of the roof.

49. Defendant owed Plaintiff a duty of care to exercise diligence and to otherwise perform its work in a manner reasonably expected within the industry regarding the performance of the Inspection.

50. The roof of any structure is one of the most important items requiring the inspection of a professional.

51. Defendant held itself out as being a qualified inspector of such items.

52. Defendant breached its duty of care in performing the Inspection as follows:

- e. Failed to fully and properly inspect the roof;
- f. Failed to obtain a proper understanding of the history of the roof by failing to inquire with building personnel about prior repair and maintenance records of the roof;
- g. Failed to inspect the areas directly beneath the roof for evidence of water intrusion;

- h. Failed to follow up with respect to any evidence of water intrusion to determine whether the leak remained active;
- i. Failed to follow up with respect to any evidence of water intrusion to determine what work had been performed to remedy the condition;
- j. Failed to exercise reasonable care in the performance of its duties and obligations as a certified inspector of commercial property; and
- k. In other respects not now known to the Plaintiff but which may become known prior to or at the time of trial.

53. As a direct, foreseeable, and proximate result of the breach by the Defendant, Plaintiff has suffered substantial damage including, but not limited to, overpaying for the true condition of the Property, lost use of the Property, lost income from the Property, and damages resulting from claims made against the Property by tenants.

54. All of Plaintiff's losses were, are and will be due solely to and by reason of the recklessness and negligence of the Defendant without any negligence or want of due care on the Plaintiff's part contributing thereto.

WHEREFORE, Plaintiff demands judgment for damages against Defendant for failure to discover the roof condition, in excess of the minimal jurisdictional limits of this Court, in an amount to be determined at trial, as well as attorney's fees, interest and the costs of bringing this action as allowed by law, and any other and further relief as is just and proper.

**COUNT III – NEGLIGENCE**  
**(Failing to discover the HVAC conditions)**



55. Plaintiff restates the allegations set forth above in paragraphs 1 through 26 as if set forth in full herein.

56. This is an alternative claim to Count I, the breach of contract claim, such that if it is demonstrated that PCG complied with the obligations set forth within the Contract and its related Proposed Scope, then it performed those responsibilities in a negligent manner and failed to reasonably discover the true condition of the chillers and HVAC system.

57. Defendant owed Plaintiff a duty of care to exercise diligence and to otherwise perform its work in a manner reasonably expected within the industry regarding the performance of the Inspection.

58. The HVAC system of any structure is one of the most important items to be inspected by a professional.

59. Defendant held itself out as being a qualified inspector of such items.

60. Defendant breached its duty of care in performing the Inspection as follows:

- l. Failed to fully and properly inspect the chillers and HVAC system;
- m. Failed to obtain a proper understanding of the history of the chillers and HVAC system by failing to inquire with building personnel about prior repair and maintenance records of the chillers and HVAC system;
- n. Failed to adequately test and otherwise fully inspect the chillers for proper operation;
- o. Failed to inspect the chillers and HVAC system for leaks;

- p. Failed to follow up with respect to any evidence of improper operation or leaks to determine the cause of the conditions;
- q. Failed to follow up with respect to any evidence of improper operation or leaks to determine what work had been performed to remedy the conditions;
- r. Failed to exercise reasonable care in the performance of its duties and obligations as a certified inspector of commercial property; and
- s. In other respects not now known to the Plaintiff but which may become known prior to or at the time of trial.

61. As a direct, foreseeable, and proximate result of the breach by the Defendant, Plaintiff has suffered substantial damage including, but not limited to, overpaying for the true condition of the Property, lost use of the Property, lost income from the Property, and damages resulting from claims made against the Property by tenants.

62. All of Plaintiff's losses were, are and will be due solely to and by reason of the recklessness and negligence of the Defendant without any negligence or want of due care on the Plaintiff's part contributing thereto.

WHEREFORE, Plaintiff demands judgment for damages against Defendant for negligence relating to its failure to discover the HVAC conditions, in excess of the minimal jurisdictional limits of this Court, in an amount to be determined at trial as well as attorney's fees, interest and the costs of bringing this action as allowed by law, and any other and further relief as is just and proper.

**COUNT IV – FRAUD/INTENTIONAL MISREPRESENTATION**  
**(Misleading Representation about Work Performed)**

63. Plaintiff restates the allegations set forth above in paragraphs 1 through 26 as if set forth in full herein.

64. This is a claim for intentional misrepresentation against PCG.

65. PCG within its Report claims that it undertook substantial efforts in order to properly evaluate the Property and perform its Inspection.

66. The problem is that all such representations are qualified by the statement “if readily available” or “if provided” which intentionally creates ambiguity as to whether or not the work was actually performed and thus whether or not the work actually provided a basis for the Inspection and resulting Report.

67. The language is thus useless “filler” intended to artificially bloat the Report and make it appear that a comprehensive foundation exists to support the findings in the Report when, in fact, no such work may have been performed at all.

68. For example, PCG claims that it conducted substantial document reviews and thorough interviews.

69. With respect to document reviews, PCG claims that “efforts were made to review records or documents, if readily available, 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 including building certificates of occupancy, outstanding and recorded material building code violations, and recorded material fire code violations.” Report at Page 3.

70. PCG claims that, if readily available, it reviewed “the following documents and information that may be in the possession of or provided by the owner, owners’ representative,



user, or combination thereof, as appropriate: appraisal, Certificate of Occupancy, safety inspection records, warranty information (roofs, boilers, chillers, cooling towers, etc.), records indicating the age of material building systems such as roofing, paving, plumbing, heating, air conditioning, electrical, etc., historical costs incurred for repairs, improvements, recurring replacements, etc., pending proposals or executed contracts for material repairs or improvements and descriptions of future work planned, outstanding citations for building, fire and zoning code violations.” *Id.*

71. PCG also claims that “if readily available, PCG reviewed an ADA survey and status of any improvements implemented to effect physical compliance, previously prepared property condition reports or studies pertaining to any aspect of the subject property’s physical condition, records indicating building occupancy percentage, records indicating building turnover percentage, building rent roll, leasing literature, listing for sale, marketing/promotional literature such as photographs, descriptive information, reduced floor plans, etc., and drawings and specifications (as-built or construction).” *Id.*

72. PCG represents that “if provided, PCG interviewed the property manager or agent of the owner so as to inquire about the subject property’s historical repairs and replacements and their costs, level of preventative maintenance exercised, pending repairs and improvements, frequency of repairs and replacements, and existence of ongoing or pending litigation related to subject property’s physical condition.” *Id.*

73. Each and every one of the foregoing representations about document reviews and interviews were of paramount importance to the Plaintiff because, if performed as stated, they would have identified the true condition of the Property.

74. The representations about document reviews and interviews are also important because they provided the basis in the Report to satisfy other various items of the “walk-through survey” that allegedly occurred – “reliance was placed on the accuracy and disclosure of property representatives.” *Id.* at 4.

75. The language was intended to confuse the Plaintiff, and did confuse the Plaintiff regarding what work was performed and what basis supported the findings in the Report.

76. Indeed, there is no sound reason for including so much qualifying language other than to intentionally confuse the Plaintiff.

77. That is, if the work was performed, PCG could have simply said that – and, if the work was not performed, PCG could have simply said that.

78. There is no other language in the Report which clearly identifies what documents were reviewed (or not reviewed), or who was interviewed (or not interviewed).

79. Plaintiff relied upon the misrepresentations and believed that there was substantial support for the findings in the Report.

80. As a result, Plaintiff purchased the Property in reliance upon the Inspection and Report.

81. Plaintiff now understands that very little documentation, if any at all, about prior repair and maintenance history of the roof and HVAC system was ever reviewed.

82. Plaintiff now understands that few, if any, interviews were conducted that would have revealed the problems with the roof and HVAC system.

83. Plaintiff would not have purchased the Property had the Report been properly accurate in its representations about the lack of information supporting the findings with respect to the roof and HVAC system.

84. As a direct, foreseeable, and proximate result of the intentional misrepresentation by the Defendant, Plaintiff has suffered substantial damage including, but not limited to, overpaying for the true condition of the Property, lost use of the Property, lost income from the Property, and damages resulting from claims made against the Property by tenants.

WHEREFORE, Plaintiff demands judgment for damages against Defendant for intentional misrepresentation, in excess of the minimal jurisdictional limits of this Court, in an amount to be determined at trial, as well as attorney's fees, interest and the costs of bringing this action as allowed by law, and any other and further relief as is just and proper.

**JURY DEMAND**

Plaintiff hereby requests trial by jury on all matters so triable as a matter of law.

Dated: December 19, 2017.

By: \_\_\_\_\_

Scott A. Weires, Esq.  
Florida Bar No. 113761  
Murdoch, Weires & Neuman, PLLC  
14 Southeast 4<sup>th</sup> Street  
Boca Raton, FL 33432  
Tel: (561) 347-8700  
[sweires@mwnlegal.com](mailto:sweires@mwnlegal.com)  
[jliotta@mwnlegal.com](mailto:jliotta@mwnlegal.com)



# Exhibit A

# Property Consulting Group, Inc.

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Date: April 11, 2013

Prepared for: Harry Dorvilier  
(646) 773-1490 Mobile  
hnrinc@gmail.com

In care of: Benjamin H. Silver  
Marcus & Millichap  
5201 Blue Lagoon Drive, Suite 100  
Miami, FL 33126  
(786) 522-7046 (786) 522-7010 Fax  
(786) 999-4541 Mobile  
benjamin.silver@marcusmillichap.com

Subject: Property Condition Assessment (PCA) and Phase I Environmental Site Assessment (ESA)  
  
Commercial Office Building  
4200 NW 16<sup>th</sup> Street  
Lauderhill, Florida  
Folio #: 4941-36-29-0010

Property Consulting Group, Inc., is pleased to offer you a proposal for engineering and environmental assessments of the above referenced property.

## PROPERTY DESCRIPTION:

According to the Broward County Property Appraiser, the subject property is identified as a parcel of land containing approximately 30,636 square feet (0.70 Acres) improved with a commercial office building containing approximately 88,751 square feet constructed in 1973.

## SCOPE OF WORK:

Property Consulting Group, Inc. will provide engineering and environmental assessments as discussed below. The following items will need to be addressed in the reports:

- An Engineering Assessment of the property indicating immediate and near-term repairs needed.
- The Engineering Assessment shall also include a discussion regarding building and zoning, fire department, and code enforcement requirements, compliance, and applicability.
- The Engineering Assessment shall include a discussion regarding compliance with Fair Housing and/or ADA regulations.
- Sufficiency of the Structural, Mechanical, and Electrical systems shall be included in the report.
- A final report of findings will be prepared in accordance with ASTM E-2018-08 Standard for Property Condition Assessments: Baseline Property Condition Assessment Process and will be signed and sealed by a professional engineer registered in the state of Florida.
- A Phase I Environmental Site Assessment to meet or exceed ASTM 1527-05 Guidelines.

# **Property Consulting Group, Inc.**

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## **DETAILED SCOPE OF WORK**

### **TASK I - ASTM E-2018-08 PROPERTY CONDITION ASSESSMENT**

An Engineering Assessment of the property indicating estimated immediate and near-term repair and replacement costs. The Engineering Assessments shall include a discussion regarding compliance with current building and zoning codes, fire codes, code enforcement, parking Fair Housing and/or ADA regulations. The report will address sufficiency of the structural, mechanical, electrical, plumbing, and roofing systems and estimated remaining life of these components. The condition of interior and exterior finishes, appliances, and fixed equipment will be discussed.

In accordance with the ASTM Standard, a visual survey for mold will be conducted. The survey will be limited to visual observations in the areas walked and should not be considered a comprehensive survey of the property. No sampling will be conducted. No inspection or investigation behind walls or in any other generally inaccessible areas was performed. A conclusion that no mold was observed, therefore, should not be taken as the property is mold free or concerns do not exist in areas that were not inspected. If evidence of mold or moisture intrusion is identified, additional testing will be recommended.

A report of findings will be issued that identifies the condition, estimated remaining useful life, and costs to perform immediate and near term repairs and deferred maintenance. The report will be prepared for the purpose of disclosing the conditions of the improvements and general conditions of the subject property. This report may be utilized for due diligence purposes during the inspection period and will be revised as required to meet prospective lender requirements for the purposes of obtaining financing for the subject property. The Engineering Assessment shall be prepared and sealed by a Licensed Professional Engineer.

### **TASK II - ASTM E-1527-05 ENVIRONMENTAL SITE ASSESSMENT**

#### **Historical and Government Agency Records Review**

An examination of records to establish previous land uses will be conducted. Hazardous waste activities that may have occurred at the site will be documented to further describe the potential for any past releases of hazardous or toxic materials to the environment, including the existence of leaking underground storage tanks (LUST), either past or present. Aerial photographs, historical city directories, and fire insurance maps, as available, will be evaluated.

This records review shall include an investigation into such offices and with such personnel as the offices of the U.S. EPA, State of Florida regulatory departments, city and county regulatory authorities. Records review will include investigation of NPL sites, CERCLA sites, RCRA sites, ERNS (Hazardous Materials Spills), landfills, and leaking underground storage tank occurrences within a radius of the subject property as required by ASTM Standard E1527-05, Standard Practice for Environmental Site Assessments.



# **Property Consulting Group, Inc.**

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## **Site Inspection and Interviews**

A site inspection will be conducted to determine any visible signs of contamination such as the existence of storage drums, underground storage tanks (UST), spills, on-site processing, re-processing, and/or possible disposal of hazardous substances. An investigation of equipment with the potential to contain Polychlorinated Biphenyls (PCBs) and associated background information will be conducted.

An interview with area and present site owner or owners and/or operator or operators and/or tenant or tenants will be conducted so as to identify operations and associated land use activities.

## **Report Preparation**

A report will be prepared upon completion of the Phase I Assessment and will conclude the findings of the Historical Records Review, Site Inspection and Interviews. Any federal, state, and local agency documentation reviewed will be attached in support of the findings. Recommendations for further actions, if necessary, will be included. The report and inspection will meet or exceed ASTM Standard E1527-05, Standard Practice for Environmental Site Assessments.

## **ESTIMATED COSTS FOR SERVICES**

In consideration of services conducted as outlined in the Scope of Work and services under this agreement, Client agrees to pay the following associated fees:

<b>TASK I - ASTM E-2018-08 PROPERTY CONDITION REPORT</b>	<b>\$ 2,400</b>
<b>TASK II - ASTM E-1527-05 ENVIRONMENTAL SITE ASSESSMENT</b>	<b>\$ 1,600</b>
<b>ESTIMATED PROJECT TOTAL</b>	<b>\$ 4,000</b>

This quoted price and estimated time of completion shall remain in effect for ten (10) days. Due to potential changes in schedule and work commitments, if this proposal has not been accepted within said 10-day period, PCG reserves the right to alter estimated cost and/or time of completion.

The above price includes two (2) originals of each report including (maps, photographs and other attachments). If Client requires more than two (2) originals, Client shall notify PCG in writing of same and hereby agrees to pay an additional \$75.00 per original ordered. Our services for the outlined scope of work will be performed in accordance with generally accepted professional practices as related to the nature of the work accomplished, at the time services are performed. Invoices will be submitted upon completion of work performed. All invoices will be due and payable upon receipt unless otherwise agreed to in advance. Delinquent accounts will be charged interest at the rate of 12 percent per year. Delinquent accounts may be subject to filing suit or submittal to a collection agency; and, in addition to the interest accruing, Client will be charged and hereby agrees to pay for all costs of collection, as well as reasonable attorney fees incurred by PCG.

# **Property Consulting Group, Inc.**

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## **AUDIT SCHEDULE**

PCG proposes to inspect the subject property within five (5) business days from receipt of signed contract and retainer check, and prepare a draft report of findings within ten (10) business days from the date of inspection. The draft report will be conclusive in regard to due diligence concerning environmental issues at the subject property. Final signed and sealed copies complete with appendices and color photographs will be delivered within ten (10) additional business days of the issuance of the draft reports. If this time frame needs to be adjusted, please contact our office for expedited project costs.

## **DELAY AND/OR CANCELLATION**

If after authorization to proceed has been given, Client requests that work as outlined in this agreement be postponed or canceled, Client agrees to reimburse PCG for all costs incurred plus time spent on the job at the rate of \$75 per hour. PCG shall furnish Client with a detailed invoice outlining said charges, with payment due upon receipt.

Should Client in the future desire to resume work as outlined in this agreement, any monies paid by Client as described in the preceding paragraph shall be considered as an advance and subsequently deducted from the total amount due under this agreement.

## **LIMITATION OF LIABILITY**

PCG assumes liability only for damages caused by or resulting from the sole negligence of its personnel and representatives. It is expressly agreed that to the fullest extent permitted by law, the total maximum aggregate recovery for claims against PCG concerning provided professional services, including negligence or breach of this agreement shall be the amount paid PCG for said professional services. Although great care will be taken by PCG in compiling and checking the information contained in the report to insure that it is current and accurate, PCG disclaims any and all liability for any errors, omissions or inaccuracies in such information and data, whether attributable to inadvertence or otherwise, and for any consequences arising therefrom.

## **REPORTS, RECOMMENDATIONS, AND OWNERSHIP OF DOCUMENTS**

Reports, recommendations, and other materials resulting from PCG's efforts are intended solely for the purposes of this agreement; any reuse by Client or others for purposes outside of this agreement or any failure to follow PCG's recommendations, without written permission, shall be at the Client's or user's sole risk.

# Property Consulting Group, Inc.

Date: April 11, 2013

Prepared for: Harry Dorvilier  
(646) 773-1490 Mobile  
huring@gmail.com


In care of: Benjamin H. Silver  
Marcus & Millichap  
5201 Blue Lagoon Drive, Suite 100  
Miami, FL 33126  
(786) 522-7046 (786) 522-7010 Fax  
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benjamin.silver@marcusmillichap.com

Subject: Property Condition Assessment (PCA) and Phase I Environmental Site Assessment (ESA)  
Commercial Office Building  
4200 NW 16th Street  
Lauderhill, Florida  
Folio #: 4941-26-29-0010

<b>ESTIMATED TOTAL</b>	<b>PCA \$ 2,400</b>	<b>ESA \$ 1,600</b>	
<b>Retainer (50%)</b>	<b>\$ 1,200</b>	<b>\$ 800</b>	<b>\$ 4,000</b>
<b>Due upon receipt</b>	<b>\$ 1,200</b>	<b>\$ 800</b>	<b>\$2,000</b>
			<b>\$2,000</b>

**AUTHORIZATION TO PROCEED** (Circle Reports desired and send retainer with fax authorization)  
In WITNESS whereof, the duly authorized representative of the Client and Contractor have executed this agreement on the dates shown. We appreciate this opportunity to submit this proposal and look forward to supporting your efforts in this matter. If you agree to the above terms and conditions, sign this authorization and fax to our office. Send the signed authorization to proceed and retainer check to our Pompano Beach Office by mail or overnight carrier.


**CLIENT EXECUTION**  
**APPROVED BY:**

 4/11/2013  
Signature Date

Name (Please Print)

Title

**CONTRACTOR EXECUTION**  
**APPROVED BY:**

 4/11/2013  
Signature Date

1000 East Atlantic Boulevard, Suite 200  
Pompano Beach, Florida 33060 (954) 146-7763 946-7339 Fax



# Exhibit B

**Property Condition Assessment**

**Prepared for:**

**Florida Holding 4800, LLC**

**Attention: Harry Dorvilier  
3710 NW 19<sup>th</sup> Street  
Coconut Creek, FL 33066  
(718) 739-0056 (646) 773-1490  
hnrinc@gmail.com**

**Conducted on:**

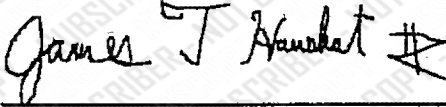
**Ideal Building  
4200 NW 16<sup>th</sup> Street  
Lauderhill, Florida 33313  
Folio#: 4941-36-29-0010**

**Issue Date:**

**April 23, 2013**

**Prepared by:**

**James T. Hanskat, P.E.  
Florida Registration # 49801**

  
**Signature**

**Property Consulting Group, Inc.  
1000 East Atlantic Boulevard, Suite 201  
Pompano Beach, Florida 33060  
(954) 946-7763 - Fax: (954) 946-7559  
James@PropertyConsultingGroup.com  
PCG Reference # 13-04012**

## **Property Consulting Group, Inc.**

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Date: April 23, 2013

Prepared for: Florida Holding 4800, LLC

Attention: Harry Dorvilier  
3710 NW 19<sup>th</sup> Street  
Coconut Creek, FL 33066  
(718) 739-0056 (646) 773-1490  
hnrinc@gmail.com

Reference: Property Condition Assessment  
Ideal Building  
4200 NW 16<sup>th</sup> Street  
Lauderhill, Florida 33313  
Folio#: 4941-36-29-0010

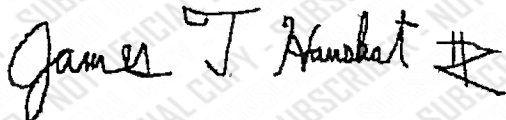
Representatives of Property Consulting Group, Inc. (PCG), performed an assessment of the above-referenced property on April 12, 2013. This assessment was performed at the client's request utilizing methods and procedures consistent with good commercial and customary practice designed to conform to industry standards.

Please refer to the following report for our engineering evaluation of the property. In order to avoid any possible misunderstanding, nothing in this report should be construed directly or indirectly as a guarantee for any portion of the structures inspected. To the best of my knowledge and ability, this report represents an accurate appraisal of the present condition of the property based upon careful evaluation of observed conditions, to the extent reasonably possible.

We certify that the report has not been changed; that we were not instructed to overlook or leave information out of the report; that the report is valid and that conclusions in the report were arrived at independently.

Please contact us if you need any further information.

Respectfully Submitted,



James T. Hanskat, P.E.  
Florida Registration # 49801



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### **Appendices:**

**Tax Records, Permits, Code Enforcement, Zoning, Parking Agreement, Site Photographs**

## **1.0 General Description:**

The subject property for which this Property Condition Assessment (PCA) has been prepared is identified as: Tract A, of L.O.B. Plat, according to the plat thereof, as recorded in Plat Book 75, Page 24, of the public records of Broward County, Florida. The subject property is physically located at 4200 NW 16<sup>th</sup> Street, Lauderhill, Florida 33313. The subject property is commonly known as the Ideal Building.

The property is fronted to the north by NW 16<sup>th</sup> Street. There is a commercial retail building on the abutting property to the east. A paved parking area is located to the south and a canal to the west.

The subject property contains approximately 30,636 square feet (0.70 acres) of commercial property improved with a six story office building. The subject property contains approximately 88,751 square feet according to the tax records. According to the Broward County tax records, the subject property is currently owned by Lauderhill Mall Investment, LLC.

The exterior walls of the building are constructed reinforced concrete and have a painted stucco finish. The exterior walls are supported by reinforced concrete spread footings or piles. The floors above grade are supported by the reinforced concrete superstructure. The flat roof is supported by reinforced concrete double-tees and has a tar and gravel finish. According to the tax records, the building appears to have been originally constructed in 1973 and is approximately 40 years old.

Cast in place concrete walkways are provided along the perimeter of the building. Concrete curbing and knee walls have been provided around some of the landscaped areas.

Domestic water and sewer services are provided by the City of Lauderhill Utilities. The water supply lines are constructed with copper pipe. The sanitary sewer lines are constructed with cast iron pipe. Back-flow prevention has been provided on the property as required. A lift station has been provided at the northwest corner of the property. This lift station is owned by the local utility company.

Electric power is provided by Florida Power and Light (FPL) and is transferred from the FPL pole mounted transformers located along NW 16<sup>th</sup> Street. These transformers supply power to the three (3) 800 amp, 480 Volt, three phase main disconnects located in the building meter rooms. Power is transferred through dry step-down transformers to feed the 125-225 amp sub-panels located inside the building. The building has been provided with a 85 kilowatt emergency generator.

Heating, Ventilation and Air Conditioning (HVAC) for the building is provided by three (3) roof-top air cooled chillers with fan coil units. Split-coil direct expansion air conditioning units were also provided on the roof of the building for the mechanical areas and the mobile phone tenant equipment on the roof.

Landscaped buffers are provided around the perimeter of the property. The property did not appear to have been provided with an irrigation system.

## **2.0 User Reliance:**

This report may be relied upon by Florida Holding 4800, LLC, its successors and/or assigns and affiliates, in determining whether to make a purchase and/or a loan evidenced by a note (the "Property Note") which is further secured by the Property. This report may be relied upon by any purchaser or assignee of the Property Note in determining whether to acquire the Property Note or an interest therein (which may include securities which are secured in whole or in part by the Property Note). In addition, this report may be relied upon by any rating agency involved in rating securities secured by, or representing an interest in, the Property Note and any investors purchasing securities issued by a trust with an ownership interest, either directly or indirectly, in the Property Note. This report may be used in connection with the materials offering for sale of the Property Note, or an interest in the Property Note, and in presentations to any rating agency or investors.

## **3.0 Purpose and Scope of Report:**

The purpose of this property condition assessment is to evaluate the present condition and anticipated engineering needs of the Ideal Building located at 4200 NW 16<sup>th</sup> Street, Lauderhill, Florida 33313.

The general scope of work includes a physical inspection of the property in order to determine the present and anticipated near term needs of the property and to assess compliance with applicable building and electrical codes, life safety codes, and provisions of the Americans with Disabilities Act (ADA).

The assessment was conducted in accordance with American Society for Testing and Materials (ASTM) Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process E 2018-08, Standard & Poor's Property Condition Assessment Criteria, the scope of work provided by the client and generally accepted industry standards.



The specific scope of work included the following:

Document Review and Interviews - Efforts were made to review records or documents, if readily available, 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 including building certificates of occupancy, outstanding and recorded material building code violations, and recorded material fire code violations. Only such record information that is reasonably ascertainable from standard sources was reviewed. Any information not practically reviewable or not provided to Property Consulting Group, Inc. (PCG) in a reasonable time to formulate an opinion and complete the PCA, will be stated in the PCA, and PCG will have no further obligation of retrieving such documentation or reviewing it if it is subsequently provided.

It is understood that information will be provided to PCG within ten business days of the source receiving appropriate inquiry, without an in-person request being required, and at no more than a nominal cost to cover the source's cost of retrieving and duplicating the information. The inspection does not include a regulatory or code compliance audit of the facility.

If readily available, PCG reviewed the following documents and information that may be in the possession of or provided by the owner, owner's representative, user, or combination thereof, as appropriate: appraisal, Certificate of Occupancy, safety inspection records, warranty information (roofs, boilers, chillers, cooling towers, etc.), records indicating the age of material building systems such as roofing, paving, plumbing, heating, air conditioning, electrical, etc., historical costs incurred for repairs, improvements, recurring replacements, etc., pending proposals or executed contracts for material repairs or improvements and descriptions of future work planned, outstanding citations for building, fire and zoning code violations.

In addition, if readily available, PCG reviewed an ADA survey and status of any improvements implemented to effect physical compliance, previously prepared property condition reports or studies pertaining to any aspect of the subject property's physical condition, records indicating building occupancy percentage, records indicating building turnover percentage, building rent roll, leasing literature, listing for sale, marketing/promotional literature such as photographs, descriptive information, reduced floor plans, etc., and drawings and specifications (as-built or construction).

PCG requested that the owner or user identify a person or persons knowledgeable of the physical characteristics, maintenance, and repair of the property. If provided, PCG interviewed the property manager or agent of the owner so as to inquire about the subject property's historical repairs and replacements and their costs, level of preventive maintenance exercised, pending repairs and improvements, frequency of repairs and replacements, and existence of ongoing or pending litigation related to subject property's physical condition.

**Walk-Through Survey** - The report is based on observations made during the property "walk-through." Observations were limited to "representative" property improvements including exterior surfaces and open spaces, accessible areas of the roof, representative units, and mechanical, staff, vacant and common areas. No inspection or investigation behind walls, inside plenums or in any other generally inaccessible areas was performed. The investigation of the building facade was performed from street and/or balcony level. The riding of scaffolding equipment was not part of the scope of PCG's services. No physical tests were made nor were any samples for engineering analysis collected. As such, PCG makes no warranties regarding EIFS systems, curtain walls or other building skin conditions that would not be readily observable and would, therefore, be considered outside the scope of this assignment. Reliance was placed on the accuracy and disclosure of property representatives.

A visual survey for mold was conducted. The survey was limited to visual observations in the areas walked and should not be considered a comprehensive survey of the property. No sampling was conducted. No inspection or investigation behind walls or in any other generally inaccessible areas was performed. A conclusion that no mold was observed, therefore, should not be taken as the property is mold free or concerns do not exist in areas that were not inspected.

The condition of building structures and components evaluated were broken down into one of the following descriptions: 1) Poor - Requiring action immediately or within 12 months; 2) Fair - Serviceable, but showing age and wear, and will require maintenance, repair or replacement during the loan term; 3) Good - No major signs of age or wear, may need replacement during the loan term, depending on the estimated remaining useful life; or 4) Excellent - New or like new.

**Property/Site Features** - Observations were conducted at the property as to the type, condition and adequacy of the following items: general topography, storm water drainage, ingress and egress, paving, curbing and parking, flatwork, landscaping and appurtenances, recreational facilities, amenities and ancillary structures, and utilities.

**Building Frame and Envelope** - Observations were conducted at the property as to the type, condition and adequacy of the following items: substructure, superstructure, facade, and roofing.

**Interior Elements** - Observations were conducted at the property as to the type, condition and adequacy of the following items: interior finishes, fixtures, appliances, and furnishings.

**Plumbing, Mechanical and Electrical** - Observations were conducted at the property as to the type, condition and adequacy of the following items: plumbing, heating, ventilation and air conditioning, electrical, and elevators/escalators.

Life Safety /Fire Protection and ADA Requirements - Observations were conducted at the property as to the type, condition and adequacy of the life safety and fire protection systems. In addition, the Property Condition Assessment included a Tier I Visual Accessibility ADA Survey as defined in ASTM E 2018-08. The Tier I survey included a limited visual assessment of the subject property to assess if it is accessible and useable by individuals with disabilities in accordance with the ADA of 1990, Title III, Public Accommodations and Commercial Facilities.

The provisions of Title III provide that persons with disabilities should have accommodations and access to public accommodation and commercial facilities which are equal to, or similar to, those available to the general public. Public accommodations and commercial facilities constructed or renovated after January 1992, must be brought into compliance with ADA guidelines. Public accommodations constructed prior to January 1992 must make affirmative attempts to be in compliance. This screening is not to be considered an in-depth ADA survey or audit. The opinions regarding ADA compliance should be considered preliminary. The purpose of the limited visual survey is to provide a general observation of the level of attention paid to keeping the property ADA compliant.

PCG attempted to identify items of deferred maintenance or requiring repair or replacement within a 12-month time period. These items are considered "Immediate Needs." The deficiencies and/or items identified are based on our observations unless otherwise noted. Quantities are estimates and extrapolations from representative areas observed. Unit prices and replacement costs are based on a combination of construction cost guide data, PCG's experience and discussions with property managers, facility engineers and/or individuals who are familiar with the local market.

Generally, repair or replacement items that total less than \$1,000 are considered routine maintenance items and are not included in the itemized list of recommended repairs or as immediate needs, unless they are associated with a regulatory compliance, safety issue or, in the opinion of PCG, have the potential to significantly impact the marketability of the property to prospective tenants or purchasers.

Based on the overall condition of the property, PCG generated a "Near Term Needs Table," which estimates likely minimum expenditures over the loan term. Elements, systems or components whose Expected Useful Life (EUL) is less than the remaining useful life of the overall development will require periodic replacement and are included in the Near Term Needs Table. Elements whose useful life is equal to or greater than the remaining useful life of the development, such as replacement of the structures, exterior walls, curtain walls, wiring, piping and permanent partitions, are not included.



Assumptions regarding the overall condition of the subject property have been developed based upon inspection of "representative" property improvements. As such, estimations of mechanical and structural system conditions, remaining useful lives and costs associated with the correction of identified deficiencies are based upon the limited inspection and are also limited with respect to completeness. Where quantities could not be derived from actual takeoffs or measurements, lump sum figures or allowances are used. Estimated costs to correct are based on professional judgment and the probable or actual extent of the observed defect, exclusive of the cost to design, procure, construct and manage the corrections.

Useful life estimates of components are based on published sources including, but not limited to, Life Expectancy Guidelines published by Marshall & Swift, United States Department of Housing and Urban Development guidelines, industry standards and PCG's professional experience in evaluating life and performance of elements, components and systems. Expected remaining useful lives for the building and components assume the current level of maintenance and capital improvements are maintained and the recommendations in this report are implemented.

Quantity estimates are typically based on our field observations or information provided by property management. Replacement costs are based on published sources including, but not limited to, the Means Facility Cost Data, and Means Repair and Remodeling Cost Data, historical costs provided by property management or ownership, PCG's professional experience and contractor cost quotations, when available.

#### **4.0 Physical Condition Summary:**

The subject property is a Ideal Building. The subject property contains approximately 30,636 square feet (0.70 acres) of commercial property improved with a six story office building. The subject property contains approximately 88,751 square feet according to the tax records.

The exterior walls of the building are constructed reinforced concrete and have a painted stucco finish. The exterior walls are supported by reinforced concrete spread footings or piles. The floors above grade are supported by the reinforced concrete superstructure. The flat roof is supported by reinforced concrete double-tees and has a tar and gravel finish. According to the tax records, the building appears to have been originally constructed in 1973 and is approximately 40 years old.

No significant signs of settling of the foundations or deterioration of the exterior concrete walls was noted. No unevenness, or sloping of the interior floors was noted. None of the exterior walls indicated any signs of extensive cracking, buckling, spalling, or deterioration. No evidence of significant termite damage was noted at the time of inspection. According to the permit records, a 40 year recertification was completed for the property in 2012.

No significant structural problems with the building were noted and all construction techniques and materials appear to be properly installed and adequate for the current and anticipated near-term use of the building. Any minor problems associated with the structure should be handled as a part of routine maintenance. Due to the minimal use of wood framing on the property, significant termite activity is not anticipated.

Cast in place concrete walkways are provided along the perimeter of the building. Concrete curbing and knee walls have been provided around some of the landscaped areas. No signs of significant deterioration of the site concrete were noted. However, some minor cracking was noted on the concrete walkways. No immediate or near term issues were identified for the site concrete. The minor cracking to the concrete walkways should be addressed as a part of routine maintenance.

Site drainage is provided by sheet-flow to storm drains located in the abutting shared parking area. The paved areas have been sloped to divert the storm water to the abutting roadways where it can be mitigated by the municipal storm water drainage system. No evidence of site drainage issues were noted or reported. The site drainage appears to be fully functional and no significant deficiencies were noted. Any minor issues with the site drainage should be addressed as a part of routine maintenance.

No onsite parking has been provided for the property. However, a parking and access easement agreement has been provided for the property. The abutting asphalt paved parking area to the south provided by the parking agreement appears to provide an adequate amount of parking for the subject property. According to the agreement, the subject property is able to utilize the abutting access areas to the east and west of the building and the abutting asphalt paved parking area to the south. In turn, the subject property is responsible for paying a maintenance fee to utilize these areas. This amount is set to increase at a rate of 5% annually. It is reported that the maintenance fee will be amended to an amount of \$1,000.00 per month from the original amount described in the agreement. A copy of the parking and access agreement has been provided in the appendices and it is recommended that this agreement be reviewed by legal council prior to closing.

Landscaped buffers are provided around the perimeter of the property. The landscaped buffers contains trees and shrubs. The site landscaping appeared to be in good overall condition and no significant landscaping issues were identified. Tree trimming and landscaping maintenance are ongoing and should be addressed as a part of routine maintenance.

The roof of the building is supported by reinforced concrete double tees and has a tar and gravel finish. A review of the permit records back to 1994 did not reveal that any roof work has been done recently to the building. It would appear that the roof is approximately twenty (20) years old and appeared to be in good overall condition with no signs of active leaks noted.

The expected useful life of the roof of this type is typically be 25-30 years with proper maintenance. Therefore, the roof has an estimated remaining useful life of approximately 5-10 years with continued proper maintenance. Based upon this expected useful life, estimated costs for a full roof replacement over the term has been provided.

The exterior walls of the building are constructed with concrete block and reinforced concrete tie-beam and tie-columns. The exterior walls of the buildings have a painted stucco finish. The exterior walls were in good overall condition and appeared to have been recently painted approximately 2-3 years ago. There were no significant deficiencies noted with the exterior walls. Exterior painting is typically done every 6-8 years over the life of the property and the estimated costs have been provided for routine exterior painting over the term.

The subject property has aluminum framed, single glazed, storefront entry doors. The windows are a combination of fixed and single hung set in aluminum frames. All of the doors and windows appeared to be in good condition and fully functional. No evidence of significant window leaks was noted. All of the windows inspected appeared to be fully functional. No immediate needs associated with the doors or windows were identified at the time of inspection. Periodic repair and replacement of the doors and windows in anticipated over the term and should be addressed as a part of routine maintenance.



The interior walls of the building are constructed with wood or metal studs and finished with painted drywall. The interior ceilings are constructed with metal supported acoustic tiles. The interior floors are typically finished with ceramic tile or carpet.

The interior of the building appeared to be in good overall condition with no significant deficiencies noted. However, some staining of the carpet was noted in a few isolated areas. Routine interior painting will be required over the life of the property and should be addressed as part of routine maintenance. The carpets should be periodically cleaned and is considered to be a part of routine maintenance.

Heating, Ventilation and Air Conditioning (HVAC) for the building is provided by three (3) roof-top air cooled chillers with fan coil units. Split-coil direct expansion air conditioning units were also provided on the roof of the building for the mechanical areas and the mobile phone tenant equipment on the roof.

The chillers and split-coil units ranged in age from approximately 3-7 years old and were noted to be in good condition. These units provide a total cooling capacity of approximately 194 tons. Regional heat loads for commercial spaces are typically provided at 350 square feet per ton of cooling capacity. According to the rent roll, the subject property contains 80,297 net square feet. The subject property contains a total cooling capacity of approximately 194 tons for an average capacity of 414 square feet per ton of cooling. Therefore, the cooling capacity appears to be slightly less than the 350 square feet per ton that would be anticipated for a building of this type and size.

The expected useful life of rooftop chillers equipment is approximately 20-25 years with proper maintenance. The expected useful life of split-coil units is 10-15 years and 15-20 years for air handling units. A full cooling load calculation is beyond the scope of this assignment. However, the HVAC system appears to be slightly undersized. However, before any upgrades are proposed or installed, a survey of the tenants should be performed to see if the current HVAC system is cooling adequately. The HVAC equipment should have a significant amount of remaining useful life and no replacements are anticipated over the term. Periodic repairs of the HVAC equipment will be required over the life of the property and should be addressed as a part of routine maintenance.

Domestic water and sewer services are provided by the City of Lauderdale Utilities. The water supply lines are constructed with copper pipe. The sanitary sewer lines are constructed with cast iron pipe. Back-flow prevention has been provided on the property as required. A lift station has been provided at the northwest corner of the property. This lift station is owned by the local utility company.

The water supply lines appear to be good condition and fully functional. The stop valves, diverters, and faucets appear to have been repaired and replaced as needed. There were no reports or indications of any extensive sewer back-ups. According to the permit records, the lift station was last worked on in 1997 under permit number 97022450. The chilled water circulatory pumps appeared in serviceable condition and were functioning properly at the time of inspection.

Engineering guidelines provide an expected useful life of 40-50 years for the domestic water lines and sewer systems. Based upon this expected useful life, the water supply and sanitary sewer lines are approaching the end of their expected useful life and above average maintenance costs should be expected over the term. The lift station and circulatory pumps should be routinely inspected and repaired as needed as a part of routine maintenance.

Electric power is provided by Florida Power and Light (FPL) and is transferred from the FPL pole mounted transformers located along NW 16<sup>th</sup> Street. These transformers supply power to the three (3) 800 amp, 480 Volt, three phase main disconnects located in the building meter rooms. Power is transferred through dry step-down transformers to feed the 125-225 amp sub-panels located inside the building. The building has been provided with a 85 kilowatt emergency generator.

The electrical equipment appears to be in good overall condition and fully functional. No signs of overheating or arcing were noted. The circuits appear to be mostly identified on the panel covers. The electrical system appeared to be properly grounded. The backup generator appeared to be in serviceable condition showing corrosion on some parts.

Electrical switchgear typically has an expected useful life of approximately sixty-five (65) years. All electrical equipment inspected appears to be properly installed and of adequate size for present use. Due to age and condition, the electrical equipment has significant remaining life. Based upon condition estimated costs have been provided for minor maintenance to the back-up generator. The back-up generator will require periodic repairs and replacements over the term and should be addressed as a part of routine maintenance.

Access to the floors above grade is provided by two (2) traction elevators with lifting capacities of 2,500 pounds. The elevator equipment was located in a mechanical room on the roof of the building. The elevators appeared to be in good overall condition with no significant deficiencies noted at the time of inspection. The elevators had a current certification that was not noted to expire until August 1, 2013.

Elevators typically require major overhauls every 35-40 years. Based upon condition, the elevators have a significant amount of remaining useful life and no immediate needs were identified. Periodic inspections of the elevator and elevator equipment should be performed and is considered to be a part of routine maintenance.

The property has been provided with a Secutron MR-2200 fire alarm system with multiple panels. Fire extinguishers are provided within the tenant spaces and common areas. Emergency lighting is provided and exits are marked with emergency exit signs. The building is partially protected by sprinklers. A fire pump has been provided in the mechanical room.

The Lauderhill Fire Rescue and Fire Prevention Bureau was contacted regarding the date of the last fire inspection. The property was last inspected on April 19, 2012 and several minor violations were recorded. The fire alarm system was last inspected in August 2012 and fire extinguishers were last inspected in October, 2012.

All issues from the previous fire inspection should be resolved and a current fire inspection should be performed. Any other minor fire code issues should be addressed as needed and is considered to be a part of routine maintenance.

ADA requirements are based upon use and date of construction. Based upon the date of construction, upgrades are only required for businesses that provide a public accommodation. Use as an office building would typically require ADA upgrades to the common area bathrooms when renovated. Although the common area restrooms were noted to be in good condition, they were not fully ADA compliant. It could be argued that the minor renovations needed to increase accessibility will not create a financial burden and should be accomplished. Estimated costs to provide accessible ADA bathrooms on the first floor have been provided.

No onsite parking has been provided on the property. Parking is provided by the abutting property through a parking agreement. Therefore, no ADA parking has been provided on the subject property.

According to the City of Lauderhill Planning and Zoning, the property is zoned CC - Community Commercial. The current use as an office building appears to be a permitted use. It also appears that the antennas and telecommunication equipment on the roof of the building is also a permitted use. The property appears to conform to the current zoning code as it relates to permitted usage.

No onsite parking has been provided for the property. However, a parking and access easement agreement has been provided for the property.

Information was requested from the City of Lauderhill Building Department regarding open building permits. According to the city, there are currently two (2) open and two (2) expired building permits. These permits should be renewed and inspected and properly closed and any costs should remain the responsibility of the seller or an escrow should be established for closure of these permits. A request was made to the City of Lauderhill Code Enforcement regarding open code violations. No response have been returned and any additional information will be forwarded upon receipt. Estimated costs have been provided for engineering support in closing these open and expired permits.



## **5.0 Property Evaluation**

### **5.1 Site Access, Topography, and Utilization**

The subject property for which this Property Condition Assessment (PCA) has been prepared is identified as: Tract A, of L.O.B. Plat, according to the plat thereof, as recorded in Plat Book 75, Page 24, of the public records of Broward County, Florida. The subject property is physically located at 4200 NW 16<sup>th</sup> Street, Lauderhill, Florida 33313.

The topography in the area is generally flat. The elevation for the site is approximately 8 feet NGVD (U.S. Geological Survey [USGS], Fort Lauderdale North (1995)).

The subject property is designated in the "AH-8" flood zone area according to the FEMA Flood Map #12011C0212F (1992). Zone "AH" is an area inundated by 100-year flooding (usually an area of ponding), for which base flood elevations have been determined; flood depths range from 1 to 3 feet.

The property is fronted to the north by NW 16<sup>th</sup> Street. There is a commercial retail building on the abutting property to the east. A paved parking area is located to the south and a canal to the west. Access and utilization of the property appears to be adequate.

### **5.2 Encroachments and Easements**

A survey was not provided or reviewed for the preparation of this report. However, a copy of the parking and access easement agreement has been provided in the appendices and should be reviewed by legal council prior to closing.

### **5.3 Utilities**

Domestic water and sanitary sewer service is provided by the City of Lauderdale Utilities. The water supply lines are constructed with copper pipe. The sanitary sewer lines are constructed with cast iron pipe. Back-flow prevention has been provided on the property as required. A lift station has been provided at the northwest corner of the property. This lift station is owned by the local utility company.

Electric power is provided by Florida Power and Light (FPL) and is transferred from the FPL pole mounted transformers located along NW 16<sup>th</sup> Street. These transformers supply power to the three (3) 800 amp, 480 Volt, three phase main disconnects located in the building meter rooms. Power is transferred through dry step-down transformers to feed the 125-225 amp sub-panels located inside the building. The building has been provided with a 85 kilowatt emergency generator. No issues were identified in respect to the utilities provided to the property.

### **5.4 Paving and Drainage**

No onsite parking has been provided for the property. However, a parking and access easement agreement has been provided for the property. The abutting asphalt paved parking area to the south provided by the parking agreement appears to provide an adequate amount of parking for the subject property. According to the agreement, the subject property is able to utilize the abutting access areas to the east and west of the building and the abutting asphalt paved parking area to the south. In turn, the subject property is responsible for paying a maintenance fee to utilize these areas. This amount is set to increase at a rate of 5% annually. It is reported that the maintenance fee will be amended to an amount of \$1,000.00 per month from the original amount described in the agreement.

A copy of the parking and access agreement has been provided in the appendices and it is recommended that this agreement be reviewed by legal council prior to closing.

Site drainage is provided by sheet-flow into the abutting road right of way and the permeable portions of the property. The paved areas have been sloped to divert the storm water to the road right of way. The storm water is mitigated by the municipal storm water drainage system. No evidence of site drainage issues were noted or reported. The site drainage appears to be fully functional and no significant deficiencies were noted. Any minor issues with the site drainage should be addressed as a part of routine maintenance.

#### **5.5 Landscaping and Amenities**

Landscaped buffers are provided around the perimeter of the property. The landscaped buffers contains trees and shrubs. The site landscaping appeared to be in good overall condition and no significant landscaping issues were identified. Tree trimming and landscaping maintenance are ongoing and should be addressed as a part of routine maintenance.

#### **5.6 Site Concrete**

Cast in place concrete walkways are provided along the perimeter of the building. Concrete curbing and knee walls have been provided around some of the landscaped areas. No signs of significant deterioration of the site concrete were noted. However, some minor cracking was noted on the concrete walkways. No immediate or near term issues were identified for the site concrete. The minor cracking to the concrete walkways should be addressed as a part of routine maintenance.



## **5.7 Building Layout (ADA Issues)**

The ADA is often mistaken as a building code, when it is in fact a civil rights act. The public accommodations and commercial facility portion of the Americans with Disabilities Act became effective on January 26, 1992.

The extent of ADA compliance requirements for existing buildings is ambiguous. Fortunately, the ADA recognizes that it is not always possible to bring existing buildings up to the standards applicable for new buildings. However, this in turn requires subjective decision making for each building.

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.

An existing 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. 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.

Additionally, Florida Statutes 553.501-513 (Florida ADA Implementation Act) requires a certain number of ADA parking spaces based upon total number of spaces provided.

Number of Parking Provided	Number of ADA Parking Required
1 to 25	1
26 to 50	2
51 to 75	3
76 to 100	4
101 to 150	5
151 to 200	6
201 to 300	7
301 to 400	8
401 to 500	9
501 to 1000	2% of total

The scope of this limited visual survey is specifically limited to the following areas: path-of-travel, parking, and public toilet restrooms. Due to the visual nature of the Tier I survey, the reliability of the results will be less accurate than a Tier II survey, which includes representative sampling measurements and counts. The opinions regarding ADA compliance should be considered preliminary. The purpose of the limited visual survey is to provide a general observation of the level of attention paid to keeping the property ADA compliant.

To meet ADA requirements, there must be no material physical barriers to the disabled from accessible parking, public transportation stops, accessible passenger loading zones, and public streets or sidewalks, to the accessible building entrance they serve. Path-of-travel should be construed to be a path from on-site designated disabled parking spaces to the tenant spaces available for use by the general public. The path-of-travel should have compliant ramps and railings, stair or step barriers and adequate or compliant main entrance doors and thresholds.

The property has sufficient curb cuts and ramps as well as walkways that meet the ADA accessibility guidelines. The main entrances appear to be accessible.

The public toilet restroom facilities should accommodate the disabled with respect to: the existence of toilet stalls that appear to be designed for accessibility, whether lavatories or the designated sink for the disabled are at apparent lower heights with adequate clearance underneath, and determine whether compliant emergency fire alarms and strobes are present within the toilet room facilities.

The public restrooms inspected at the subject property were not in general compliance with the ADA guidelines. Based upon our Tier I inspection, the property would not be considered in general compliance with the ADA guidelines.

ADA requirements are based upon use and date of construction. Based upon the date of construction, upgrades are only required for businesses that provide a public accommodation. Use as an office building would typically require ADA upgrades to the common area bathrooms when renovated. Although the common area restrooms were noted to be in good condition, they were not fully ADA compliant. It could be argued that the minor renovations needed to increase accessibility will not create a financial burden and should be accomplished. Estimated costs to provide accessible ADA bathrooms on the first floor have been provided.



No onsite parking has been provided on the property. Parking is provided by the abutting property through a parking agreement. Therefore, no ADA parking has been provided on the subject property.

## **5.8 Foundations/ Framing**

The exterior walls of the building are constructed reinforced concrete and have a painted stucco finish. The exterior walls are supported by reinforced concrete spread footings or piles. The floors above grade are supported by the reinforced concrete superstructure. The flat roof is supported by reinforced concrete double-tees and has a tar and gravel finish. According to the tax records, the building appears to have been originally constructed in 1973 and is approximately 40 years old.

No significant signs of settling of the foundations or deterioration of the exterior concrete walls was noted. No unevenness, or sloping of the interior floors was noted. None of the exterior walls indicated any signs of extensive cracking, buckling, spalling, or deterioration. No evidence of significant termite damage was noted at the time of inspection. According to the permit records, a 40 year recertification was completed for the property in 2012.

No significant structural problems with the building were noted and all construction techniques and materials appear to be properly installed and adequate for the current and anticipated near-term use of the building. Any minor problems associated with the structure should be handled as a part of routine maintenance. Due to the minimal use of wood framing on the property, significant termite activity is not anticipated.

## **5.9 Exterior Walls**

The exterior walls of the building are constructed with concrete block and reinforced concrete tie-beam and tie-columns. The exterior walls of the buildings have a painted stucco finish.

The exterior walls were in good overall condition and appeared to have been recently painted approximately 2-3 years ago. There were no significant deficiencies noted with the exterior walls. Exterior painting is typically done every 6-8 years over the life of the property and the estimated costs have been provided for routine exterior painting over the term.

## **5.10 Roofing**

The roof of the building is supported by reinforced concrete double tees and has a tar and gravel finish.

A review of the permit records back to 1994 did not reveal that any roof work has been done recently to the building. It would appear that the roof is approximately twenty (20) years old and appeared to be in good overall condition with no signs of active leaks noted.

The expected useful life of the roof of this type is typically be 25-30 years with proper maintenance. Therefore, the roof has an estimated remaining useful life of approximately 5-10 years with continued proper maintenance. Based upon this expected useful life, estimated costs for a full roof replacement over the term has been provided.

### **5.11 Windows and Doors**

The subject property has aluminum framed, single glazed, storefront entry doors. The windows are a combination of fixed and single hung set in aluminum frames.

All of the doors and windows appeared to be in good condition and fully functional. No evidence of significant window leaks was noted. All of the windows inspected appeared to be fully functional.

No immediate needs associated with the doors or windows were identified at the time of inspection. Periodic repair and replacement of the doors and windows is anticipated over the term and should be addressed as a part of routine maintenance.

### **5.12 Plumbing**

The water supply lines are constructed with copper pipe. The sanitary sewer lines are constructed with cast iron pipe. Back-flow prevention has been provided on the property as required. A lift station has been provided at the northwest corner of the property. This lift station is owned by the local utility company.

The water supply lines appear to be good condition and fully functional. The stop valves, diverters, and faucets appear to have been repaired and replaced as needed. There were no reports or indications of any extensive sewer back-ups. According to the permit records, the lift station was last worked on in 1997 under permit number 97022450. The chilled water circulatory pumps appeared in serviceable condition and were functioning properly at the time of inspection.

Engineering guidelines provide an expected useful life of 40-50 years for the domestic water lines and sewer systems. Based upon this expected useful life, the water supply and sanitary sewer lines are approaching the end of their expected useful life and above average maintenance costs should be expected over the term. The lift station and circulatory pumps should be routinely inspected and repaired as needed as a part of routine maintenance.



### **5.13 Interior Finishes**

The interior walls of the building are constructed with wood or metal studs and finished with painted drywall. The interior ceilings are constructed with metal supported acoustic tiles. The interior floors are typically finished with ceramic tile or carpet. The interior of the building appeared to be in good overall condition with no significant deficiencies noted. However, some staining of the carpet was noted in a few isolated areas. Routine interior painting will be required over the life of the property and should be addressed as part of routine maintenance. The carpets should be periodically cleaned and is considered to be a part of routine maintenance.

### **5.14 Mechanical (HVAC and Elevator)**

Heating, Ventilation and Air Conditioning (HVAC) for the building is provided by three (3) roof-top air cooled chillers with fan coil units. Split-coil direct expansion air conditioning units were also provided on the roof of the building for the mechanical areas and the mobile phone tenant equipment on the roof.

The chillers and split-coil units ranged in age from approximately 3-7 years old and were noted to be in good condition. These units provide a total cooling capacity of approximately 194 tons. Regional heat loads for commercial spaces are typically provided at 350 square feet per ton of cooling capacity. According to the rent roll, the subject property contains 80,297 net square feet. The subject property contains a total cooling capacity of approximately 194 tons for an average capacity of 414 square feet per ton of cooling. Therefore, the cooling capacity appears to be slightly less than the 350 square feet per ton that would be anticipated for a building of this type and size.

The expected useful life of rooftop chillers equipment is approximately 20-25 years with proper maintenance. The expected useful life of split-coil units is 10-15 years and 15-20 years for air handling units. A full cooling load calculation is beyond the scope of this assignment. However, the HVAC system appears to be slightly undersized. However, before any upgrades are proposed or installed, a survey of the tenants should be performed to see if the current HVAC system is cooling adequately. The HVAC equipment should have a significant amount of remaining useful life and no replacements are anticipated over the term. Periodic repairs of the HVAC equipment will be required over the life of the property and should be addressed as a part of routine maintenance.

Access to the floors above grade is provided by two (2) traction elevators with lifting capacities of 2,500 pounds. The elevator equipment was located in a mechanical room on the roof of the building.

The elevators appeared to be in good overall condition with no significant deficiencies noted at the time of inspection. The elevators had a current certification that was not noted to expire until August 1, 2013.

Elevators typically require major overhauls every 35-40 years. Based upon condition, the elevators have a significant amount of remaining useful life and no immediate needs were identified. Periodic inspections of the elevator and elevator equipment should be performed and is considered to be a part of routine maintenance.

## **5.15 Electrical**

Electric power is provided by Florida Power and Light (FPL) and is transferred from the FPL pole mounted transformers located along NW 16<sup>th</sup> Street. These transformers supply power to the three (3) 800 amp, 480 Volt, three phase main disconnects located in the building meter rooms. Power is transferred through dry step-down transformers to feed the 125-225 amp sub-panels located inside the building. The building has been provided with a 85 kilowatt emergency generator.

The electrical equipment appears to be in good overall condition and fully functional. No signs of overheating or arcing were noted. The circuits appear to be mostly identified on the panel covers. The electrical system appeared to be properly grounded. The backup generator appeared to be in servicable condition showing corrosion on some parts.

Electrical switchgear typically has an expected useful life of approximately sixty-five (65) years. All electrical equipment inspected appears to be properly installed and of adequate size for present use. Due to age and condition, the electrical equipment has significant remaining life. Based upon condition estimated costs have been provided for minor maintenance to the back-up generator. The back-up generator will require periodic repairs and replacements over the term and should be addressed as a part of routine maintenance.

## **5.16 Fire Protection**

The property has been provided with a Secutron MR-2200 fire alarm system with multiple panels. Fire extinguishers are provided within the tenant spaces and common areas. Emergency lighting is provided and exits are marked with emergency exit signs. The building is partially protected by sprinklers. A fire pump has been provided in the mechanical room.

The Lauderhill Fire Rescue and Fire Prevention Bureau was contacted regarding the date of the last fire inspection. The property was last inspected on April 19, 2012 and several minor violations were recorded. The fire alarm system was last inspected in August 2012 and fire extinguishers were last inspected in October, 2012.

All issues from the previous fire inspection should be resolved and a current fire inspection should be performed. Any other minor fire code issues should be addressed as needed and is considered to be a part of routine maintenance.

## **5.17 Building Department/Use and Zoning Interviews**

According to the City of Lauderhill Planning and Zoning, the property is zoned CC - Community Commercial. The current use as an office building appears to be a permitted use. It also appears that the antennas and telecommunication equipment on the roof of the building is also a permitted use. The property appears to conform to the current zoning code as it relates to permitted usage.

Information was requested from the City of Lauderhill Building Department regarding open building permits. According to the city, there are currently two (2) open and two (2) expired building permits. These permits should be renewed and inspected and properly closed and any costs should remain the responsibility of the seller or an escrow should be established for closure of these permits. A request was made to the City of Lauderhill Code Enforcement regarding open code violations. No response have been returned and any additional information will be forwarded upon receipt. Estimated costs have been provided for engineering support in closing these open and expired permits.



Information was requested from the City of Lauderdale Building Department regarding open building permits. According to the city, there are currently two (2) open and two (2) expired building permits. These permits should be renewed and inspected and properly closed and any costs should remain the responsibility of the seller or an escrow should be established for closure of these permits. A request was made to the City of Lauderdale Code Enforcement regarding open code violations. No response have been returned and any additional information will be forwarded upon receipt. Estimated costs have been provided for engineering support in closing these open and expired permits.

EVALUATOR'S SUMMARY OF NEAR TERM PHYSICAL NEEDS					
Project Name: Ideal Building		Address:	4200 NW 16 <sup>th</sup> Street, Lauderdale, Florida 33313		
Date of Inspection: April 12, 2013		Inspector: James Hanskat, P.E.			
# of Buildings: 1	# of Stories: 6	Area:	49,186 square feet	Eff. Year Built:	1973
Item	Description	# of Units	Cost per Unit	Estimated Cost	
Engineering Support	Close Open/Expired Permits	4 Permits	\$750	\$3,000	
Back-up Generator	Clean/Inspect	1 Lump Sum	\$1,200	\$1,200	
Total Estimated Near Term Needs				\$4,200	

## 8.0 Replacement Reserves

EVALUATOR'S SUMMARY OF PHYSICAL NEEDS OVER THE TERM																
Project Name:	Ideal Building			Address:			4200 NW 16 <sup>th</sup> Street, Lauderdalehill, Florida 33313									
Date of Inspection:	April 12, 2013			Inspector: James Hanskat, P.E.												
Number of Buildings:	1	Year Built		1973	Property Age		40	Tax SF:		49,186 square feet						
Years																
Item Description (EUL) Yrs	Quantity	Cost	41	42	43	44	45	46	47	48	49	50	51	52		
			1	2	3	4	5	6	7	8	9	10	11	12		
Roof	22,227SF	\$4.75							\$105,578							\$105,578
* Asphalt Maintenance	1 Lump Sum	\$1,000	\$1,000	\$1,050	\$1,103	\$1,158	\$1,216	\$1,276	\$1,340	\$1,407	\$1,477	\$1,551	\$1,629	\$1,710		\$15,917
Exterior Paint	1 Lump Sum	\$24,200					\$24,200									\$24,200
Total Uninflated			\$1,000	\$1,050	\$1,103	\$1,158	\$25,416	\$1,276	\$106,918	\$1,407	\$1,477	\$1,551	\$1,629	\$1,710		\$145,695
Cumulative Uninflated Total			\$1,000	\$2,050	\$3,153	\$4,310	\$29,726	\$31,002	\$137,920	\$139,327	\$140,805	\$142,356	\$143,985	\$145,695		\$145,695
Uninflated Cost/SF/Year			\$0.02	\$0.02	\$0.02	\$0.02	\$0.12	\$0.11	\$0.40	\$0.35	\$0.32	\$0.29	\$0.27	\$0.25		\$0.25
Inflation factor @ 3.0 %			100%	103.0%	106.1%	109.3%	112.6%	115.9%	119.4%	123.0%	126.7%	130.5%	134.4%	138.4%		
Total Inflated Yearly			\$1,000	\$1,082	\$1,170	\$1,265	\$28,605	\$1,480	\$127,666	\$1,731	\$1,872	\$2,024	\$2,189	\$2,368		\$2,368
Cumulative Inflated Total			\$1,000	\$2,082	\$3,251	\$4,516	\$33,121	\$34,601	\$162,267	\$163,998	\$165,869	\$167,893	\$170,083	\$172,450		\$172,450
Inflated Cost/SF/Year			\$0.02	\$0.02	\$0.02	\$0.02	\$0.13	\$0.12	\$0.47	\$0.42	\$0.37	\$0.34	\$0.31	\$0.29		\$0.29

\* It is reported that the asphalt maintenance fee will increase at a rate of 5% annually