

PROPERTY CONDITION ASSESSMENT

The Enclave at Kennedy Ridge Apartments

24870 Kennedy Ridge Rd, North Olmsted, OH 44070



Prepared for Zaremba Management Company



May 15, 2015

Zaremba Management Company 22730 Fairview Center Drive #200 Cleveland, OH 44126

Attention: Mr. Walter Zaremba

Subject: Property Condition Assessment The Enclave at Kennedy Ridge 24870 Kennedy Ridge Rd North Olmsted, OH 44070

Mr. Zaremba:

ENTIGY Designs, Inc. is pleased to present the attached report for the property located at 24870 Kennedy Ridge Road in North Olmsted, OH.

We appreciate the opportunity to provide you with this service. Please contact us with any questions you may have.

Sincerely,

Nathan T. Gramley, Principal **ENTIGY Designs, Inc.**

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1. GENERAL INFORMATION

1.1 General Information

Mr. Nathan T. Gramley of **ENTIGY Designs**, **Inc.** performed a "walk-through" condition study of the site & buildings located at 24870 Kennedy Ridge Road in North Olmsted, OH on Monday, May 11, 2015. The weather at the time of visit was sunny & the temperature was 80 degrees Fahrenheit.

Present during the site visit were Mr. Tim Craft, Scott Burke, & Dan Truchon of Zaremba Management Company, & Mr. Joe Welker & Mr. Russ Woodside of the NRP Group LLC. Other individuals were present but did not accompany us during our inspections.

2. PURPOSE & SCOPE OF WORK

2.1 Purpose & Scope of Work

ENTIGY Designs, Inc. performed the property condition assessment substantially in accordance with our proposal dated May 4, 2015 and the American Society for Testing and Materials, ASTM E2018-01, Standard Guide for Property Condition Assessment-Baseline Property Condition Assessment Process. The purpose of the Property Condition Assessment of major building components that may be required during the evaluation period. Our work did not include calculations or evaluations of the adequacy of the existing facility or components. Our services were accomplished utilizing one architectural consultant with generalized knowledge & experience in evaluation of the components included in our scope of services. Our consultant does not have an in-depth knowledge of <u>all</u> building systems. Our scope of services does not include any form of building code compliance review or extensive life safety code compliance review.

3. SYSTEM DESCRIPTION & OBSERVATIONS

3.1 Overall General Description

The building consists of concrete foundation walls & wood-framed structure with a concrete slab on grade. The building was reportedly originally constructed in 2003. The site is developed with seven (7), three-story buildings & four (4) parking garages. A property boundary plat was not available at the time of our visit.

3.2 Site

a) Topography & Storm Water Drainage

The property has numerous crowns & swales, directing water to an underground system via catch basins. Iron catch basin grates are located at the edges of all curbed areas as well. No items of concern were noted.

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b) Access & Egress

The property is accessible for vehicular traffic only from one entrance to Kennedy Ridge Road to the south. Although not required by the governing accessibility requirements for this project, dedicated pedestrian traffic via concrete sidewalk is not provided from Kennedy Ridge Road.

c) Paving, Curbing, & Parking

The property drive lanes are paved with asphaltic concrete pavement with concrete integral curbing. The parking areas are poured concrete. Information regarding the thickness of the asphalt & concrete pavement & other pavement components was not available.

 The asphalt pavement exhibited some low to medium severity alligator cracking & some potholes. Additionally, in areas where cleanout covers exist within paved areas, the asphalt finish was 1" or more below the cover. This presents a tripping hazard as well as an area for water ponding. The few potholes observed were not in excess of 2" deep, however further degradation of the surrounding asphalt is likely. Asphalt paving, in one location adjacent to a catch basin cover, was 1/2" below the concrete basin curb, which prohibits positive drainage into the basin.

The white striping is somewhat faded & in fair condition. Current striping includes 16 parking spaces. No items of concern were noted.

d) Flatwork

Flatwork consists of Portland cement concrete sidewalks, linking garages & buildings, as well as patios on the rear of the units.

- The concrete sidewalks exhibited settlement in areas adjacent to the curbs, creating a 1 1/2" trip hazard. This area of sidewalk, approximately 80 square feet in area, should be repaired. Additional areas of sidewalk exhibited through-slab cracks (from edge to edge). There were four (4) locations requiring approximately 25 square feet of new concrete each.
- Several patio slabs had cracking, assumed to be a result of freeze / thaw.

e) Landscaping & Appurtenances

Landscaping consists of mature trees, bushes, ground cover, mulch & grass throughout the property.

• Numerous locations of brown / dead Creeping Junipers were observed near hard surfaces due to the use of salt during the winter months.

f) Utilities

Water: Electricity: Natural Gas: Sanitary Sewer: City of Cleveland, Division of Water The Illuminating Company Dominion East Ohio City of Cleveland, Division of Water

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Special Utility Systems: American Utility Management (water sub-metering)

• Two (2) utility pedestals at the southeast corner of the property appear to have been hit by something; their enclosures are damaged & leaning.

3.3 Structural Frame & Building Envelope

a) Foundation & Floor System

Existing drawings represent a poured concrete slab & footing system. The sub-surface construction could not be observed. A stepped concrete slab was observed in the attached garages, extending from garage floor to +/- 6" A.F.F. No items of concern were noted.

The ground floor system consists of a Portland cement concrete slab-on-grade. The floor slab was covered with carpeting in the bonus room, obscuring any cracks that may be present. Attached garages had control joints cut & exhibited no signs of excessive wear. The detached garages were not accessible for our evaluation, however several garage doors were open & a quick visual inspection was made.

 Concrete slabs that did <u>not</u> have control joints exhibited signs of cracking, most notably in the detached garages located at the southeast corner of the property. Although currently not a safety hazard, these cracks may worsen with further changes in temperatures & should be monitored for further action.

b) Building Frame

The building frame consists of wood-framed exterior load- & non-loadbearing walls. Interior framing consists of wood studs with gypsum board wall finish. Floor framing consists of wood beams & floor joists. Roof framing consists of wood trusses & stickframed wood roof elements. Observation of the building frame elements was restricted due to finish materials & blown-in insulation in the truss spaces.

- Building 24860 exhibited some concerning signs of ground settlement and / or failing framing systems. Although most obvious in the kitchens as observed in the countertops sloping away from the rear wall & separation at the ceiling from the kitchen island walls, we visually observed areas on the 3rd floor sloping toward the demise wall between units. These observations were reinforced by stress cracks in the gypsum board wall finish at the upper corner of interior bedroom door frames & separation of stairwell stringers from the walls as well.
- Additional units in Buildings 24850, 24870, 24880, & 24890 exhibited signs of sagging structural members in the 2nd floor ceilings / 3rd floor framing due to possible water leaks from the washers and / or bathrooms above. Floors in these areas were soft / bouncy.
- ENTIGY Designs, Inc. recommends further detailed analysis of possible factors contributing to the sloped flooring in Building 24860. Within Buildings 24850, 24870,

24880, & 24890, selective demolition of walls & ceilings is suggested to expose current or prior water leaks. More aggressive demolition may be required to repair / replace any failing structural members in these areas.

c) Facades

Façade: The exterior façade consists of vinyl siding & stone veneer with both vinyl & aluminum trim elements & painted wood architectural detail elements, such as gable extension brackets & decorative faux supports below cantilevers. Soffits, eaves, & fascia are aluminum. Patio decks are composed of pressure treated wood framing with painted wood horizontal trim banding. Metal railings are mounted on the decks.

- Below the entry doors in +/- 6 units, the stone veneer was loose and / or falling off of the substrate. This is most likely due to snow pileup / continuous moisture during the winter months.
- On many of the units, a thick bead of sealant was applied at the base of the stone veneer where it meets the concrete walk, most likely as a "quick fix" for deteriorating grout due to salt use in the winter. In almost all of these conditions, the sealant showed signs of water behind the sealant, trying to penetrate to the exterior. This suggests that 1) water is getting in behind the stone and 2) there are no weep holes allowing water to get out from behind the stone.
- Several locations adjacent to the garage exhibited signs of moisture penetration. In these areas, the stone veneer was loose and / or falling off of the substrate. The remnants of the Tyvek as well as heavily rotted plywood behind the veneer were visible.
- Four (4) garages in Building 24890 & one (1) in Buildings 24870, 24840, & 24900 exhibited signs of water damage at the upper corners of the garage doors (directly below where the cantilevered structural member penetrates the building envelope for the deck above). In these areas, the header above the garage door appeared to sag & the trim was pulling away from the wall. In some areas the separation was 1/4" in width. On the interior of these areas, water damage was evident on the gypsum board wall finish. In one location (24890-104), the gypsum board finish had disintegrated & black mold was observed covering an area of approximately 5 square feet of wall & ceiling surface. ENTIGY Designs, Inc. made the property manager aware of this issue & suggested immediate action.
- 80% of the 2nd floor patio decks exhibited signs of mold growth on the underside & several locations exhibited signs on the finish decking. The horizontal wood trim surrounding the unfinished wood structure is warping due to moisture penetration. Neither comment is structural in nature, however neither is esthetically pleasing.
- Although almost no signs of water penetration were observed, the windows & sliding doors in the stone veneer walls had no head flashing installed. Typically a

1/4" gap is installed between the bottom of the stone & top of the door / window frame & flashing is installed to direct water out from behind the stone. In these locations, the stone was sealed with mortar directly to the heads of all of the windows & sliding doors.

- The horizontal banding at the 2nd & 3rd floor lines on many of the buildings didn't join properly at the corners of the building. Because of this gap in the aluminum trim, the wood substrate was rotted. Additionally, bees were observed entering / exiting these areas.
- There appeared to be a patch attempt made where the gable meets the top of the stone façade at the corner of Building 24860. The work is unappealing & possibly ineffective. Further repair is suggested.
- Bees & wasps were observed as a result of many of the façade deficiencies as well as a lack of nest extermination. A soccer ball-sized hornet nest was observed at the soffit of Building 24880 & 24900. Tenants stated that their presence restricted outdoor activity in the summer.

Windows & sliding doors: Vinyl clad windows & sliding doors appeared to be in good condition with the exception of several requiring new seals. Please reference the Exhibit section for the Unit Inventory containing additional information on which doors / windows require maintenance.

Entry doors: Entry doors are hollow metal & exhibit some signs of rust. Please reference the Exhibit section for the Unit Inventory containing additional information on which doors require maintenance.

Garage doors: The garage doors are in fair condition & the operators were not inspected. No items of concern were noted.

d) Roofing

Please reference the Exhibit section at the end of this report for a brief summary of the existing roofing as well as a detailed estimate for replacement.

- Although severe leaks in the pitched roofs were not observed, many of the smaller rear-facing shed-style roofs on the 2nd level showed signs of water penetration at the side walls. This is typically caused by poor flashing at the edges. ENTIGY Designs, Inc. recommends a partial or complete tear-off of these areas in order to replace the roof sheathing & all moisture-damaged wood members below.
- Because of comments by several tenants regarding ice dams forming during the past winter months, it is worth noting that there is likely a lack of proper ventilation in the soffits & eaves. Rolled roofing at the bottom of the trusses, commonly known as "ice guard", was probably not installed.

 The aluminum gutters, although in need of cleaning, were in fair condition. The aluminum downspouts appeared to have been installed carelessly, with seams visible & a multitude of small sections being connected for a long section of downspout. Several areas were observed where the downspout was not attached to the building properly & elbows had detached completely. Several downspouts on the detached garages were damaged as well.

3.4 Mechanical & Electrical System

a) Plumbing

Please reference the Exhibit section for the Unit Inventory containing additional information regarding the hot water production & fixtures.

b) Heating & Air Conditioning

Please reference the Exhibit section for the Unit Inventory containing additional information regarding the furnaces & air conditioning units.

c) Electrical

The current service feeding each building is 400 amp, 120 / 240 V, single phase, 4 wire. There is one (1) electric meter per unit. Distribution within the units was not observed. No items of concern were noted.

3.5 Life Safety / Fire Protection

ENTIGY Designs, Inc. was not able to review the existing drawings for intended fire ratings & building code compliance (due to poor quality of the drawings). No review was performed while on site.

a) Alarm Systems

Several hard-wired smoke detectors are provided within each unit; their locations were not reviewed for compliance. Several tenants had manually disconnected their detectors due to "smoke from cooking" or other factors.

• ENTIGY Designs, Inc. recommends that these smoke detectors be reinstalled properly & immediately.

3.6 Interior Elements

a) Apartment Units

The apartment community consists of 1, 2, & 3-bedroom units. The 1-bedroom units have one (1) bath, the 2-bedroom units have 2 1/2 baths, & the 3-bedroom units have 3 1/2 baths.

The apartment interior finishes consisted of painted gypsum wallboard, carpeting, & vinyl composite flooring. The kitchen cabinet counters were finished in plastic laminate. Please reference the Exhibit section for the Unit Inventory containing

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additional information regarding issues observed by Zaremba Management Company's maintenance team.

- ENTIGY Designs, Inc. observed loose handrails in the stairways leading from the 2nd floor living space down to the garage and / or bonus room.
- Water stains in the ceilings on the 2nd floor were fairly common. Typically these stains existed below plumbing fixtures above (including clothes washers) and / or where interior corner shed roofs existed.
- 3rd floor dryers vent to the exterior via round ducts to soffit vents. Numerous vent covers were clogged with lint, several were missing altogether, & several dryers that were tenant-purchased or tenant-leased did not meet the venting distance requirements of the building design. Due to potential fire hazard, dryers that don't vent directly to the exterior must have additional fan capacity for the additional distance to the exterior. ENTIGY Designs, Inc. suggests that the dryer units are inspected for compliance, replaced if not in compliance, or install a booster fan in applicable locations. All exterior vent covers (soffit vents & wall vents) should be cleaned & missing covers replaced.
- As noted in Section 3.3 Structural Frame & Building Envelope, cracks above 3rd floor bedroom door frames were observed in numerous units. It didn't appear as though any repair had been attempted; therefore it is possible that the existence of these cracks have been longstanding.

b) Garages

The attached garages are finished with painted gypsum board on the ceilings & walls from +/- 6" A.F.F. to the ceiling. The stepped concrete slab is visible below the finished gypsum board edge on the walls. Stress / settlement cracks were not observed; however many of the garages were inspected utilizing a flashlight due to non-functioning lighting sources.

The detached garages that were accessible during our visit were constructed & finished in a similar manner, however, as noted in a previous section, the floor slabs that did not contain control joints exhibited signs of cracking.

- Damp / moisture-stained ceilings were observed in several attached garages & appeared to be a result of plumbing fixture issues above.
- Additional moisture damage was noted in previous sections.

c) Accessibility

A limited accessibility study was conducted during our site visit. The existing drawings, although difficult to decipher due to poor quality, reference "Accessibility Requirements" on the cover sheet & state "All A-1 units shall comply with FHA (Fair Housing Act) & ANSI A117.1 Type B requirements". Additional related notes were not

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legible. ADAAG (Americans with Disabilities Act Guidelines) were not considered / required due to the project type.

Type B requirements, from prior versions of FHA & ANSI A117.1, require provisions for a residential unit to be "adaptable". They need not be fully accessible, as is required in a Type A unit, however building elements must be constructed in such a manner that they meet specific clearance requirements as well as having the necessary reinforcements for future elements, such as grab bars & shower seats.

Examples of some of the requirements for a Type B unit are as follows: The accessible primary entrance shall be on an accessible route from public & common areas. Accessible routes shall consist of walking surfaces with a slope not steeper than 1:20 (no steps). Clear width along an accessible route must be a minimum of 32". The primary entrance door must meet the clear width requirement, 1/2" maximum threshold height, be equipped with lever hardware, vision lite, kick plate on the bottom push side of the door, etc. Bathroom fixtures, washing machines, & dryers must have a 30" x 48" clear floor space directly in front of them.

• Eight (8) units, as listed in the Unit Directory (see Exhibits), are considered Type B units. These ground floor units meet many of the above requirements, however all but one have a 6" step at the primary entrance. The one exception has a 1 1/2" threshold. In conclusion & based upon prior & current versions of FHA & ANSI A117.1, ENTIGY Designs, Inc. cannot consider these eight (8) units as being "adaptable" with a step at the primary entrance.

4. QUALIFICATIONS & LIMITATIONS

4.1 General

This Property Condition Assessment (PCA) was performed in general accordance with ENTIGY Designs' proposal dated May 4, 2015 and ASTM Standard E 2018-01. As such, the limitations of our PCA are consistent with the general limitations of the ASTM Standard.

ENTIGY Designs, Inc. was retained to perform a Property Condition Assessment of the subject property in connection with a potential acquisition of the property. The conclusions, recommendations & financial implications presented in this report are based on a brief review of available drawings, interviews with key personnel who have a working knowledge of this facility, our site observations & our experience on similar projects. No material testing of any building components has been performed & no calculations have been carried out to determine the adequacy of the property's original design. It was not the intent of this survey to perform an exhaustive study to locate every existing defect. "Walk-through" observations were made by a trained professional but there may be defects at the property that were not readily accessible, not visible or which were inadvertently overlooked. Other problems may develop with time that were not evident at the time of this survey.

Since a PCA is a survey and not an invasive investigation, it should be recognized that

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there is a risk that certain past & present conditions, latent & otherwise, might not be detected & reported by ENTIGY Designs, Inc. Such conditions include, but are not limited to, conditions in roofs, buildings, & other structures, & various components thereof, that given the non-invasive nature of the Services, and/or limited visibility or accessibility, are not readily observable at the time a PCA is performed. It should be recognized that a PCA is normally performed by a person who possesses a general knowledge of multiple building systems, but is not a specialist in any one of those systems. If it is wished to have one or more systems surveyed by more experienced personnel, ENTIGY Designs, Inc. can perform a more extensive PCA, as additional Services, with a corresponding increase in compensation being payable to ENTIGY Designs, Inc. Also, invasive & other special inspection(s) can be performed for roofs, facades & other building systems, & various components thereof, in lieu of a visual survey as additional Services, with a corresponding increase in compensation being payable to ENTIGY Designs, Inc. Furthermore, ENTIGY Designs, Inc. is in no way liable for any Claim or Liability for a condition which such additional Services might have detected. ENTIGY Designs, Inc. is not an insurer or guarantor of the property that is the subject of the Services or the value thereof.

4.2 Rating

The rating system for the building components was as follows:

- Good: Newer item & well-maintained and / or little or no observed items of concern requiring attention in the near future
- Fair: Older item and / or some observed items of concern requiring attention, repair or replacement in the near future.
- Poor: Numerous items of concern observed and / or general overall deterioration of the item requiring attention, repair or replacement in the near future.

It should be understood that this rating system is subjective & should be used only to develop a comparative evaluation of the components reviewed.

APPENDIX

Photographs Unit Directory Unit Inventory Spreadsheets Roofing Estimate & Report

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