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SECTION I - EXECUTIVE SUMMARY

A. Objective

The purpose of our observation and resulting report is to assess the general condition of
the building and site. Within our report, we will identify those areas that require
remedial work and assign corresponding budget repair cost estimates within the body
of the report. Recommendations for repairs and replacements are based on the observed
physical conditions of the materials and systems during the survey, their life
expectancy, and available data.

This report is based on field observations and conversations with property management,
as well as with onsite staff. We were accompanied during the site visit and through the
subject building and property by [redacted] and our team of contractors.

B. Summary

1. Property Description:
   a. Site:

The subject building consists of a 4-building, 48-unit, community
shopping center that has an estimated gross leasable area of 129,101 sf.
The center was reportedly constructed in 1959. The one outlot building
consists of a [redacted] formerly a [redacted]. As reported by the
Property Manager, this property is a land lease and the building is owned by [redacted]. The different components have been maintained but are all
in a “worn” condition consistent with a property of this age. The site is
rectangular in shape and encompasses an estimated 453,000 SF or 10.40
acres. The site has frontage on [redacted] and
[redacted] and is surrounded on all sides by residential; the northeast
corner is bordered by the [redacted].

According to a recent property flyer, there are several availabilities
consisting of approximately 23,750 square feet.

b. Building:

The subject buildings consists of one (1) story brick and steel retail
center with street level access for each of the tenant spaces. There are
retail, restaurant, and government-type tenants. At the time of our visit,
there were several small and large vacancies.
c. **Property Condition:**

The main building façade and storefront appears to be in generally good condition, with some exceptions noted. A few areas of the dryvit is spalling or peeling. This would be considered routine maintenance. The building presents a “tired” appearance with respect to the condition of the parking lot, and islands. There appears to be a standard landscape maintenance program in place. The building exterior generally appeared to be in good condition.

The paved areas at this property are generally in poor to fair condition. A significant amount of surface cracking and potholes were observed throughout the site. The site should be patched, crack filled, seal coated and restriped.

Roofing material and membrane was inspected and found to be in good condition; it was mentioned by the Property Manager that portions of the roof may still be under warranty.

Site lighting appears adequate for intended use.

2. **History:**

Per the Property Manager, the subject buildings were constructed in 1959. Since then, these buildings were rehabilitated and adapted for a variety of multi-tenant uses. There is one building on the property’s outlot. This building appears newer and appears in good condition.

3. **Maintenance:**

The subject buildings appear to be adequately maintained. The areas of greatest concern were the pavement, and some areas of the roof installation were leaking at the soffit areas on the day of our inspection. The vacant spaces appear to be in good condition but could be cleaned. There are also some expansion joints that need to be repaired. Details to follow in this report. Windows need to be washed.

4. **Code Compliance:**

No major Building Code or Fire Code violations were noted at the time of our visit. The buildings are not sprinklered; smoke detectors and fire alarm is only located inside the Illinois Employment Office located in unit 48, suites B1,3,5,7 and 9. The alarm is currently monitored by Acadian.

5. **Provisions for the Handicapped:**

The age of the subject property site and building is believed to be about 56 years old, but has not yet been reviewed to determine if it meets ADA Accessibility Guidelines (ADAAG) and Illinois Accessibility Code (IAC) for access. Although, it would appear that most guidelines were accounted for in the overall construction.
6. Conclusions:

The buildings and the surrounding site are well designed for intended use. The buildings are adequately maintained, with some exceptions noted. Building exteriors are generally in good condition. Vacant building interiors need to be cleaned, and will need updating as new tenants are secured. The site development is adequately maintained; however, problematic exterior elements are primarily comprised of asphalt fatigue due to aging and weather exposure.

SECTION II – SITE

The subject site is rectangular in shape and encompasses 453,000 SF or 10.40 acres. The site has frontage on Westmore Avenue/Meyers Rd. and Jackson Street, and is surrounded on all sides by residential; the northeast corner is bordered by the DuPage County Health Department building. There is one outlot at the corner of Westmore Avenue/Meyers Rd. and Jackson Street. The site is reported to be zoned B3PD, Community Shopping District Planned Development.

On all four sides of the subject property are residential sites. To the east and north are adjacent business sites.

A concrete sidewalk extends the length of the building along the north, south and east elevations from the curb to tenant entries. The concrete sidewalks along the building elevations are generally in good condition; it was noted that there were a few areas that were in need of general maintenance repair.

Existing landscaping consists of medium to large-sized trees, as well as small shrubs and ground cover located around the buildings and primarily in the islands in the parking lot. The main entrances to the property are on the west side of the building. Site landscaping and grassy areas appeared to be in generally good condition. Some enhancements should be added to improve the overall appeal, primarily at the entrances. There are a few trees that are declining and need to be replaced, a few bushes are declining, and the islands need weed control applications. Most of these areas can be addressed through an ongoing landscape maintenance program.

The municipal water main supplies the water service. Sanitary waste and storm water flow to the municipal sanitary sewer system. No information was available regarding past infrastructure utility work or repairs.

There may be some site drainage issues in a couple areas of the main parking lot and at the north east corner of the subject property, as ponding water was observed in some areas.

Parking area asphalt is in generally fair to poor condition and also requires rescaling and restriping. Some noted deficiencies include cracks and potholes in much of the entry drives and parking areas including the access road to the rear. There is evidence of previous patching. Curbs and pedestrian ramps are generally in good condition; only minor concrete cracking was observed at curbs. Approximately 6 of the parking blocks are damaged and should be replaced.

Proposed Repairs:

1) Asphalt Remove and Replace:
   - Saw cut and remove approx. 3,044 sq. ft. of asphalt and dispose of at an authorized dump site.
Compact existing stone base to insure a solid foundation for asphalt work.
安装 2” 的热沥青粘结剂混合物，并压实。
安装 1 ½” 的热沥青表层混合物，并压实。
（约 3,044 平方英尺）

2) Crack Sealing:
- 移除路面裂缝中 ¾” 至 ½” 的所有泥土和碎屑。
- 使用热浇橡胶剂封缝材料，满足 ASTM 3405 规格标准。
- 允许充分时间干燥后再封缝。

3) Sealcoating:
- 彻底清洁路面表面的全部泥土和碎屑。
- 清除和涂抹会油斑，并使用会油底漆。应用煤焦油乳液密封剂，满足全部州和联邦标准。
- 密封剂的施用量按照美元每加仑 60 平方英尺，根据制造商的推荐，有3-5磅的砂负载和1%的聚合物添加剂。
- 挡路障以引导车辆远离新封的区域。（约 355,590 平方英尺）

4) Striping:
- 重新根据当前配置重新绘制车道线。

SECTION III - STRUCTURAL

The building foundations were concealed from view at the time of our visit, and drawings were not reviewed at that time. The superstructure is assumed to be a steel structure of beams and girders supported by steel columns. Interior spaces appear to be stud and drywall construction. We did not observe any obvious exterior differential settlement and the building foundations appear to be performing satisfactorily. No major structural repairs have been
reported. Observed components appeared to be in serviceable condition. There are several expansion joints at various areas of the buildings that will need to be serviced and repaired. Also, at Unit #11, to the north of the entry door, there is some bowing of the brick in the spandrel above the windows; it appears this has been tuckpointed; it is recommended this be inspected for structural integrity.

SECTION IV - EXTERIOR

The exterior soffit area is clad primarily with Dryvit. There are several areas that need to be patched and some cracking on the tops of the soffits that need to be caulked or repaired. This is an ongoing maintenance issue.

The window system is an aluminum mullion system consisting of fixed insulated window assemblies. The originally provided finish appears to be in good to fair condition; some areas may need refinishing.

Additionally, the overall appearance of the building and entrances could be improved through the addition/replacement of new trees, bushes, perennials, grasses, etc.

SECTION V – ROOFING

The roofing system is in two parts; the main body is estimated to be about 10-12 years old and is comprised of a “fully adhered” Carlisle 60 mil Rubber (EPDM membrane); the overhang roofing is a white Thermoplastic Polyolefin (TPO) and seems to be newer than the main body of the roof. The quality of the installation is well done and, in general, is only in need of routine maintenance. Areas of concern would be the base tie-ins at the perimeter having failed in about 25% of the total, and the termination bars also need to be maintained and resealed.

The roofs are pitched to allow storm water to flow to roof drains spaced across the perimeter of the roof and overflow scuppers. In general, the occupied spaces as well as the vacant, appear to be relatively leak free. The most significant leaking appears to be along the overhangs where the termination bars and flashing need to be resealed.

Generally, observable roofing systems appeared to be in good condition. Recommendations:

1. Place roof under a preventative maintenance program immediately; estimated cost for monitoring and repairs, $7,500-10,000 annually.
2. Create an additional common area maintenance reserve budget for possible larger emergency repairs; approximately $10-15,000 annually.
3. The roof warranty is reported to be for the canopy only. The work was completed in 2012 by DDP Roofing. The warranty was issued on 6/5/2012 and expires on 06/05/2027. The manufacturer was GAF EverGuard Diamond Pledge. The warranty number is G2012-00002962.

SECTION VI – INTERIORS

A. Tenant Spaces
General construction is stud and drywall with demising walls between spaces and underpin between offices. Each unit is separately metered for water, gas and electric. Most fluorescent fixtures, which appear to be T-12 in nature, are suspended in a grid and ceiling tile system and generally light the spaces. These would need to be retrofitted with new construction.

Flooring is generally carpet with vinyl base or VCT (vinyl composition tile) in most spaces.

Main tenant suite entry doors from the exterior are full light glass and mullion systems. The doors have pull type handle locksets and automatic closers and exit doors include panic hardware.

The building washrooms in most of the tenant spaces and are generally single user design with the exception of the larger units which have multiple stalls. Washrooms consist of either VCT or ceramic tile floors. Entrance doors are usually solid core wood or metal with metal frames. Lighting consists generally of fluorescent light fixtures.

Interior layouts and finishes vary between tenant spaces, as well as by room function.

Typical tenant finishes are VCT, ceramic, or carpeted floors with vinyl base. Partitions are primarily drywall with applied finishes or painted. Counter and cabinet areas vary, but typically have laminate wood cabinets and laminate countertops. Flooring is resilient or carpet type material. Interior doors are either stained solid core or painted hollow metal doors in painted hollow metal frames. Doors have lever sets and a variety of other hardware depending on usage. Tenant space finishes are generally in good condition and present a decent appearance. Vacant spaces should be cleaned.

SECTION VII – PLUMBING

The water service for the entire building is provided by the Lombard municipal water system, supplied by the DuPage Water Commission and sewage is treated by the Glenbard Wastewater Authority. The water supply appears to be underground and comes up into each tenant space.

Generally, the hot water distribution system in the building is provided by water heaters located in each tenant space. No major problems have been reported on the existing domestic water systems of the building.

No major repairs or replacements of the plumbing systems were reported to us as of the date of this report.
SECTION VIII – FIRE PROTECTION

The buildings are not sprinklered. As part of the tenancy for the State managed offices, smoke detectors and a fire alarm system is only located inside the Illinois Employment Office located in unit 48, suites B1,3,5,7 & 9. The alarm is currently monitored by Acadian. It is recommended that all existing fire protection services and equipment be tested to ensure proper functioning of components.

SECTION IX – HVAC SYSTEMS

The combined building size is approximately 129,101 square feet, single story. The mechanical heating and cooling systems are roof mounted. Rooftop Units (RTU’s) are compressor cooled with gas fired heating. There are also split systems with the furnace and fan system inside the spaces and a condenser mounted on the roof. All equipment should be equipped with a source of outdoor air introduction; this is required by code and prevents build-up of CO2, (carbon dioxide).

There appears to be a variety of units and ages. We examined a representative sample of the rooftop units and estimate that about 30% look to be newer, 40% appear to be in the 7-12 years age range and the remaining 30% over 12 years. All rooftop units are gas heating and electric air conditioning units. Some of the units have been replaced (both rooftop package units and condensers). It is our understanding that the tenants are responsible for both maintenance and repair/replacement of the units, with the exception of the Illinois State offices which are maintained by the Owner per the lease, as reported by the Property Manager. Most of the units appear to be operational and functional; however, the age of the units may become a factor within the next 3-5 years. For any equipment over the age of 12 years, one can expect to replace heat exchangers and compressors in the near future. And with the availability of R-22 quickly dwindling, Tenants and Owners will be forced to replace the units with those containing the newer refrigerants such as HFC-32. Equipment has been serviced, but a thorough service agreement covering these units would help to extend the life expectancy. Initial and ongoing maintenance of the HVAC equipment can extend the life of all these units. Our observation accounted for approximately 50 split systems and about 35 RTU package units.

In summary, it is recommended that a replacement reserve be established to begin systematically replacing the older units; we will address the vacancies, as the manager reported the tenant’s responsibility for repairs and replacements of their units under the terms of their leases. We will assume replacement of approximately half of the units (8 units) for the 12 vacancies (24,000 sf) as the vacancies are leased over the next 1-3 years. The units will range in pricing from $8,000.00 to $12,000.00 depending on the size of the unit. Initial replacement of the oldest units would be estimated at about $65,000 to $96,000. This is merely an assumption and does not take into account accelerated leasing. In the event that ownership opts for a systematic replacement, it is imperative that a maintenance program for these rooftops be maintained.

SECTION X – UTILITY SYSTEMS

Metering/Panels:
- All tenants have their own exterior meter and panel on the interior of the space.
- The building has meter boxes along the rear of the building which feed all tenant area power and lighting requirements.
- Main gas lines feed up at the exterior rear of the buildings and feed several units. The meters are located inside the spaces.
- Remote-read water meters are located along the exterior back walls of each space.
Outdoor Lighting:

- Site lighting is by way of pole-mounted and wall-mounted fixtures, the majority of which contain metal halide bulbs. It appears that some wall units were recently updated.
- All lighting poles show normal wear and appear to be in good condition. Fixture heads or glasses are not broken.
- Exterior lighting is fed from several exterior weatherproofed control boxes along the rear of the buildings and on large unit at the west center of the property. Each control box is separately metered.

Inside Tenant Areas:

- Most existing fixtures have T-12 lamps and look to be in good shape. At some point, they will need to be retrofitted with T-8 or T-5.
- Exit signs are incandescent with battery backup.
- Individual Tenant panels and rooftop disconnects have not been investigated.

Summary:

Ambient lighting levels within the building appear adequate. As the site was not observed at night, the adequacy of site lighting levels should be verified.

Electrical components that were observable appeared to be in good condition. No problems with these systems were reported. However, if it has not been done, it is recommended that all existing electrical services and equipment be tested to ensure proper functioning of components.

SECTION XI - LIFE SAFETY

The building does not currently have life safety provisions. The building is not sprinklered. A fire alarm system with smoke detectors was added in the [illegible] located in unit 48, suits B1, 3, 5, 7 & 9.

Closers are in place on emergency doors. Panic hardware appears to be installed on most appropriate egress doors. Egress appears adequate.

No major problems were reported on the areas that have fire protection in the building. It appears that the life safety systems are inspected regularly.

SECTION XII - PROVISIONS FOR HANDICAPPED

Most of the project was originally designed and constructed prior to the effective date of the ADA Accessibility Guidelines (ADAAG) in 1990 and the Illinois Accessibility Code (IAC) in 1988.

The main entrances to the spaces appear to be wheelchair accessible. Circulation through the building and common elements is unobstructed. The entrance to/from the parking area is accessible from grade and via ramps. There are accessible surface spaces provided.

The subject property site and building appear to meet most ADA Accessibility Guidelines (ADAAG) and Illinois Accessibility Code (IAC) for access.

SECTION XIII - CODE COMPLIANCE

No major Building Code or Fire Code violations were noted at the time of our visit.
SECTION XIV - MAINTENANCE AND OPERATION
The subject building is adequately maintained but some areas need to be updated in order to improve the overall ambiance and appearance. It has a good architectural appearance. The management company provides various maintenance services to the building and grounds. Some noted issues were:

- Replace six parking blocks.
- Remove and treat rusted areas of overhang ceilings and repaint.
- Dryvit fascia needs to be repaired and cracks caulked in various areas.
- Provide some minor tuckpointing and expansion joint repair throughout.
- Old condenser units need to be removed from the roof (at least one noted) to prevent the unit from damaging the roof membrane.
- The lights over the back doors of several units appear to be either broken or nonfunctioning, and should be replaced.
- Vacancies need to be cleaned.
- Windows need to be cleaned.
- Landscaping replacements for an estimated 3 trees and several bushes; provide weed control and top dress mulched beds.
- Repair of a broken fence section in the east fence by the residential pond; the property manager indicates this has already been contracted.
- Investigate bowing of brick spandrel above windows of unit #11 (to the north of the entry) for structural integrity.

SECTION XV - BUILDING AUTOMATION SYSTEMS

There does not appear to be a base building automation system.

SECTION XVI – OUTLOT BUILDINGS
The outlot building is reportedly owned by [REDACTED] and the land is leased. The building appears to have been built at a later date and appears be in good condition. Interior appeared to be in good condition. Lots appeared to be in good condition. The roof appears newer and is a white Thermoplastic PolyOlefin (TPO).
**SECTION XVII – ESTIMATED REPAIR COSTS**

The repairs listed below are for major items that were found to be in need of repair or replacement at the time of our visit.

<table>
<thead>
<tr>
<th>Description of more immediate repairs</th>
<th>Minimum Amount</th>
<th>Maximum Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repairs to transition bars and repair to approximately 25% of base tie-ins.</td>
<td>$25,000.00</td>
<td>$30,000.00</td>
</tr>
<tr>
<td>Repair potholes, crackfill and sealcoat/restripe lots.</td>
<td>$45,000.00</td>
<td>$50,000.00</td>
</tr>
<tr>
<td>Replace failing island trees and bushes.</td>
<td>$5,000.00</td>
<td>$7,500.00</td>
</tr>
<tr>
<td>Remove and treat rusted areas of overhang ceilings and repaint, once leak repairs are completed.</td>
<td>$3,000.00</td>
<td>$5,000.00</td>
</tr>
<tr>
<td><strong>Totals:</strong></td>
<td><strong>$78,000.00</strong></td>
<td><strong>$92,500.00</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description of potential future repairs</th>
<th>Minimum Amount</th>
<th>Maximum Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>HVAC replacement (about 8 units); within 1 to 3 years on the vacant units as they become leased.</td>
<td>$65,000.00</td>
<td>$96,000.00</td>
</tr>
<tr>
<td>Investigate bowing of brick spandrel above windows of unit #11 (to the north of the entry).</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Totals:</strong></td>
<td><strong>$143,000.00</strong></td>
<td><strong>$188,500.00</strong></td>
</tr>
</tbody>
</table>
SECTION XVIII - SUMMARY
This subject property, with the exception of the items noted above, is in adequate to good condition, in terms of the site and structural improvements. We believe that good industry standards were used in the design and construction phases of the original project. The building generally appeared to be well designed for its intended use, and was constructed with appropriate building materials. There are deferred maintenance items that will need to be corrected.

Exterior cladding is generally sound. Interior finishes are serviceable, but may warrant enhancement in vacant areas when leased. Mechanical, electrical, and plumbing systems are generally in good condition. Site paving at parking areas require repair and resealing/restriping. Site concrete appears to be in generally good condition with the exception of some areas that can be addressed as part of standard repairs and maintenance. The roof is in good condition; may have some warranty life left; and should be under a regular maintenance/inspection plan.

Our evaluation is based on visual and verbal information including discussions with on-site personnel. This report is based upon our limited observation of the subject property, and reflects our best judgment after viewing representative samples of listed components. We have neither disassembled sub-systems, nor performed tests on the various components. Underground utilities, structural systems, or other subsurface components were inaccessible and not observed or reviewed. Conditions related to mold, environmental concerns, or the like, are excluded from our scope of services or responsibilities.

This report has been prepared at the sole request, and the exclusive benefit, of the client. No other party shall be entitled to rely on anything contained in this report for any purpose without consent.

It is our opinion that this report represents an accurate appraisal of present building conditions. Estimated useful life of building components given in this report is an estimate based on average life and industry standards. Actual life will depend on maintenance and use. Some items recommended for future installation or replacement may not be included in our cost repair opinion. All given repair and replacement amounts may be in excess of shown figures and are estimates only.

Information provided by others is assumed complete and correct. Crossroads Partners is not responsible for the independent conclusions, opinions, or recommendations made by others based on the work presented in this report. Additionally, we do not warrant the correctness, completeness, currentness, or fitness of any information obtained from documents produced by others.

This survey and technical report shall in no way constitute guaranty of this property.

Thank you for this opportunity to be of service to you. Should you have any questions, please do not hesitate to contact us.

Sincerely,

Crossroads Partners
Wes Rehwoldt, SVP
Pictures of the Property: Building Pictures
Additional Pictures of the Property:

- Brick wall bowing out – unit 11
Additional Pictures of the Property: Landscaping
Additional Pictures of the Property: Parking lot issues
Additional Pictures of the Property:

HVAC Unit to be removed-over unit 32
Additional Pictures of the Property:  
Building expansion joints/tuckpointing
Additional Pictures of the Property: Canopy ceiling issues
Additional Pictures of the Property: Tenant Spaces
Additional Pictures of the Property: