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Technical Operation Consulting for the hospitality Industry
and High-rise Residential Buildings

PHYSICAL DESCRIPTION
&
MECHANICAL SYTEMS, ETC.

**Project Name: XXXX Hotel
Inspection date: May 1st, 20xx**

**Company name: XXXX LLC
Report Date: May 3rd, 20xx**

EXECUTIVE SUMMARY:

This report is based on a preliminary inspection and should be followed-up with a proper acquisition / due diligence survey.

The Hotel is in a great location, which would in my opinion warrant a 4 Diamond product. A restaurant is a must in order to qualify for the 4 diamond Rating, It should be verified that the lease would permit Alcohol be served in Restaurant.

The present condition of the hotel indicates a lack of maintenance and properly allocated capital funds. A major renovation is needed to raise the property to a 3 or 4 Diamond level.

The Room size and configuration would fit largely in with your present product.

Looking at the preliminary plans proposed by XXX there is indeed a potential of increasing the number of Keys.

Major Electrical, Mechanical, and Communication work is needed as indicated on the following pages.

A more detailed inspection will be needed in order to prepare a cost estimate for upgrading / renovation

There is no indication that Utility and Maintenance cost are segregated between the Hotel and the Owner occupied spaces.

This report is based on a preliminary inspection and should be followed-up by a proper acquisition / due diligence survey.

GENERAL DESCRIPTION:

The hotel occupies a total of 186,000 sq.ft. and is 17 stories tall, an additional 40,830 sq.ft. is occupied by the Owning Company. The Hotel originally opened in 1931.



DATA GATHERING:

Data for this report came from several sources:

- Walk through property inspection
- Interviewing the Chief Engineer
- Offering Memorandum
- Engineering description

OUTSIDE, STREET LEVEL:

The sidewalk has various cracked and damaged slabs, there are 4 Tree's with out tree-pit lighting and one metal fence missing.

The marquis is over the main-entrance is not very appealing, and in need for repairs.

GUEST CORRIDORS:

The corridors are aging and in need of a renovation / upgrading.

GUEST ROOMS:

Present layout

| | | | |
|----|---|--------|----------|
| 1. | Room Configuration / Type: Regular, Dbl | Sq-Ft: | Qty: 102 |
| | Room Configuration / Type: Regular King | Sq-Ft: | Qty: 14 |
| | Room Configuration / Type: Dbl. Suite | Sq-Ft: | Qty: 56 |
| | Room Configuration / Type: King Suite | Sq-Ft: | Qty: 21 |

Total Qty: 197

Comments:

The 4th floor includes Hotel General Manager's residence (not in Key count)

The 14th floor includes XXXX's residence (not in Key count)

There were plans to reduce the number of suites from 81 to 67 and increase the total Key count to 217.

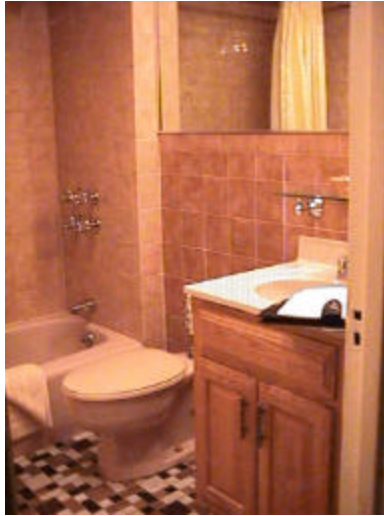
The rooms are maintained and piecemeal upgraded, it must be stated that the rooms are below our regular level of standard. Renovation is needed.

The size of the rooms is very compatible with your general product.



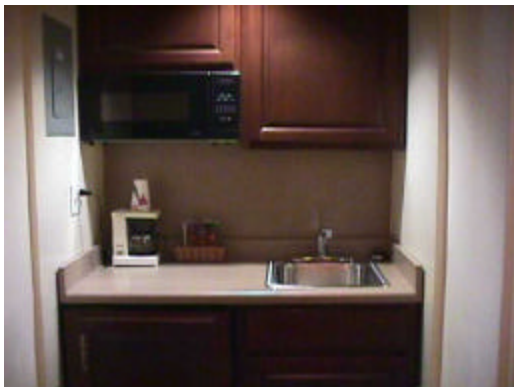
2. Bathrooms:

The Bathrooms are maintained, some bathrooms have been renovated but generally the bathrooms are dated and are in need for renovation.



3. Kitchens:

Most rooms do have kitchenettes, and the 6 I have seen were in good condition. The top two floors have overhead cabinets in the kitchenettes.



4. Closet / storage space:

Closet storage in the rooms is ample and above average.

5. Misc.:

OFFICES:

The hotel offices and small (hotel operations) boardroom are located on the 3rd floor and in good condition, proper use of space should be reviewed.

FRONT OFFICE / FRONT DESK:

Area to be considered for renovation / upgrading.

LUGGAGE AREA:

Lobby Level

CONCIERGE DESK:

N/A

BELL DESK:

N/A

SECURITY DESK:

There is a small Security office “off” the lobby

SAFE DEPOSIT AREA:

Does exist but is not in use at the present time.

HOUSEKEEPING:

Located in the Basement. All areas in the Basement are generally in need of re-organization, cleaning etc. Once all obsolete items etc. have been removed from the basement there might be ample space for the operation.

GENERAL STORAGE AREA:

Located in the Basement. All areas in the Basement are generally in need of re-organization, cleaning etc. Once all obsolete items etc. have been removed from the basement there might be ample space for the operation.

ENGINEERING / MAINTENANCE AREA'S:

Located in the Basement. All areas in the Basement are generally in need of re-organization, cleaning etc. Once all obsolete items etc. have been removed from the basement there might be ample space for the operation.

ROOM SERVICE:

Not provided at this time

KITCHEN:

The kitchen is located in the basement, it is rarely used for actual cooking. According to the chief engineer the range is in working condition, 2 large refrigerators are out of order, the walk-in refrigerators are in working condition. It seems that a major renovation of the area and equipment is needed if the kitchen need to be used.



FOOD & BEVERAGE STORAGE:

Minimal space available

RESTAURANT(S):

Presently the Hotel does not have a restaurant. The eastern side of the third floor does include a breakfast area for Hotel guests

MEETING ROOMS:

Presently the Hotel does not have meeting rooms, the breakfast room could be used after 11.00 AM or if no breakfast would be served. The breakfast room needs renovation / upgrading.



CONCESSIONS:

To the East of the lobby is a retail store, which also has a space on the 2nd floor totaling 1,600 sq.ft. The lease is ending on April 30th 20xx.

HEALTH CLUB:

There is presently no Fitness center in the Hotel; there were plans to convert a Dbl. Suite on the 4th floor into a Fitness center.

Facility Systems

WATER AND WASTE-WATER:

1. What is the source of the potable water?

- Utility
- Well

Comments:

Within the past 3 years, there was only one instance of “Dirty” water, there seems not to be a need for filtration at this time.

2. Are there sub-meters for the following area’s;

- Guestroom floors**
- Concessions**
- Restaurants**
- Kitchens**
- Cooling towers**
- Swimming pool(s)**
- Others (_____)**
- Others (_____)**

Comments:

There are two incoming mains to the building, which are, both metered after the meters they are combined and feeding the building. There is a third main, which is metered, and feeding the fire sprinkler system. It should be noted that the Water supply to the Owner occupied areas are not separately metered.

Remote readers on street level take water readings.

There is a small cooling tower (approx. 25 Ton) which has no sub-meter, this should be considered in order to receive a sewer rebate.

3. During peak periods, is the water pressure ideal for the top floor of the property?

- Yes**
- No**

Comments:

As an interim solution to the pressure problems on the upper floors, a booster pump was installed on the top floor in an attempt to correct the pressure drop through the deteriorated piping.

The Chief Engineer indicated that presently there were no water pressure problems at the Hotel even during peak hours.

4. Does the property use water pumps to maintain adequate water pressure?

- Yes**
- No**

Comments:

Pumps located in the Sub-Basement, the pumps are in working condition but seem to be in need of preventative maintenance.

5. Do the Dom. Water Piping needs now service work or will need major replacement?

Yes
 No

Comments:

The water piping is a combination of galvanized steel, black steel, copper, and (Yellow) brass. Most of the piping is original with the exception of some risers from the 14th floor to the roof, which has been replaced previously. Replacement of other sections of piping or all piping should be considered during renovation. It should be noted that A.C.M. have not been removed from pipe shafts etc.

6. Does the property have water storage tanks?

Yes No

If Yes: Qty 1 Size 10,000 Gal. Location Roof

Comments:

There is no separate fire tank, the Dom. Water tank has a fire reserve of approx. 5,000 gallons

7. Are different water temperatures maintained for guest and equipment use?

Yes
 No

Comments:

The dishwasher in the kitchen has a separate heater.

8. What type of water heating equipment does the property use?

Direct Fired Indirect Fired Heat pump Other
 Gas Gas
 Oil Oil
 LPG LPG
 Electric Electric
 City steam City steam

Approx. age of Equipment n/a

Comments:

There are three (steam heated) heat exchangers in the basement from which one is dedicated to the laundry.

The last time the coils have been visually checked was approximately 3 years ago. No Eddy-current test has been done as far as known. The condensate return tank and pump are in need for major repairs or replacement. It should be noted that A.C.M. have not been removed from pipe shafts etc

7. Are there:

- Standpipes**
- Sprinklers in public areas**
- Sprinklers in Commercial areas**
- Sprinklers in Mechanical & BO House areas**
- Sprinklers in Guestrooms**
- Hose cabinets**

Comments:

Typical Local Law #16 installation

T's have been installed in the guestrooms for possible installation of sprinkler heads.

I discussed this with XXXX the contractor who did the original installation, XXXX did indicate that in most rooms depending on the configuration it might be possible to install 2 heads, however hydraulic calculations will be needed to confirm this.

There are 3 Siamese Fire department connections on 57th street
Pumps for the fire system are located at the roof and in the basement.



9. Is the fire system separate from the potable water system?

- Yes**
- No**

Comments:

10. Is there a separate fire tank?

- Yes**
- No**

Comments:

There is no separate fire tank, the Dom. Water tank has a fire reserve of approx. 5,000 gallons

11. Is the property's water softened?

Yes
 No

Comments:

12. If the property has a swimming pool(s), is the pool(s) on a separate water system?

Yes
 No

Comments:

No Pool

13. Is the sanitary sewage system septic or connected to a municipal plant?

Comments:

14. Does the property have a storm sewer system?

Yes
 No

Comments:

15. Does the city, county, or state has any additional regulated or required treatment of sewage?

Yes
 No

Comments:

Except for commercial kitchens.
There is an ejector pump and tank in the basement, working condition.

16. Is the water usage regulated in the area?

Yes
 No

Comments:

Except during draught emergencies.

17. Does the property fully comply with the regulations?

- Yes
- No

Comments:

As far as visible, yes

18. In the following area's, what major maintenance and replacement concerns do you currently have or foresee occurring?

- Source of water
- Water heating
- Fire system (water)
- Sanitary sewage system
- Storm system
- Water quality issues
- Water temperature, pressure and filter problems

Comments:

ELECTRICAL SYSTEM:

1. What is the source for the electricity supply for the property?

- Utility, if so name of utility company: Con-Ed
- Self-generation

Comments:

Presently Con-Ed is both the service and commodity provider.

2. Are there sub-meters for the following area's;

- Guestroom floors
- Concessions
- Restaurants
- Kitchens
- Chiller plants
- Others (_____)

Comments:

The Owner occupied areas are not sub-metered separately

3. Does the current electrical system deliver sufficient amperes at peak periods for all the properties needs?

- Yes
- No

Comments:

There seems not to be sufficient capacity for expansion such as additional Air Conditioning etc.

4. Does the property have an on site main transformer?

- Yes
- No

Comments:

The transformer is in a street vault

5. Who owns and is responsible for the Transformer?

- Utility
- Property

Comments:

6. Does the property have step-up or step down transformers in the building?

- Yes
- No

Comments:

7. Does the property share electrical connections with other business or lessees?

- Yes
- No

Comments:

Much of the utilities are serving also the Owner occupied area's and are not segregated from the Hotel Utilities.

8. Does the property have ground fault circuit breakers / GFI outlets?

- Yes
- No

In what locations? Guest Bathrooms, Employee Work Area's, Recreational Area's,
 Other _____

Comments:

Seems to be in compliance with the N.E.C.

9. For emergency power, does the property use:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Battery back-up | <input type="checkbox"/> On-site generator |
| <input type="checkbox"/> Uninterrupted power supply (UPS) | <input type="checkbox"/> Oil / diesel |
| <input type="checkbox"/> Standby power supply (SPS) | <input type="checkbox"/> Gas |

Comments:

No Emergency Generator installed.

10. What systems are connected to emergency power generators? Please list:

N/A _____

Comments:

11. Does the property use any co-generation units?

- Yes
- No

Comments:

12. Is there any major electrical system equipment that now needs service work or will need major replacement?

- Yes
- No

Comments:

See electrical room below

ELECTRICAL ROOM:

The Electrical room in the Sub Basement is not in compliance with the present Electrical code, if a renovation is done for which permits are being filed this room will have to be brought into compliance. It is highly recommended that an Electrical Engineer or licensed electrician survey the code issues.

ENERGY CONSERVATION:

There seem to be many opportunities for energy conservation some area / items would be:

- Guestroom lighting
- Corridor lighting
- Obsolete mechanical equipment

ELECTRICAL MISC.:

General Comments:

HVAC SYSTEMS:

1. Heating is provided by:

A. Furnaces
Number of furnaces

B. Boilers
Number of Boilers

Comments:

Heating is provided by Con-Ed steam service entering the building at 150 + psi and distributed throughout the building via a two pipe low-pressure system (5-10 psi). Condensate is returned by vacuum pumps. The heating system for the Owner occupied areas and Hotel is not segregated and no sub meter for the Owner occupied areas have been installed.

2. What fuel source is used for heating?

- Electric
- Natural Gas
- LP
- Fuel oil
- X** Steam
- Oil

Comments:

General Comments:

3. How many chillers does the property have? _____

Comments:

The property does presently not have a centralized Air conditioning system. There are approx. 15 package units / split units in use throughout the building, many nearing the end of their use-full life. Approximately eight of the units are connected to the cooling tower.

4. What systems do the guestrooms use for HVAC?

- | | | | |
|----|--------------------------------------|----|---|
| A. | <input type="checkbox"/> Centralized | B. | <input type="checkbox"/> Decentralized |
| | <input type="checkbox"/> Two-piped | | <input type="checkbox"/> Baseboard heater |
| | <input type="checkbox"/> Three-piped | | <input type="checkbox"/> Wall mounted electric heater |
| | <input type="checkbox"/> Four-piped | | <input type="checkbox"/> Through wall cooling only |
| | | | <input type="checkbox"/> Through wall cooling and heating |
| | | | <input type="checkbox"/> Through wall cooling and heat pump heating |
| | | | <input checked="" type="checkbox"/> Window Air Conditioning Unit |

Comments:

90 % of the Window Units are “Friedrich” the remainder a mixture from which the most are “Fedders”
The age of the units varies.



5. Choose the ventilation in use in the guestrooms?

- Windows
- Re-circulated fresh air
- Other

Comments:

Roof mounted exhaust fans ventilate the bathrooms. It must be stated that by using the “Handkerchief” test the system did not seem to work very well.

6. What systems do the public areas employ for HVAC?

Centralized

Decentralized

Number of packaged air conditioning units

Number of AHU (air handling units)

Comments:

Many of the A/C equipment servicing the Owner occupied area's and public area's etc. are close to 15 years old which is close to the life expectancy of 15 years for such equipment. Major repairs or replacement is expected.

7. Describe, if any, the level and ability of the computerized HVAC system and the use of VAV (variable air volume systems).

Comments:

8. Any current or future complete, major replacements or service needed by HVAC systems?

Yes

No

Comments:

Heating: The guestroom radiators are original, no thermostatic expansion controls are installed causing complaint of overheating during the intermediate seasons. Some risers have minor steam trap problems.

The steam and condensate lines are original and there fore 70 years old, extensive repairs and possible total replacement should be expected

LAUNDRY SYSTEM:

1. Is laundry done:

On -site (complete the following)

| Washer # | Capacity | Age |
|--------------|----------|-------|
| <u> 1 </u> | _____ | _____ |
| <u> 2 </u> | _____ | _____ |
| <u> 3 </u> | _____ | _____ |
| <u> 4 </u> | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

| Dryer # | Capacity | Age |
|--------------|----------|-------|
| <u> 1 </u> | _____ | _____ |
| <u> 2 </u> | _____ | _____ |

3
 4
 5
 6

 Out-sourced

Comments:

The laundry equipment is leased for a term of 5 years, which will expire on 7/4/2004

2. What does the property use to transport soiled laundry?

 Chutes
 X **Carts**

Comments:

3. How many of the following are on the property?

 Folders
 Ironers

Comments:

4. Is the laundry area supplied by (choose one)

 Direct heated water
 X **Separate heated water**

Comments:

One of the Dom. Water heat exchangers in the SB. Is dedicated to the laundry

5. Is the water:

 Treated
 Softened

Comments:

6. How are the dryers heated?

 Steam
 X **Natural Gas**

Other

Comments:

7. If steam is used, does the laundry have a:

Separate boiler

Boiler that is tied into the hotel boiler

Comments:

Con-Ed Steam is used for water heating

8. Does the property process laundry for other hotels?

Yes

No

Comments:

9. What is the size, in square footage, of the laundry area? Approx. 500 sq.ft.

Comments:

10. Does the property own any dry cleaning equipment?

Yes

No

Comments:

TELECOMMUNICATION SYSTEM:

1. What long distance carrier do you use?

MCI

AT&T

Sprint

Other

Comments:

To be verified.

2. Are lines available for modem hook up in the guestroom?

Yes
 No

Comments:

3. Are fax machines available for the guestrooms?

Yes
 No

Comments:

4. Are the room telephone's 2 lines?

Yes
 No

Comments:

5. Is voicemail available in the guestrooms?

Yes
 No

Comments:

6. Are there video services, i.e. check out, updated billing, room service available?

Yes
 No

Comments:

7. What types of movie service are available? Please list

NONE _____

Comments:

8. Will the telecommunications system require major replacement now or in the near future?

- Yes**
 No

Comments:

In order to accommodate two-line phones for the Hotel rooms and Fax connections it seems that the Tel. Switch should be replaced and new wiring to the rooms is needed. This should be verified by I.T. at a later date.

SAFETY & SECURITY:

General Comments:

1. Does the property have a:

- Full**
 Partial sprinkler system

Comments:

Installation and covering as per Local Law#16

2. Do all guestrooms have single station smoke alarms?

- Yes**
 No

Comments:

Battery powered smoke detectors, as per local law #5

- Public Spaces:

- Yes**
 No

Comments:

3. Do the guestrooms have heat detectors?

- Yes
 No

Comments:

4. Is the fire alarm on the property wired to the :

- Front desk
 Directly to Monitoring Agency
 Directly to Fire Dept.

Comments:

The fire alarm system is "Firecom" approximately 10 years.

5. Does the property have a voice alarm system?

- Yes
 No

Comments:

Speakers and strobes are installed in accordance with local Law#16

6. Does the property have smoke dampers?

- Yes
 No

Comments:

To be verified during extensive inspection

- Fire Dampers?

- Yes
 No

Comments:

To be verified during extensive inspection

7. Any additional fire suppression equipment?

- Yes
 No

Comments:

Kitchen exhaust hood

8. Does the property have electronic locks for the guestrooms?

- Yes
 No

Comments:

9. Do the guestrooms have Doorbells?

- Yes
 No

Comments:

Some do have doorbells but reportedly are not working

10. Do the guestrooms have Dead bolts?

- Yes If Yes what is the throw: _____
 No

Comments:

11. Do the doors have safety chains or latches?

- Yes
 No

Comments:

12. Do the rooms have “in room” safes?

- Yes
 No

Comments:

13. Does the property have separate entrances for employees and guests?

- Yes
 No

Comments:

14. Is access ever restricted to the property?

- Yes
 No

Comments:

15. Are there areas of either safety or security in which you feel need improvement?

- Yes
 No

Comments:

There are cameras in the lobby, service entrance, and House keeping.
Upgrading to AAA 4 Diamond standards needed

It should be noted that the Hotel does not has a smoke purge system, which will have to be installed should a major renovation be done.

WASTE MANAGEMENT:

1. Do you have a special method of waste reduction at the property?

- Yes
 No

2. Does the property have special equipment for waste transformation?

- Yes, Compactor
 No

3. Does the property have any recycling programs?

- Yes
 No

4. Is the property subject to any special or specific regulation regarding waste?

- Yes
- No

Comments:

It was mentioned that the N.Y.C. recycling guidelines are not being followed, this should be checked and NYC regulation implemented.

Exterior Areas:

Roof:

The main building roof is asphalt covered (hot tar) with a gravel topping. The bulkhead (stair and pulley room) roofs are asphalt covered. Rear set back roofs is quarry tiled. The roof is reported to be approx. 8 years old

1. What is the deck construction?

- Wood
- Metal
- Concrete
- Other

2. What is the roof composition?

- Asphalt
- Fiberglass
- Roll Roofing
- Wood
- Clay
- Concrete
- Steel
- Aluminum
- Other

3. Does the roof have roofing felt?

- Yes
- No

4. Does the roof have ballast on top of the base roofing?

- Yes
- No

General Comments:

EXTERIOR WALLS:

The Hotel's exterior is brick and stone masonry construction with cast stone ornamentation including neo-Gothic architecture and single piece cast stone windowsills and heads.

1. What is the finish on the exterior?

- Paint
- Stain
- Sealer
- Grout
- Brick
- Other

2. What are the exterior walls constructed of?

- Timber
- Concrete
- Steel
- Brick
- Other

3. Do you foresee any immediate or future concerns with the exterior walls?

- Yes
- No

General Comments:

The façade on the South side (57th street) shows that major repairs have been, lentils etc. The Chief engineer indicated that approx. \$400,000 to \$450,000 was spend on this.

The façade on the North side has indications of major work needed, both pointing and lentil replacement. Reviewing the Local Law #11 report would be needed to determine the cost , at this time I would suggest to budget an amount of \$300,000 for this.

FOUNDATION, ETC.:

1. What materials does the foundation consist of?

- Stone

- Concrete
- Other

2. Does the foundation have frost walls?

- Yes
- No

3. Are there any drainage or leakage problems in the foundation?

- Yes
- No

General Comments:

No visible problems in Basement

WINDOWS:

1. Are all windows in the property insulated?

- Yes
- No

2. Do the windows on the property open in the:

- Guestrooms
- Public Space
- Employee Areas

General Comments:

Upgrading of guestroom windows to be considered during renovations.

STRUCTURAL FRAME:

1. What material is the structure constructed of?

- Steel
- Concrete
- Timber
- Other

2. Is the structural frame fireproof?

- Yes
- No

General Comments:

The building structure consists of a steel frame with reinforced concrete slabs

ELEVATORS:

1. What type of elevators does the property have

- Electric
- Hydraulic

2. How many cabs does the property have?

- 2 Passenger
- 1 Service
- 1 Cargo/Freight
- Kitchen/Room Service

3. Are the guest elevator cabs in good condition?

- Yes
- No

4. Are the service and cargo elevators in good condition?

- Yes
- No

General Comments:

The Guest Elevators have been upgraded approximately 9- 10 years ago with an earlier version of Thompson controls, They do have Motor Generator sets and a Geared machine. The Cabs are in need for upgrading, the cab fixtures are not ADA compliant. The controls might be considered for replacement within the next 3 – 5 years.

The Service Elevator (Relay Logic) is original vintage and has not been upgraded, this elevator is in poor condition and should be upgraded ASAP.

The Freight Elevator is a manually controlled elevator and totally outdated, A traffic study should be made to determine that once the service elevator has been upgraded the freight elevator is still needed.

All Elevators are A/C powered.

PARKING AREAS:

1. How many

- Guest parking spaces
- Employee parking spaces

2. Does the property charge for parking?

Yes

No

UNIONS:

It should be noted that the following Department have unionized Staff:

- Maintenance
- Accounting
- Bellmen
- House Keeping
- Laundry