

# BUILDING INSPECTION REPORT

BY

## NATIONAL INSPECTION SERVICES

### *Commercial*

Stuart Professional Park

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**INSPECTION ADDRESS: 7586-7596 West Jewell Avenue, Lakewood, CO**

**CLIENT: Mr. Chuck O. Arnold – Arnoldwood, LLC**

**INSPECTION DATE: July 12, 2007**

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July 25, 2007

Mr. Charles O. Arnold  
Arnoldwood LLC  
12860 W. Cedar Drive, Suite 202  
Lakewood, CO 80228

Via E-mail: [chuck@arnoldcre.com](mailto:chuck@arnoldcre.com)

**Re. 7586 & 7596 West Jewell Avenue, Lakewood, Colorado - Creekside**

Dear Mr. Arnold:

Per your request of July 10, 2007, we have completed an on-site investigative review for the property located at the above referenced address. The results of our observations are summarized herein.

### **Property Description**

The property contains two commercial office buildings located at the southeast corner of South Wadsworth Boulevard and West Jewell Avenue in Lakewood, Colorado. The property known as Creekside @ Green Gables contains approximately 44,000 square feet of space in the two building structures that have standard wood frame, brick, and concrete masonry unit (CMU-block) construction, combination flat/hip roof configurations, and are built on poured concrete foundations.

The subject building sits on a large corner lot that borders the Green Gables Golf course on the south and is surrounded by retail businesses, restaurant/bar, and professional office (banks), in close proximity to the subject property.

### **Purpose of Inspection**

We visited the property referenced above on July 12, 2007, to perform a cursory but careful visual review of the building's systems, components, and structure. The purpose of this inspection is to evaluate the physical characteristics of the subject property's condition as it relates to a potential real estate transaction. This report is based upon those apparent conditions observed, at the time the inspection was performed. This report is by no means a guarantee of the overall conditions or the functional suitability of the individual property.

This inspection was conducted per the request of the client, using procedures consistent with good commercial and customary practice conforming to ASTM E 2018-01; *Property Condition Assessments (PCA): Baseline Property Condition Assessment Process*.

### **Scope of Inspection**

The scope of this investigation included limited visual observations of the foundation, exterior walls, and roof components of the structure, the grading and drainage around the foundation, and the general appearance of the interior and exterior of the building. No other items were examined unless specifically requested and thereby referenced in this report. Minor cosmetic defects were not considered in this inspection. Only those items readily visible without the relocation of items causing the obstruction were viewed unless otherwise referenced in this report. This investigation was not technically exhaustive. No testing of any kind was performed. The adequacy and correctness of the design and construction of the building to serve its intended purpose were not examined. The attached pages entitled "Addendum to Attached Building Inspection Report"

and “Limitation of Warranty of Inspector’s Work Product” are integral parts of the inspection report.

## ***Observations***

### **Site Topography:**

The building lot has a substantial slope from the north-northwest to the south-southeast with rocked landscape retaining walls adjacent to the north side of the two buildings and the parking lot on the north. The building is located within a fully developed community with public streets, sidewalks, curbs, and stormwater drainage gutters fully in place.

### ***Recommendations:***

- *None*

### **Stormwater Drainage and Grading:**

Stormwater from the building’s paved areas on the north side of the building flow across the parking lot and are directed via curb-cut scuppers to retaining areas and catch basins located on the west side of the property and between the two buildings, ultimately flowing through the drainage trough that runs adjacent to the south property line and to the stormwater drainage control system to the east-southeast side of the property. Runoff water from the buildings roofs and landscaped areas also flow into the stormwater drainage system located along the south property line.

The grade slope around the building, intended to provide positive drainage away from the foundation, is considered adequate with some concerns noted at the north side of the 7596 building where it appears that runoff water may be accumulating adjacent to the garden level wall causing the interior brick masonry of this foundation wall and visible in the common lobby area to have mineral deposit buildup at grout joints and on the face of the exposed brick masonry.

There are also wood timber retaining walls at the rear of each building that exhibit some deflection but appear to currently be stable.

The water table in the general area of the subject property appears to be relatively high with the presence of a pond on the golf course in close proximity to the south property line. Both building structures have sump wells and pumps installed in the garden/walkout level elevator equipment rooms to control groundwater levels below the foundation.

Failure to properly control moisture around the building's foundation can have adverse effects on building components. The extent of the damages as a result of this drainage concern appears to be limited to the settlement of the entry step and some of the concrete flatwork at the southeast corner of the building.

*Recommendations:*

- *Due to the sloped nature of this property that directs substantial runoff water towards the building structures on the north regularly scheduled monitoring of the grade and drainage conditions is required.*
- *Grading improvements @ the north side of the 7596 building to ensure adequate drainage flow away from the building's foundation is required.*

**Ingress and Egress:**

The property's main entrance is on the east side via West Jewell Avenue which also serves as the entry drive for the adjacent businesses, Club Armoni's Bar & Grill and Pleasures VIP Adult Video.

*Recommendations:*

- *Additional research is required to understand the financial responsibility for the shared entrance and the right-of-way concerns for entry egress for the subject property.*

### **Sidewalks, Curbing, and Parking:**

The sidewalks and curbs are concrete with parking comprised of asphalt and concrete paving. Sidewalks are located adjacent to the parking lot on the north side with bridged walkways leading to the entry doors of each building. There are also municipal sidewalks, curbs & gutters incorporated into South Wadsworth Boulevard on the west and West Jewell Avenue on the north. Repairs have been attempted for the sidewalks on the north side of the building where previous movement (heaving & settlement) has occurred. The surfaces along the sidewalks are unleveled near the entry of 7596 and the water main shut-off valve located in the sidewalk surface to the west of the entry walkway has lifted and creates a trip-hazard for pedestrian traffic. Curb components in the north parking lot display concrete deterioration at the southeast corner.

The lower level tenant spaces include concrete patios on the south side of the building. Several of the patio structures have settled (7596 -101, 7586 -104/105). The exterior egress stairways located at the center of the two buildings and leading to the central courtyard area do not have handrail protection as required. The egress stairway door landing at the west side of 7596 has settled and presents a potential trip hazard for pedestrian traffic.

There is ample parking available in the north parking lot with approximately 109 spaces available with one space identified for handicap parking. The asphalt parking area and driving lanes for the two building facility has a recent seal coat and parking space paint marking application, however, there is moderate irregular cracking and surface deterioration in driving lanes and at parking space locations.

#### *Recommendations:*

- *Sidewalk repairs for potential trip hazards is required, including a repair for the lifted water main shut-off valve.*

- *Concrete curb repairs at the southwest corner of the parking lot are required.*
- *Patio repairs to lift and level settled components.*
- *Add handrail protection for exterior egress stairways and level egress stairway landings to provide for safe passage.*
- *Tar sealant application for irregular cracking in the asphalt parking and driving lanes is required, at minimum. Asphalt patch repairs may prove to be the most beneficial repair for areas with significant deterioration.*

### **General Site Improvements:**

Address numbers attached to the north exterior walls of each building and on the main entry door awning structures provide property address identification. Post mounted signage installed at the southwest corner of the parking lot provides property and tenant identification. Additionally, sign-boards installed at the main entry level lobby identifies tenant businesses and unit numbers, and signage on entry doors or windows of individual tenant suites provide business identification.

#### *Recommendations:*

- *Tenant signage updates as needed.*

### **Landscaping:**

Landscaping for the property includes deciduous and non-deciduous trees and bushes, turf grass, and gravel & rocked planting beds surrounding the buildings and in the parking lot. For the most part the plantings appear to be in good condition and well maintained. Bushes growing on the south side of each building at the natural gas meter locations are somewhat overgrown and include volunteer trees growing and impacting the natural gas meter manifold at the east bank of meters the west building (7596).

#### *Recommendations:*

- *Prune overgrown trees and bushes as needed and remove volunteer trees from around natural gas meter manifolds.*

### **Building Foundation, Frame Exterior/Roof:**

#### **Foundation:**

The foundations for each building are comprised of poured concrete stepped foundation walls, footings, and slab floors. The foundations have no visible cracks or imperfections. The lower levels have poured concrete slab floors with carpet and vinyl floor covers and were viewed to be in adequate condition. A slight deflection in the floor surface was noted in unit 7596 – 101 near the center of the central open office, however no other indicators of structural distress were noted as the gypsum board walls and ceilings were in good condition with no cracking evident. No secondary structural defects were observed during the course of our investigative review of the exterior and interior components of these buildings. The construction and installation of the foundation and support members of the structure displays good quality workmanship.

#### ***Recommendations:***

- *Monitor the foundations, exterior, and interior walls on a regular basis.*

#### **Exterior:**

All exterior brick masonry walls appear to be reasonably straight and without major defect, with some concerns noted for the cedar siding components on the rear and sides of the buildings, and sagging deck features on the south side of each building. The two center decks at the second level of each building are sagging at the center. These same deck components have wood spacers added at the mounting bases of the metal railings to accommodate the settlement of the deck structures. The cedar wood siding on the south side of each building at the decks and soffits display sealant and wood deterioration. There are also

examples of bird nesting activities and repairs with metal plates attached to the exterior walls in multiple locations on each building.

There are metal framed canvas covered awnings at the main entry door of each building that are in adequate condition.

*Recommendations:*

- *Monitor the exterior walls on a regular basis.*
- *Repair sagging deck components @ the second level center units of each building.*
- *Cedar siding restoration repairs for damaged and deteriorated wood components and sealant application.*

Roof:

Each building has a combination hip/flat roof configuration. The roof profile material on the hip sections of roof is comprised of dimensional composition asphalt shingles that are estimated to be 6 – 7 years old and in good condition. The flat roof sections of both buildings are covered with a built-tar & gravel system that was viewed to be in fair condition and estimated to be original to construction (24-years old). Sections of the bitumen asphalt material (tar) are “boiling” through the gravel covering, an aging process that allows the tar material to become brittle and to deteriorate. Flashing components for mechanical, plumbing, and electrical penetrations, through the flat roofs of both buildings, exhibit crack deterioration of the sealant materials. One tenant space (7586 – 305) in the east building on the third floor has current roof leaks in the women’s restroom & the employee lounge, per the business owner.

Each building roof also includes a wood fence air conditioning equipment enclosure on the flat roof sections. The wood fencing display substantial paint and wood deterioration.

The attic area of each building is accessible at the roof access ladders, and each attic is well insulated with approximately 12 – 14 inches of loose-fill fiberglass insulation.

Except as noted, the roofs of these two buildings appear to be watertight and able to protect interior finishes. The roof structure appears to be capable of supporting imposed and intended loads and displayed no unusual deck deflection. There was no sagging, deflection, or deformation in the plane of the roof system. The structural support system, visible at the interior attic, appears to be constructed according to generally accepted building practices in place at the time of construction.

*Recommendations:*

- *Monitor the roof covering and structure on a regular basis.*
- *Restoration of the deteriorated flat roof coverings of both buildings is required.*
- *Wood and paint restoration for the roof-top-mounted air conditioning equipment enclosure fences is required.*

**Exterior Windows and Doors:**

The front windows and doors for the property are commercial grade aluminum-framed store-front units with single and double pane window glass. The atrium windows at the front of each building are in acceptable condition with the exception of two window units in 7586 that have failed seals, as well as one of the west windows in the lower level hallway, that has allowed moisture to accumulate between the window glass, and one unit near the entry door has impact damage to exterior pane. The window units for the individual tenant spaces are comprised of aluminum frame with double pane window glass. For the most part the windows were viewed to be in acceptable condition with the exception of damaged screen components for lower level units. Sliding glass doors are installed at the rear of the building for individual tenant spaces. There

are atrium windows on the south side of these buildings for the upper level tenant spaces and one of the window units in unit 7596-304 is broken. The majority of these sliding doors were in fair to poor condition with damaged door-locks, and worn roller hardware.

*Recommendations:*

- *Repair windows with broken seals and broken window glass is required.*
- *Service/repair for all sliding glass doors in all tenant spaces is required.*

**Electrical Distribution:**

Utilities for the building complex are the as follows:

The electrical service for the two buildings enters underground from a pad-mounted transformer located in the center courtyard between the two buildings where it is distributed to the meter panels and main distribution switchgear located on the east end of 7596 and west end of 7586 inside shed enclosures attached to each building. The service provider is XCEL Energy (PSCO), includes (per building) two (2) 400-amp main disconnects and one (1) 200-amp disconnect switch for the house panel, and there are eighteen (18) meters and disconnect switches for each building that are rated at 100-amps each. The meters for each building facility are identified as follows:

7596 West Jewell Avenue – (House panel) – 75493S, (100) – 72762S, (101) – 72747S, (102) – 72810S, (103) – 72764S, (104) – 71677S, (105) – 100576S, (200) – 2376690, (201) – 72770S, (202) – 72800S, (203) – 74353S, (204) – 72749S, (205) – 72298S, (300) – 2376717, (301) – 72815S, (302) – 72812S, (303) – 1323155, (304) – 68524, (305) – 91538S

7586 West Jewell Avenue – (House panel) – 90935S, (100) – 1117836, (101) – 98646S, (102) – 2362745, (103) – 67147, (104) – 2362147, (105)

– 1118113, (200) – 2362748, (201) – 2362747, (202) – 2362752, (203) –  
2362146, (204) – 2362145, (205) – 2362148, (300) – 67167S, (301) –  
2362751, (302) – 2362749, (303) – 2362746, (304) – 3026743, (305) –  
23660100

Interior and exterior electrical service is fed through modern circuit breaker panels located in each tenant space of the facility and in centrally located mechanical closets where the house panels are installed. The electrical distribution system is Federal Pacific Electric (FPE) brand equipment and the individual tenant space panels are “FPE – Stab-Loc” brand equipment that have voltage limiting circuit breakers installed for protection and providing electrical service throughout the building spaces. The breaker panels and disconnect switching that are in use, are well marked, and all electrical service components viewed displayed acceptable quality workmanship, with some exceptions. It must be noted that the Federal Pacific Electric Company is no longer in business, due in part to litigation arising from problems that have occurred with the “FPE – Stab-Loc” load center panels, similar to the panels installed in these buildings. Note: no problems were viewed for the electrical panel in these buildings. Electrical components and replacement parts are available for FPE equipment that are manufactured by other companies. Access to the house panels in the central mechanical closets were found to be blocked by storage in most cases. No GFCI (ground fault circuit interrupter) outlet receptacles were noted to be installed in the system.

Interior lighting for common areas and office spaces is provided by ceiling mounted fluorescent and can light fixtures. Interior lighting fixtures viewed, were in adequate condition with some exceptions for burned out bulbs and/or ballast components.

Exterior lighting is provided by pole and wall mounted lighting and together with common area lighting appears to be controlled by timer switching installed with

the house panels of each building. Due to the daylight hours, at the time of our review, the exterior lighting operation was not confirmed.

*Recommendations*

- *Organize equipment closets to provide clear (code required) access to electrical panels.*
- *Evaluation of the “FPE – Stab-Loc” distribution panels should be completed by a licensed electrical contractor to ensure the equipment is capable of providing quality electrical service for individual tenant spaces.*
- *Repair non-functional light fixtures as necessary.*
- *The addition of GFCI protected receptacles @ water sources is recommended.*

**Gas Distribution:**

There is natural gas service for the property that enters each building at the south exterior walls.

Natural gas service lines penetrate the exterior walls of the mechanical closets and extend to the natural gas heating equipment installed on each level and each tenant space in the building. The gas meters are American brand model number AL-175 (original equipment) and (9) AC-250 models that have been updated. There are eighteen (18) meters installed for each building that are installed in groups of six (6) at three locations on each building.

*Recommendations:*

- *Due to the updating of nine (9) natural gas meters for the property it is recommended that the service provider be contacted to review the current condition of the original meters, and replace as necessary.*

### **Mechanical Systems:**

Heating and cooling for the two tenant spaces in the building structure is provided by thermostatically controlled natural gas furnaces with central air conditioning installed. These HVAC systems are installed in the equipment closets of each tenant space on each floor level, with the air conditioning condenser units installed on the roof of each building. The mechanical closets were found to be filthy with dirt, debris, and full of spider webs. The HVAC equipment models are consistent for each tenant space. These units are LENNOX brand model number G12Q4-110-4, rated at 110,000 Btu, and are original to construction at 23 – 24 years old. The majority of the furnace units display moderate to substantial rust/scale deterioration visible at the bottom of the heat exchanger where the natural gas burner tubes insert into the heat exchanger, and it does not appear that filters are being serviced on a regular basis. The air conditioning coils installed for each system are LENNOX brand model number C16-46-1FF, and the condensing units installed on the roofs are also original equipment, and each of the original condensers exhibits moderate hail impact damages to the fin coils. Two of the thirty-six (36) condenser units have been replaced with new equipment in the last 3 – 4 years. Due to the age and our initial visual evaluation of the HVAC equipment installed at this property, it is likely that this equipment has reached or exceeded its design life expectancy.

Conditioned air is distributed via metal ductwork installed in the interstitial area of the building.

Additional cooling capacity for unit 7596-304 is provided by a rooftop-mounted electric air conditioning unit that is a BDP Company brand model number 559EJ30, serial number 0284C49445, estimated to be 23-years old, and the fin coil exhibits moderate hail impact damages.

Heating/cooling for the common areas of the building is provided by Fostoria brand model number FCH-40-07013B3411 wall mounted electric units installed

on the lower level of each building. This equipment is estimated to be 10-years old.

There are electrical disconnects and gas service shutoff valves provided for the heating/cooling equipment.

No disassembly of the HVAC was undertaken during the inspection. Internal components such as heat exchangers cannot be fully inspected without disassembly and are therefore excluded from this inspection.

We recommend regular inspections of the HVAC equipment by licensed heating and air conditioning contractors.

*Recommendations:*

- *Regularly scheduled service and inspection for the HVAC equipment is required to be completed by a licensed heating, cooling and ventilation contractor.*
- *Evaluation of this equipment should be completed to determine the physical and operational condition prior completing the real estate transaction. Replacement of the HVAC equipment is likely to be required in each tenant space.*
- *Clean furnace equipment rooms.*

**Domestic Water System and Fire Protection:**

The domestic water service for the property is provided through a 1-1/4" water main that enters underground from the front of each building, where meter pits are located adjacent to the sidewalk, to the lower level of each building in the elevator equipment closets.

Water distribution supply is via copper piping with cast iron and plastic (PVC) waste and vent lines. The supply pipes run through partition walls to the various fixtures in each building. Domestic hot water for the facility is provided by electric hot water heaters with 6-gallon capacity located in the main mechanical rooms.

Additional domestic hot water capacity is installed in the upper level mechanical room which includes an electric AO Smith brand model number EES-30, with a 30 gallon capacity and is estimated to be 10-years old. A second electric water heater is a RELIANCE brand model number 52010MS7 with a 20 gallon capacity and estimated to be 15-years old.

There are eighteen restroom facilities for each building, with the exception for 7586-100 that has been reconfigured into a break room (the toilet stool for this facility is stored in the furnace mechanical closet for this unit). These restrooms are configured the same unit to unit and include a toilet stool, sink, and an exhaust fan. These restroom facilities include wall mounted grab bars at toilet stools however; it does not appear that these facilities meet the standards for handicapped accessibility.

There are ELKAY brand refrigerated drinking fountains installed in the common area hallways of each building. The drinking fountain in the lower level of 7596 did not have adequate water pressure at the time of our review.

There was no inadequate supporting or improper sizing of piping evident, with adequate water flow at the fixtures. Waste lines were sealed tight, properly vented, with no out gassing evident. Drainage is adequately sized, and no clogged drains at fixtures were observed. Except as noted, overall the plumbing system is in adequate condition, and with some miscellaneous repairs, capable of performing its' intended function.

Both of the buildings are fire sprinkler protected for the common area hallways and there are fire extinguishers installed in each hallway and each level. The fire sprinkler standpipes are located at the egress doorways providing access to the center courtyard area between the two buildings. The door for the fire sprinkler standpipe of 7596 has a damaged hinge, is not square in the doorframe and will not properly latch. The soffit framing at the two fire sprinkler closets is non-standard with exposed insulation and/or plastic sheathing installed. Standing

water on the floor at the 7586 standpipe room indicates a potential leak in the fire protection equipment. Heating for the fire sprinkler standpipe closets is provided by temporary portable heaters, not generally recommended for long term freeze protection. The hydraulic fire sprinkler systems for the property were designed and installed by Total Fire Systems and have current inspection certification dated June 2007, from J.D. Davis & Company. The common area fire extinguishers also have current inspection certification, dated April 2007. The fire alarm monitoring system for each building is a NAPCO Magnum Fire Alert 6000 series, installed in the main entry level mechanical/janitor's closet. These monitoring systems appear to be connected to the fire department, include pull-stations at egress doors, and there are exteriorly mounted alarms and indicator lights. Both systems indicated normal operation at the time of our review.

Fire protection for the individual tenant spaces was viewed to be inadequate with no fire extinguisher protection noted for the various tenant spaces in both building facilities.

There is lighted exit signage installed in the common area hallways that directs egress from the building via the main entry and/or the egress stair towers installed at each end of the two buildings.

*Recommendations:*

- *Repair the non-functional drinking fountain.*
- *Investigate and repair as necessary the source of the standing water in the fire sprinkler standpipe closet of the 7586 building.*
- *Consider requirements for tenant occupants to provide and maintain fire extinguishers within office spaces.*
- *Repair the fire sprinkler access door (7586) and complete the wood siding @ the soffit area of each closet.*
- *Add permanent heat sources for each fire sprinkler standpipe closets.*

## **Elevators:**

There is one elevator in each building that provides service to all three floor levels in each building. These units are Montgomery Elevator Company brand equipment, which merged with KONE Corporation in 1994. The units are model number 411H, rated for 16-passenger and 2,500 pound capability. The two elevators are original to construction of the property. Operation of each elevator was undertaken to each floor level in the two building with satisfactory results for level transition of the thresholds and the elevator car at each floor. The elevator cars exhibit wear and scratch damages to the interior wall panels. The service provider for these elevators is listed as Precision Elevator Service of Littleton Colorado. The service/inspection records located in the elevator equipment rooms provides the following detail:

7596 – Routine service completed August 2006.

7586 – Service completed February 2006.

Information plaques installed in the elevator cars of both units' notes that "Elevator Inspection Certificate" on file at the office of property management company.

The elevator equipment rooms are poorly maintained with additional equipment and supplies. There are holes cut in the ceiling and the upper far right-hand corner of each equipment roof has substantial water damage from floor sinks installed in the equipment room/janitors closet located directly above the elevator equipment rooms of each building. An unidentified fluid was viewed in the base of the elevator shaft of unit 7596. It was also noted that hydraulic oil staining was viewed on the floor of the elevator equipment room for the 7586 building.

### *Recommendations:*

- *Current service inspection for the elevator equipment in both buildings is required. This service should include a thorough*

*investigation of the hydraulic lift equipment and the identification and source of the fluid in the elevator shaft of 7596 and the staining on the floor @ 7586.*

### **Interior Elements:**

It appears that the original configuration of these building structures was to provide for eighteen (18) individual tenant spaces per building for a total of thirty-six. Over the years the buildings have been altered through remodeling efforts to combine tenant spaces through the removal of separation/partition walls. The current configuration and details are as follows:

#### **7596 West Jewell Avenue:**

The building's interior provides double door entry vestibule, atrium lobby, central stairway to the upper and lower levels, egress stairways on the east and west ends of the building, an elevator to each floor level, six entry doors on each level to the various tenant suites, and mechanical/utility/janitor's closets adjacent to the centrally located elevator shaft on each level. The interior finishes of the common areas of the building were viewed to be average and are comprised of ceramic tile floors at the main entry, carpeting, gypsum board walls, and ceilings (textured & painted), brick masonry, metal hand & guard rails, and solid wood trim and casework.

Unit 100: (Vacant – Greg Wambolt Financial Services) – This space provides for an entry hall/lobby, reception office, private office, break room, conference room, furnace mechanical closet (filthy), and restroom. The interior finishes were viewed to be average with carpeted and vinyl covered floors, gypsum board walls & ceilings (textured & painted), suspended ceilings, wood doors, and sliding glass door to exterior patio. The restroom contains a hand sink, toilet stool, and exhaust fan (minor staining noted @ exhaust fan).

Unit 101: (Vacant – Morning Star Mortgage) – This space provides for an entry hall, open office, communications equipment/office supplies closet, (FPE panel missing breaker knockout plug), four (4) private offices, sliding glass door to patio (settled & door lock is damaged), The interior finishes were viewed to be average with carpeted and vinyl covered floors, gypsum board walls & ceilings (textured & painted), suspended ceilings (w/unfinished gypsum board above), wood doors, and sliding glass door to exterior patio, and furnace mechanical closet (filthy). The restroom contains a hand sink, toilet stool, and exhaust fan (minor staining noted @ exhaust fan).

Units 102 – 103 – 104 – 105: (Vacant) – These spaces have been configured into one (1) office space that provides open office, eight (8) offices, kitchen/break room, four (4) restrooms, communications equipment/office supplies closet, (4-FPE Stab-Loc electrical panels – one with duct tape coving multiple breaker knockouts), sliding glass doors to patios. The interior finishes were viewed to be average with carpeted and vinyl/ceramic covered floors, gypsum board walls & ceilings (textured & painted), suspended ceilings (w/unfinished gypsum board above), wood doors, and furnace mechanical closet (filthy). Each restroom contains a hand sink, toilet stool, and exhaust fan (noisy exhaust fans indicate shaft bearing failure).

Units 200 - 201: (American Family Insurance) – These two spaces have been configured into one office space that provides an entry/reception desk, waiting lobby, four offices spaces, conference room, two (2) furnace mechanical closet, hallway (2-FPE Stab-Loc electrical panels), and two restrooms. The space has recently been renovated and the finishes were viewed to be above average, and are comprised of ceramic tile, carpeted floors, gypsum board walls & ceilings (textured & painted, suspended ceilings, wood doors, and a sliding door to the wood deck (deteriorated

wood @ deck floor & cedar siding). The two restrooms contain a hand sink, toilet stool, and exhaust fan.

Units 202 - 203 - 204: (Vacant) – These three spaces have been configured into one office space that provides three entry/reception/lobby areas, private office spaces (203 & 204 office with sliding glass door to deck. The deck railings are not stable due to settlement of the deck and the spacers added at the rail base fasteners. Also the sliding glass door @ 204 has damaged roller hardware.), shared conference room, three (3) furnace mechanical closet, hallway (3-FPE Stab-Loc electrical panels), coffee bar, hallway access to other suites, and three (3) restrooms. The finishes in these spaces were viewed to be average, and are comprised of vinyl & carpeted floors, gypsum board walls & ceilings (textured & painted), suspended ceilings, wood doors, and a sliding door to the wood deck (deteriorated wood @ deck floor & cedar siding). The three restrooms each contain a hand sink, toilet stool, and exhaust fan.

Unit 205: (Skilled Services) – This space provide an entry, small hallway (FPE Stab-Loc electrical panel), restroom, open office, four (4) offices (SW office with sliding door access to the wood deck that has wood damage/deterioration). The interior finishes were viewed to be average with carpeted & vinyl floors, gypsum board walls (textured & painted) suspended ceilings. The restroom contains a hand sink, toilet stool, and an exhaust fan.

Unit 300 – 301: (Ian Jones, DC) – These office spaces have been configured into one office space that includes an entry/lobby waiting area, reception office/desk, private office (with a wood burning fireplace – not used per tenant, and sliding door access to wood deck (deteriorated wood), laundry room that includes a washer & dryer (without adequate exhaust ventilation and there is no overflow pan at the washing machine),

two (2) furnace mechanical closets (during the reconfiguration of this space the ductwork was altered resulting in the furnace originally for 301 now provides conditioned air to the 300 space and the furnace originally for the 300 space provides conditioned air to the 301 space), open treatment/classroom area (2-FPE Stab-Loc electrical panels), and two (2) restrooms. The interior finishes were viewed to be average with carpeted & vinyl floors, gypsum board walls (textured & painted) suspended ceilings. The restrooms each contain a hand sink, toilet stool, and an exhaust fan.

Units 302 – 303 – 304 – 305: (Arnold & Arnold, LLP ) – These office spaces have been configured into one office space that includes an entry/lobby waiting area, reception office/desk, conference room, hallway leading to three (3) private offices with access to exterior decks @ (deteriorated wood), four (4) furnace mechanical closets, kitchen break room (roof leak above refrigerator, two (2) record storage rooms, work room, (4-FPE Stab-Loc electrical panels), and two (4) restrooms (The west women's restroom was reported to have a roof leak and there are stained ceiling tile visible). The interior finishes were viewed to be average with carpeted & vinyl floors, gypsum board walls (textured & painted) suspended ceilings. The restrooms each contain a hand sink, toilet stool, and an exhaust fan.

#### 7586 West Jewell Avenue:

The building's interior provides double door entry vestibule, atrium lobby, central stairway to the upper and lower levels, egress stairways on the east and west ends of the building, an elevator to each floor level, six entry doors on each level to the various tenant suites, and mechanical/utility/janitor's closets adjacent to the centrally located elevator shaft on each level. The interior finishes of the common areas of the building were viewed to be average and are comprised of ceramic tile floors at the main entry, carpeting, gypsum board walls, and ceilings (textured & painted), brick masonry, metal hand & guard rails, and solid wood

trim and casework. The door closer on the lower level east egress stairway has been damaged and removed.

Units 100 – 101 – 102 – 103: (Vacant – Summit Financial, 5280 Realty, Peak Title & Escrow) – These spaces have been configured into one (1) office space that provides an entry lobby, open office space with cubical desks, private offices, coffee bar (converted restroom), three (3) restrooms, two (2) conference rooms, (4-FPE Stab-Loc electrical panels), sliding glass doors to patios. The interior finishes were viewed to be fair to average with carpeted and vinyl/ceramic covered floors, gypsum board walls (textured & painted), suspended ceilings (w/unfinished gypsum board above), wood doors, and four (4) furnace mechanical closet (filthy). Each restroom contains a hand sink, toilet stool, and an exhaust fan. The converted restroom includes a single basin sink and counter space.

Units 104 – 105: (Dr. Dale Lervick & Associates) – These two spaces have been reconfigured into one office space for the optometry practice. The space includes a reception/waiting/showroom area (two FPE Stab-Loc electrical panels), five (5) exam rooms, private office, two furnace mechanical rooms (filthy), two (2) restrooms (one facility being used for storage of items. The toilet stool and sink are covered raising concerns that the drain-traps may be dry, allowing sewer gasses to enter the buildings' interior). The interior finishes were viewed to be above average and are comprised of ceramic tile, carpeting, vinyl floor finishes, gypsum board walls (textured & painted, and vinyl coverings), suspended ceilings, and hardwood trim and casework. The restroom contains a hand sink, toilet stool, and an exhaust fan.

The tenant occupant expressed concerns for the capacity of the HVAC equipment to heat and cool the space.

Unit 200: (Vacant) - This space provide an entry lobby (FPE Stab-Loc electrical panel), restroom, four (4) offices (SE office w/sliding door access to the wood deck (with wood damage/deterioration), break room with single basin sink and counter and space for a stackable washer/dryer (without adequate ventilation), and furnace mechanical room (filthy). The interior finishes were viewed to be average with carpeted & vinyl floors, gypsum board walls (textured & painted) suspended ceilings. The restroom contains a hand sink, toilet stool, and an exhaust fan.

Units 201 – 202: (Vacant) These two spaces have been configured into one office space that includes entry office, hallway, restroom, private offices, hallway to unit 202 that includes an open office area conference room (FPE Stab-loc electrical panels), two offices, two (2) furnace mechanical closets (filthy), and two (2) restrooms. The interior finishes were viewed to be average with above average finishes for the restrooms. Finish materials include carpeting/vinyl floors, gypsum board walls (textured & painted), and suspended ceilings. The restrooms each contain a hand sink, toilet stool, and an exhaust fan.

Unit 203: (Platinum Financial Group) - This space provides an entry lobby, waiting room, private office, conference room, furnace mechanical closet (filthy), coffee bar (FPE Stab-Loc electrical panel), restroom. The interior finishes are above average and comprised of wood floors, gypsum board walls (textured and painted), glass partitions, and track lighting. (The tenants noted problems with track lighting fixture failure – items that were part of

their tenant finishes). The restroom contains a hand sink, toilet stool, and an exhaust fan.

Units 204 – 205: (Peterson Appraisal) These two spaces have been configured into one office space that includes entry lobby/office, hallway, restroom, five (5) private offices, work room, break room (with single basin sink and dishwasher), conference room, hallway (FPE Stab-Loc electrical panels), furnace mechanical closets (filthy), and two (2) restrooms. The interior finishes were viewed to be average with finish materials include carpeting/vinyl floors, gypsum board walls (textured & painted), and suspended ceilings (stained ceiling tile @ women's restroom).

Unit 300: (Murray Wilkening, PC) – This office space was locked and not accessible during our review.

Unit 301 – (Sheila Sampson State Farm Insurance) – This space provides an open office/reception area (with cubicle partitions), work room (with access to deck – deteriorated wood & siding), office, furnace mechanical closet (clean), and restroom (with large tub sink). Interior finishes were viewed to be average with carpeting, gypsum board walls (textured & painted), and suspended ceilings. The restroom contains a hand sink, toilet stool, and an exhaust fan.

Unit 302 – 303: (Caron Holmes, DDS) – These two tenant spaces have been configured into one office space that provides and entry/waiting room lobby, records storage, three (3) offices, open exam area with five (5) work stations, customer restroom, and employee restroom (2-FPE Stab-Loc electrical panels), two (2) mechanical furnace closets (these furnace units include duct

damper equipment and controls). The interior finishes include carpeting, vinyl, gypsum board walls (textured & painted & vinyl materials). It was reported that during a recent remodeling project in this space that a water line was damaged and flooded a portion of the office. It appears repairs for the damaged water line and finishes have been successful. The restrooms each contain a hand sink, toilet stool, and an exhaust fan.

Units 304: (Vacant) – Open entry office with four (4) built-in work stations, four (4) office/work rooms (FPE Stab-Loc electrical panels), break room, furnace mechanical closet (filthy), and restroom. The interior finishes were viewed to be average and include carpeted and vinyl floors, gypsum board walls (textured & painted), and suspended ceilings. The restroom contains a hand sink, toilet stool, and an exhaust fan.

Unit 305: (Vacant) – Open office (FPE Stab-Loc electrical panels), two private office spaces (SW with sliding door access to the exterior deck), furnace mechanical closet (filthy), and a restroom. The interior finishes were viewed to be average and include carpeting, gypsum board walls (textured & painted), and suspended ceilings.

None of the restroom facilities located in these buildings appear to meet the standards for handicapped accessibility.

*Recommendations:*

- *Interior finishes will be dependant upon the needs of future tenant occupants.*
- *Repairs for the common area equipment rooms for gypsum board finishes.*
- *Egress door closer repair.*

- *Any major renovations planned for the building facility may require (by building code mandate) improvements to provide handicapped accessible restroom facilities.*

### **Conclusion:**

In our overall professional opinion this two building complex is in fair to adequate condition and is in a need of both relatively minor repairs and potentially more costly improvements. Improvements for the asphalt parking area, roof, and HVAC system suggested in this report will likely carry a significant costs, as well as enhancement and repairs for the decks and exterior finishes. Overall the general appearance of the property exhibits dated finishes. Repairs affecting the structure should be considered essential, and should be undertaken at once to minimize the consequences of deterioration. No conditions were observed that are considered extraordinary, amongst the building engineering community, given the age and the size of the structure.

In other respects, we can tell you that most improvements are sound, acceptable for occupancy and built according to industry standards. Aesthetic goals may require certain cosmetic improvements to be undertaken before they would become necessary for reasons of building integrity. Further, governing municipal agencies may require code compliance improvements as their requirements change. Completion of the repairs for defects noted above will serve to maintain the integrity of this property.

### **Cost to Cure:**

We perform no contracting work and are not engaged in the business of making repairs to properties that we inspect. In the body of the report, however, we have recommended certain repairs to be made. In our opinion, the cost to remedy those defects identified above should be approximately as follows:

Grading improvements @ 7596 (north) -

\$ 750

Concrete repair (sidewalks & curbs) -	\$ 1,750
Water main valve recess/repair (trip-hazard) -	\$ 600
Patio leveling repairs -	\$ 2,750 (min)
Handrail improvement @ center egress stairways -	\$ 1,500
Asphalt parking lot restoration -	\$ 15,000
Trash dumpster enclosure improvements -	\$ 650
Landscape maintenance (weed & volunteer tree removal) -	\$ 125
Signage improvements -	\$ 500 (min)
Landscaping pruning improvements -	\$ 1,250
Deck repairs and improvements -	\$ 5,500
Wood siding repair/restoration/sealant application -	\$ 8,500
Flat roof restoration/repairs -	\$ 7,000
Rooftop equipment enclosure restoration -	\$ 850
Window repairs -	\$ 3,500 (min)
Electrical repairs/FPE evaluation -	\$ 2,000
HVAC service/inspection @ (\$ 75/per unit and/or replacement @ \$ 3,200 each)	\$ 2,700 (min)
Clean furnace equipment rooms -	\$ 1,100
Drinking fountain repair -	\$ 150
Interior/gypsum board wall repairs @ mechanical rooms -	\$ 650
Plumbing repairs -	\$ 275
Fire sprinkler standpipe repairs/improvements/heating -	\$ 900
Elevator service/repair/inspection -	\$ 450 (min)
<b>Total estimated repair/improvement costs (minimum) -</b>	<b>\$ 58,450</b>

The above cost estimates have been provided as an adjunct service to our building report. We have made our best effort to estimate the cost of repairs, but caution you that repair contractors will view structures differently and their estimates will vary, some lower, some higher. Consequently, we urge you to refer questions of an interpretive nature to us so that we can assist you in

maintaining an element of consistency during the estimating process. We cannot assume responsibility for the estimating practices of others.

This report contains our opinion and we caution you that you may and will likely receive varying opinions from different inspectors, appraiser, architects, lawyers, experts, insurance adjusters, remodeling and repair contractors, roofers, plumbers, electricians, carpenters, realtors, lenders, relatives, engineers, private or public personnel, trades people or other parties whose interests are different than ours. This report is the work product of a Colorado Corporation, William J. Warren and Son, Inc., DBA *National Inspection Services*.

Please call if you have additional questions or concerns.

Sincerely,

**William J.  
Warren**  
Digitally signed by William J  
Warren  
DN: CN = William J Warren,  
C = US, O = National  
Inspection Services, OU =  
President  
Reason: I am approving this  
document  
Date: 2007.07.25 16:01:47 -  
0600

William J. Warren  
President  
***National Inspection Services***

*Encl. 1) Photo log addendum, 2) Report addendum*

**Photo Log Addendum**



(1) 7586 W. Jewell Ave., Lakewood, CO



(2) Grade drainage @ parking lot



(3) Grade drainage retention/catch basin (west)



(4) Mineral deposit on brick masonry (7596)



(5) Parking lot surface deterioration



(6) Parking lot irregular cracking/pothole



(7) Water main valve @ 7596 trip-hazard



(8) Patio settlement @ rear – typical

**Photo Log Addendum**



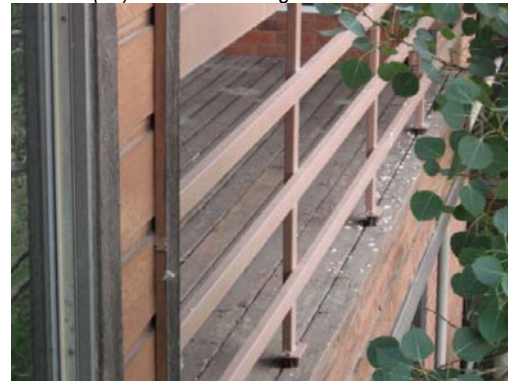
(9) Flat roof/equipment enclosure – deterioration



(10) Broken atrium glass 7595 304



(11) Under deck – 7596 303-304



(12) Shims under railing @ center decks – typical



(13) Deteriorated cedar siding @ 3<sup>rd</sup> level deck



(14) Attic area w/loose fill fiberglass insulation



(15) Center egress stairways – no hand rail



(16) Furnace unit with rust deterioration – typical

**Photo Log Addendum**



(17) A/C condensing coil – hail damage – typical



(18) HVAC – filter – typical



(19) Elevator equipment room – water damage- 7596



(20) 2<sup>nd</sup> level mechanical/janitor closet -7596



(21) Main level west – 7596 broken seal



(22) Roof leak @ 7586 - 305



(23) Interior finishes – typical



(24) Interior finishes – typical

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## **ADDENDUM TO ATTACHED BUILDING INSPECTION REPORT**

It is our intent to supply you with an unbiased report and to observe that which the average prospective real estate purchaser may overlook. This report is based on a visual inspection only in easily accessible areas; therefore, we cannot and do not guarantee that defects, whether structural, mechanical, or otherwise do not exist. This report constitutes a condition survey only and is not a warranty.

This report does not constitute a soils evaluation as may be required by Colorado State Legislation.

This inspection is intended to report on certain specified components of the subject property, and we warn you that although the premises may be in good condition when examined, the condition may change thereafter. Our responsibility is to act in good faith and without bias towards any party involved in this or any other transaction.

This report has been prepared for the exclusive use of the above named prospective buyer only and any other use is unauthorized.

It is further understood that no implied or stated warranties are made with regard to the condition of the subject property and that **National Inspection Services** and Warren & Son, Inc. are not responsible for errors, omissions or typographical errors.

Every effort and care has been exercised to provide a complete and accurate representation of this property. Failure to pay for this report may be cause of a lien to be filed on above referenced property, and may subject buyer named herein to costs of collection, including but not limited to attorney's fees and interest which will accrue at the legal rate from the date of original invoice.

# ***National Inspection Services***

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## **LIMITATION OF WARRANTY OF INSPECTOR'S WORK PRODUCT**

The Inspector and his consultants do not warrant or guarantee the accuracy and completeness of the work product herein beyond a reasonable diligence. If any mistakes, omissions, or discrepancies are found to exist within the work product, the Inspector shall be promptly notified so that he may take whatever steps necessary to resolve them. Failure to promptly notify the Inspector relieves the Inspector from any responsibility from the consequences of such failure.

Actions taken without the knowledge and consent of the Inspector, or in contradiction to the Inspector's work product or recommendations, shall become the responsibility not of the Inspector, but of the parties responsible for taking such action.