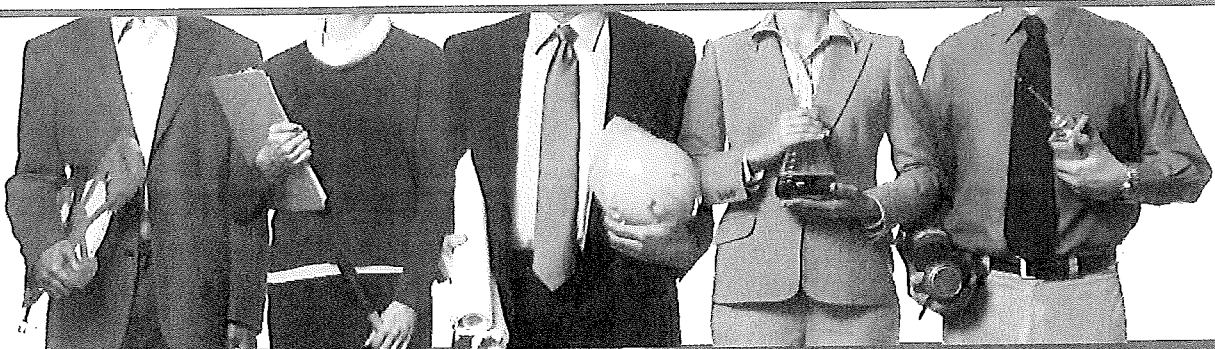


PROPERTY CONDITION REPORT

Petaluma Valley Hospital and Hospice
400 North McDowell Boulevard and 416 Payran Street
Petaluma, California 94954

March 3, 2016
Partner Project Number: 15-143327.1

Prepared for:
Petaluma Health Care District
Petaluma, California 94954



Engineers who understand your business

March 3, 2016

Ms. Ramona Faith, CEO
Petaluma Health Care District
1425 400 North McDowell Boulevard, Suite 103
Petaluma, California 94954

Subject: Property Condition Report
Petaluma Valley Hospital and Hospice
400 North McDowell Boulevard
Petaluma, California 94954
Partner Project No. 15-143327.1

Dear Ms. Faith:

Partner Engineering and Science, Inc. is pleased to provide the results of the assessment performed on the above-referenced property. At a minimum, this assessment was performed in general conformance with the scope and limitations as set forth by ASTM E2018-15 "Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process" and as specified in the engagement agreement that initiated this work.

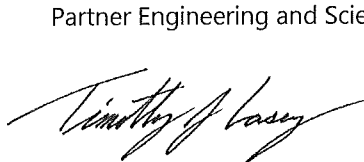
The purpose of this assessment is to describe the primary systems and components of the subject property, to identify conspicuous defects or material deferred maintenance, and to present an opinion of costs to remedy the observed conditions. In addition, this report identifies systems or components that are anticipated to reach the end of their expected useful life during the specified evaluation term and includes an opinion of cost for future capital replacements.

This assessment was performed utilizing methods and procedures consistent with good commercial or customary practices designed to conform to acceptable industry standards. The independent conclusions represent Partner's best professional judgment based upon existing conditions and the information and data available to us during the course of this assignment.

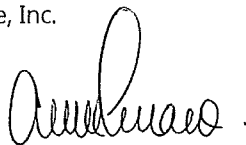
We appreciate the opportunity to provide these assessment services. If you have any questions concerning this report, or if we can assist you in any other matter, please contact Jenny Redlin at (310) 765-7243.

Sincerely,

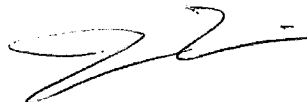
Partner Engineering and Science, Inc.



Timothy J. Casey
Senior Project Manager



Ann Ferraro, PE
Senior Assessor



Jenny Redlin, REPA
Relationship Manager - Principal

EXECUTIVE SUMMARY AND PROPERTY DESCRIPTION

Executive Summary

Partner Engineering and Science, Inc. (Partner) has performed a property condition assessment (PCA) of the parcel and improvements defined in the following table (the "subject property"). The assessment was performed in general accordance with ASTM E2018-15 "Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process". The purpose of this Property Condition Assessment was to observe and document readily-visible materials and building system defects that might significantly affect the value of the subject property and determine if conditions exist which may have a significant impact on the continued operation of the facility during the 20 year evaluation period.

Property Data	
Name	Petaluma Valley Hospital and Hospice
Address	400 North McDowell Boulevard and 416 Payran Street
City, State and Zip Code	Petaluma, California 94954
Property use	Main Hospital – Hospital Burns Hall – Office Groverman Hall – Office Power Plant – Office / Industrial Hospice of Petaluma – Hospice
Land acreage (acres)	400 North McDowell – 14.630 (tax assessor data) 416 Payran – 0.48
Number of buildings	Five
Number of floors	Main Hospital – Two Burns Hall – Two Groverman Hall – One Power Plant – Two Hospice of Petaluma – Two
Year built	400 North McDowell – 1979 (addition in 1991) 416 Payran -1997
Gross building area (sf)	Main Hospital – 82,704 (tax assessor data) Burns Hall – 5,300 Groverman Hall – 1,600 Power Plant – 1,000 Hospice of Petaluma – 6,677 (tax assessor data) Total – 97,281
Net rentable area (sf)	Main Hospital – 82,704 (tax assessor data) Burns Hall – 5,300 Groverman Hall – 1,600 Power Plant – 1,000 Hospice of Petaluma – 6,677 Total – 97,281
Number of beds	400 North McDowell – 60

Property Data	
Foundation / Substructure	400 North McDowell - Concrete structural slab and grade beams supported by drilled concrete piers 416 Payran - Concrete slab-on-grade with perimeter and interior footings under load bearing structures
Superstructure	400 North McDowell – Steel framing; metal deck on steel beams and joist 416 Payran – Conventional wood-framing; wood decking supported by wood trusses
Façade	400 North McDowell – Painted stucco 416 Payran – Painted wood siding
Roof type	400 North McDowell – Flat, single-ply thermoset membrane 416 Payran – Pitched, asphalt shingles
Parking area	Asphalt pavement
Parking space count	400 North McDowell – 325 416 Payran – 25
ADA-designated parking count	400 North McDowell – 11 ADA-designated and one van-designated 416 Payran – One ADA-designated and one van-designated
HVAC system	400 North McDowell – Central system of boilers, chiller and air handling units; Packaged unit 416 Payran – Split systems
Water supply piping	Copper
Electrical branch wiring	Copper
Number of elevators	400 North McDowell – Four 416 Payran – Not provided
Fire suppression	Wet-pipe sprinkler system
Fire alarm	Central system with local notification

The buildings on the subject property are further described as follows:

Structure	Address	Building Area (SF)	Construction Date
Main Hospital	400 North McDowell Boulevard	55,000	1979 / 1991 (addition)
Burns Hall	400 North McDowell Boulevard	5,300	1985
Groverman Hall	400 North McDowell Boulevard	1,600	1985
Power Plant	400 North McDowell Boulevard	1,000	1979 / 1985 (addition)
Petaluma Hospice	416 Payran Street	6,677	1997

Overall Condition

Based on the systems and components observed during the site visit, the subject property appears to be in good to fair condition. The overall level of preventative maintenance appeared to be good. The detailed observations of reviewed systems are presented in the following Sections of this report, with tabulated opinions of cost presented in the Appendices.

Reported Capital Expenditures

According to property management, the following capital improvements were completed within the last three years:

- The asphalt pavement in the northwest and southwest portions of the property was overlaid, restriped and the curbing was replaced in 2013, \$300,000 (400 North McDowell)
- The fire alarm control panel at Groverman Hall was replaced in 2013, \$20,000 (400 North McDowell)
- The fire alarm control panel at the Main Hospital was replaced in 2015 (400 North McDowell)
- Air handling unit 3 (AHU 3) was retrofitted in 2015, \$158,000 (400 North McDowell)
- Heat pump was replaced in the CT room in 2013, \$15,000 (400 North McDowell)
- The sewer line was repaired in 2013, \$48,000 (400 North McDowell)
- Windows and doors were replaced in the Community Room in 2013, \$30,000 (400 North McDowell)
- Concrete curbs were replaced in 2013, \$48,000 (400 North McDowell)
- Fire dampers were repaired in 2013, \$15,000 (400 North McDowell)
- The patient rooms on the second floor were renovated in 2013 and 2014, \$128,000 (400 North McDowell)
- Fire alarm system components were added to the second floor sleep room in 2014, \$7,700 (400 North McDowell)
- Signage and the exterior lighting was replaced in 2015, \$41,000 (400 North McDowell)
- Various upgraded to finishes and furnishings were made throughout the last three years, \$164,000 (400 North McDowell)

According to property management, the following capital improvements are proposed to be completed within the next three years:

- Flat, single-ply roof over Power Plant is scheduled for replacement in 2016 (400 North McDowell)
- Emergency generators at the Main Hospital are scheduled for replacement in 2016 (400 North McDowell)
- The chiller at the Main Hospital was in the process of being replaced during the walk-through survey (400 North McDowell) and the site contact anticipated installation to be complete by the first week of May 2016
- One high pressure boiler was in the process of being replaced during the walk-through survey and another high pressure boiler is budgeted for replacement in 2016 and, a timeline for completion is unknown at this time.
- One elevator was down during the walk-through survey and is scheduled for replacement (400 North McDowell)

Immediate and Short-Term Repair Items

This report presents opinions of costs for items or conditions that require immediate action as a result of the following: Material existing or potentially unsafe conditions, material code violations, or any other physical deficiencies that if left uncorrected would be expected to result in or contribute to the failure of critical elements or systems within one year or may result in a significant increase in remedial costs. These items should be addressed at the first practical opportunity.

In addition, this report presents opinions of costs for items or conditions that may not require immediate action; however, should be conducted on a priority basis above and beyond routine maintenance. Generally, the recommended time frame for addressing these items is two years.

Deferred maintenance items and/or physical deficiencies that are considered significant are also identified in Table 1 - Immediate Repair and Deferred Maintenance Cost Opinion.

Replacement Reserve Items

In accordance with the evaluation period under which this assessment was performed, this report includes opinions of costs for capital replacement reserve items that are anticipated to occur during a 20 year evaluation period. These items are identified in Table 2 – Long-Term Cost Opinion. Systems or components that are present at the subject property; however, not listed in Table 2, are expected to realize a useful life that exceeds the evaluation period.

Cost Exclusions

This report excludes costs for systems or components that are reported to be a tenant responsibility to maintain and replace, that are generally associated with the normal operation of the subject property, that are part and parcel of a building renovation program, for enhancements to reposition the subject property within the marketplace, for work that is cosmetic or decorative, for work that is being conducted for warranty transfer purposes and routine maintenance activities. This report also excludes costs that are below the reporting threshold of \$3,000 established by the engagement agreement.

Deviation from ASTM E2018

The deviations listed below are part of the Partner standard operating procedures or were specified in the Client's scope of work.

- This report includes seismic zone information that is not required by the Standard.
- This report includes an opinion of costs for anticipated capital expenditures for an evaluation period defined by the Addressee. The costs are presented in Table 2.
- This report includes an evaluation of the condition of the observed components and systems.

TABLE 1 - IMMEDIATE REPAIRS & DEFERRED MAINTENANCE COST OPINION

400 North McDowell Boulevard
400 North McDowell Blvd & 416 Payran St
Petaluma, California

Partner Project No. 15-143327.1
March 3, 2016

Sect. No.	Deficiency or Repair Item	Quantity	Unit	Unit Cost	Immediate Repair	Short-Term Cost	Total Cost
2.0 Regulatory Compliance							
	None Noted						
3.0 Site Improvements							
3.3.2	Linear cracking and "map" or "alligator" cracking were noted in the north and east portions of the pavement at 400 North McDowell. Damaged pavement areas should be repaired.	1,300	SF	\$3.00	\$3,900		\$3,900
3.3.2	Pavement markings and the asphalt seal coat throughout the pavement on the north and east sides of the 400 North McDowell property, and throughout the 416 Payran property were worn and should be renewed.	75,000	SF	\$0.15	\$11,250		\$11,250
4.0 Structural Frame and Building Envelope							
4.4.1	The roof over the Power Plant is near the end of service life and is scheduled for replacement. In addition, the roof over the Main Hospital was observed to be in fair to poor condition with numerous areas of ponding and remanence of ponding throughout. It is recommended that both roofs be budgeted for replacement.	56,200	SF	\$6.00	\$337,200		\$337,200
5.0 Mechanical and Electrical Systems							
5.1	One of the low pressure steam boilers (Mura boiler) was observed to be offline during the walk-through survey and is reportedly always offline except when the other boiler is undergoing maintenance activities. Due to the age of the boiler, and the level of difficulty involved in performing maintenance and repairs, it is recommended that the steam boiler be replaced.	1	LS	\$144,000	\$144,000		\$144,000
5.1	The high pressure boilers were reported to be in poor to good condition. One of the high pressure boilers was out of commission during the walk-through survey and is in the process of being replaced. In order to accommodate for the hot water demand, a temporary boiler was brought on-site. According to property management, the replacement boiler is in the design process with the local regulating agency OSHPD and the temporary boiler will remain in operation until the new boiler is installed. A cost for this work was not provided to Partner. Additionally, a timeline for completion is unknown at this time.	1	LS	Unknown			
5.2	The chiller at the 400 North McDowell property was in the process of being replaced during the walk-through survey, it was on site but not online yet. The building was running off of a temporary chiller. The cooling tower that was part of the old system was not in operation and will be removed after the new chiller is online. The site contact anticipated installation to be complete by the first week of May 2016. The client provided a cost of \$1,179,198 to complete this work.	1	LS	\$1,179,198	\$1,179,198		\$1,179,198
5.2	One HVAC packaged unit at Burns Hall was reportedly out of commission and has been for several years. It is recommended that the packaged unit be replaced.	5	TON	\$2,000	\$10,000		\$10,000
5.3	Remove and replace the two large generators that support the 400 North McDowell property. The generators are approaching the end of useful life and are reportedly in fair to poor condition. Replacement of the generators should include the whole system (underground diesel tank and support components). Due to the criticality of the generators to the overall mission at the hospital, it is recommended that a similar system (two medium sized generators verses one large generator) be considered for the replacement. The client provided a cost of \$916,307 to complete this work.	1	LS	\$916,307	\$916,307		\$916,307
5.3	Remove and replace the small emergency generator for backup of the CT Machine at the 400 North McDowell property. The generator is approaching the end of useful life and is reportedly in fair to poor condition.	1	LS	\$36,000	\$36,000		\$36,000
5.4.1	During the site walk-through survey one passenger elevator was out of commission. It is recommended that the elevator be replaced.	1	LS	\$51,000	\$51,000		\$51,000
6.0 Interior Elements							
	None Noted						
7.0 Accessibility							
7.0	Handrails are not provided on either side of the exterior ramp that leads from the parking area to the building entrance at the 416 Payran property. It is recommended that compliant handrails be added to the ramp.	40	LF	\$75	\$3,000		\$3,000
7.0	Several of the observed lavatories do not provide pipe protection. It is recommended that pipe protection be added to all common area restrooms and patient room restrooms that are intended for ADA accessibility.	12	EA	\$25	\$300		\$300
8.0 Water Intrusion and Microbial Growth							
	None Noted						
9.0 Natural Hazard Information							
9.2	Engage a qualified engineer to perform a seismic survey of the 400 North McDowell property and produce a Reconciliation Report detailing the anchoring and bracing requirements for compliance with the 2030 OSHPD seismic code.	1	LS	\$6,000	\$6,000		\$6,000
TOTAL						\$ 2,699,155	\$ 2,699,155

PARTNER

400 North McDowell Boulevard
North Hollywood Blvd & 41st Pl
North Hollywood, CA 91605

Project No. 15-143327-1
March 3, 2016

TABLE 2 - LONG-TERM COST OPINION

9/28/16
Site effective age (years): 37
Inflation rate: 2.5%
Renovation Period: 2016-2030

Item No.	Description	Qty	Unit	Unit Cost	Material	Installation	Subtotal	Contingency	Total
3.0	Site Improvements								
3.0.1	Asphalt seal coat & parking stall striping	5	0	\$ 162,000	851,200	\$F	\$0.12		\$ 79,144
4.0	Structural Frame and Building Envelope								
4.0.1	Exterior cladding, painting	8	6	2	157,800	\$F	\$1.00		\$ 157,800
4.0.2	Roof replacement - EPDM	20	17	3	3,000	3,000	\$F	\$6.00	\$ 18,000
4.0.3	Roof replacement - EPDM	20	17	3	2,400	2,400	\$F	\$6.00	\$ 14,400
4.0.4	Roof replacement - BUR	20	15	5	10,800	10,800	\$F	\$5.00	\$ 54,000
4.0.5	Roof replacement - asphalt shingles (Palmara Hospital)	20	13	7	5,800	5,800	\$F	\$2.50	\$ 14,500
5.0	Mechanical and Electrical Systems								
5.0.1	HVAC package unit replacement (RTU), Replace	20	Var	Var	30	TON	\$2,000		\$ 60,000
5.0.2	Split-system condenser, Replace	20	Var	Var	4	EA	\$4,000		\$ 16,000
5.0.3	Split-system furnace/fan coil, Replace	20	Var	Var	4	EA	\$4,000		\$ 16,000
5.0.4	High pressure steam boiler, Replace	25	24	1	1	LS	\$144,000		\$ 144,000
5.0.5	Low pressure boiler, Replace	25	16	7	1	LS	\$144,000		\$ 144,000
5.0.6	Water heaters, Replace	15	10	5	2	EA	\$48,000		\$ 150,000
5.0.7	Water heating unit AHU 1, Replace	25	23	2	1	LS	\$18,000		\$ 18,000
5.0.8	Air handling unit AHU 2, Replace	25	23	3	1	LS	\$120,000		\$ 120,000
5.0.9	Air handling unit AHU 3, Replace	25	20	5	1	LS	\$192,000		\$ 192,000
5.0.10	Air handling unit AHU 4, Replace	25	17	8	1	LS	\$120,000		\$ 120,000
5.0.11	Evaporator mechanical systems, Replace (North McDowell - #3)	30	28	2	1	LS	\$51,000		\$ 51,000
5.0.12	Evaporator mechanical systems, Replace (North McDowell - #3)	30	27	3	1	LS	\$51,000		\$ 51,000
5.0.13	Elevator mechanical systems, Replace (North McDowell - #4)	30	25	5	1	LS	\$51,000		\$ 51,000
6.0	Interior Elements								
6.0.1	Common area vinyl tiles, Replace	25	Var	Var	11,400	SF	\$1.00		\$ 11,400
6.0.2	Common area carpeting, Replace	7	Var	Var	4,000	SF	\$3.00		\$ 12,000
6.0.3	Common area wall finishes, Replace	10	Var	Var	17,000	SF	\$1.00		\$ 17,000
6.0.4	Common area FRUE, Replace	10	Var	Var	1	20	LS	\$6,000	\$ 6,000
6.0.5	Common area FRUE, Replace	20	Var	Var	1	20	LS	\$25,500	\$ 25,500
6.0.6	Equipment, Replace (North McDowell)	20	13	7	1	LS	\$1,500		\$ 1,500
6.0.7	Equipment, Replace (North McDowell)	25	Var	Var	40,000	SF	\$5.00		\$ 125,000
6.0.8	Support area wall finishes, Replace	10	Var	Var	40,000	SF	\$3.00		\$ 120,000
6.0.9	Support area FRUE, Replace	10	Var	Var	1	20	LS	\$10,000	\$ 10,000
6.0.10	Tenant area vinyl tiles, Replace	25	Var	Var	30,000	SF	\$5.00		\$ 125,000
6.0.11	Tenant area wall finishes, Replace	10	Var	Var	30,000	SF	\$3.00		\$ 90,000
6.0.12	Tenant area FRUE, Replace	10	Var	Var	1	20	LS	\$10,000	\$ 10,000

Uninflated cost: \$ 2,553,500
Inflated Total: \$ 2,553,500
Uninflated cost per square foot per year: \$1.81
Inflated cost per square foot per year: \$2.19

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The following report Figures and Appendices are attached at the end of this report.

Figures	Figure 1: Site Location Map
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1.0 INTRODUCTION

1.1 Purpose

The purpose of this assessment is to provide information to evaluate the condition of the subject property in order to facilitate completion of due diligence by the addressee. The purpose is accomplished by describing the primary systems and components of the subject property, identifying conspicuous defects or material deferred maintenance and presenting an opinion of cost to remedy the observed conditions. In addition, this report identifies systems or components that are anticipated to reach the end of their expected useful life during the specified evaluation period and includes an opinion of cost for future capital replacements.

The findings of this report are intended to be used in support of securing the debt created through the prospective financing for which the subject property serves as collateral. This report may not be used for any other purpose, including, without limitation, use by owner, borrower or tenant for the purpose of evaluating specific building components and systems, or as an instrument in negotiations related to the acquisition or disposition of the property.

1.2 Scope of Work

This assessment was performed in general conformance with the scope and limitations as set forth by ASTM E2018-15 "Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process" (the Standard) and as specified in the engagement agreement that initiated this work. Specific requirements or deviations from the minimum ASTM standard are described herein.

This assessment was performed utilizing methods and procedures consistent with good commercial or customary practices designed to conform to acceptable industry standards. The independent conclusions represent Partner's best professional judgment based upon existing conditions and the information and data available to us during the course of this assignment.

1.3 Cost Evaluation Methodology

Opinions of costs presented within this report are based on construction costs developed by construction resources such as Marshall & Swift, RS Means, Partner's experience with past costs for similar projects, city cost indexes, consultations with local specialty contractors, client-provided information and assumptions regarding future economic conditions. Actual cost estimates are determined by many factors including but not limited to: choice and availability of materials, choice and availability of a qualified contractor, regional climate zone, quality of existing materials, site compatibility and access to the subject property and buildings. In addition, opinions of costs are based solely on material replacement and do not account for soft costs.

Items included in the replacement reserve table are determined based upon the estimated useful life (EUL) of a system or component, the apparent effective age (EA) of the system and the remaining useful life (RUL) of that system. Factors that may affect the age and condition of a system include; however, are not limited to, the frequency of use, exposure to environmental elements, quality of construction and installation and

amount of maintenance provided. Based on these factors, a system may have an effective age that is greater or less than its actual chronological age.

According to interviews with property management, the Main Hospital at the 400 North McDowell property is regulated by California's Office of Statewide Health Planning and Development (OSHPD). OSHPD monitors the construction, renovation and seismic safety of hospitals and skilled nursing facilities. All infrastructure related projects are required to go through the OSHPD review process which usually involves some level of design. According to property management, OSHPD requires that during renovations, capital improvement projects and component replacements all affected building systems be brought up to the current code (local building code and seismic code). Due to the age of the building most projects require significant upgrades to the building systems, specifically the mechanical system. As a result most infrastructure projects incur significant costs beyond standard labor and material costs. Additional costs are related to the OSHPD review process, design procedures and retrofitting the affected building systems for compliance with the current California Building Code.

Opinions of cost provided in Table 1 and Table 2 for the building components in Section 5 of this report (applicable to the 400 North McDowell property only) include an estimated mark-up for the additional fees associated with the OSHPD process. Factors that were considered include costs for the furnish equipment, installation, controls, demolition, reconnection of piping and ductwork, engineering, design and OSHPD review fees. It should be noted that the opinions of cost are rough order of magnitude estimates for high-level planning and budgeting purposes, actual costs will vary depending on the level of design required by OSHPD and the cost for retrofitting the building systems impacted by the project.

1.4 Descriptive Qualifiers

The following definitions and terminology are used in this report regarding the physical condition of the project and the estimated life expectancies/age of the components and systems.

Good	In working condition and does not require immediate or short term repairs above an agreed threshold.
Fair	In working condition; however, may require immediate or short term repairs above an agreed threshold.
Poor	Not in working condition or requires immediate or short term repairs substantially above an agreed threshold.

The agreed threshold is presumed to be the de minimus reporting threshold, unless otherwise specified in this report.

Unless stated otherwise in this report, the systems reviewed are considered to be in good condition and their performance appears to be satisfactory.

1.5 User Reliance

Partner was engaged by the Addressee, or their authorized representative, to perform this assessment. The engagement agreement specifically states the scope and purpose of the assessment, as well as the contractual obligations and limitations of both parties. This report and the information therein, are for the exclusive use of the Addressee. This report has no other purpose and may not be relied upon, or used, by any other person or entity without the written consent of Partner. Third parties that obtain this report, or the information therein, shall have no rights of recourse or recovery against Partner, its officers, employees, vendors, successors or assigns. Any such unauthorized user shall be responsible to protect, indemnify and hold Partner, the Addressee and their respective officers, employees, vendors, successors and assigns harmless from any and all claims, damages, losses, liabilities, expenses (including reasonable attorneys' fees) and costs attributable to such use. Unauthorized use of this report shall constitute acceptance of and commitment to, these responsibilities, which shall be irrevocable and shall apply regardless of the cause of action or legal theory pled or asserted.

This report has been completed under specific Terms and Conditions relating to scope, relying parties, limitations of liability, indemnification, dispute resolution and other factors relevant to any reliance on this report. Any parties relying on this report do so having accepted the evaluation periods and Conditions for which this report was completed. A copy of Partner's standard Terms and Conditions can be found at <http://www.partneresi.com/terms-and-conditions.php>

2.0 RECONNAISSANCE, REGULATORY AND DOCUMENT REVIEW

2.1 Site Reconnaissance

Date: February 1, 2016
Weather: Sunny, approximately 55 degrees Fahrenheit
Field Assessor(s): Ann Ferraro, PE
Escort: 400 North McDowell – Mr. Gary Toavs, Petaluma Valley Hospital,
St. Joseph Health System, Chief Engineer, (707) 778-2649
416 Payran – Mr. Mark Provan,
St. Joseph Health System, Regional Vice President, (707) 575-6623

Limiting Conditions

The performance of this assessment was limited by the following condition(s):

- Pre-survey questionnaires were not completed for either property at the time of the assessment.
- Roof at 416 Payran is pitched, not safely accessible and was observed from ground level.
- Attic at 416 Payran was not accessible.

2.2 Property Personnel Interviewed/Contacted

The site escorts were interviewed during the course of the survey. Mr. Toavs has been associated with the subject property for 10 years and was cooperative during the property observations. Mr. Toavs appeared to be knowledgeable about the subject property history and maintenance practices. Mr. Provan has been associated with the subject property for six months and was cooperative during the property observations. Mr. Provan appeared to be somewhat knowledgeable about the subject property but had limited knowledge of the history and maintenance practices.

In addition to the above-referenced escort, the following personnel associated with the subject property were interviewed as part of the preparation of this report. Information obtained from the interviews is incorporated into the appropriate Sections of this report.

<i>Individual</i>	<i>Position or Title</i>	<i>Contact Number/Email</i>
400 North McDowell		
Ms. Ramona Faith	Petaluma Health Care District, CEO	(707) 285-2143
Mr. Andrew Koblick	Petaluma Health Care District, Controller	(707) 285-2143
Mr. Subodh Chowdhry	St. Joseph Health, Area Director of Facilities	(707) 525-5209
Ms. Jane Read	St. Joseph Health, VP Operations	(707) 559-7500
Mr. Patrick Rodgers	OSHPD Seismic Division	(916) 440-8300
416 Payran		
Ms. Sherri Oster	St. Joseph Health, Business Office Manager	(707) 778-6242

The persons interviewed were cooperative and appeared to be knowledgeable about the subject property history and maintenance practices.

2.3 Regulatory Compliance Inquiry

Building Codes		City of Petaluma Community Development - Building	
Contact:	N/A	Telephone:	(707) 778-4301
Findings:	<input type="checkbox"/> No Violations <input type="checkbox"/> Violations <input checked="" type="checkbox"/> Awaiting response Awaiting response. A written request for information was submitted on January 28, 2016; no response was received prior to the preparation of this report.		
Fire or Life Safety		City of Petaluma Fire Department	
Contact:	Fire Department Secretary	Telephone:	(707) 778-4389
Findings:	<input checked="" type="checkbox"/> No Violations <input type="checkbox"/> Violations <input type="checkbox"/> Awaiting response Inspections at 400 North McDowell are completed on an annual basis. The last inspection was completed on March 17, 2015. Currently inspections are not being conducted at 416 Payran. No violations reported.		
Zoning		City of Petaluma Community Development - Planning	
Contact:	Planning Technician	Telephone:	(707) 778-4470
Findings:	<input checked="" type="checkbox"/> No Violations <input type="checkbox"/> Violations <input type="checkbox"/> Awaiting response No violations reported. The subject properties were reported to be compliant with current zoning. According to the Planning Technician the 400 North McDowell property is zoned Planned Unit Districts (PUD). According to the zoning regulation the PUD zone is permitted for development of residential, industrial and commercial properties. Based on limited review, the subject property appears to be compliant. According to the Planning Technician the 416 Payran property is zoned Civic Facility (CF). According to the zoning regulation the CF zone is applied to sites for proposed public utility facilities, government offices and community service uses. Based on a limited review, the subject property appears to be compliant.		

This information does not constitute a detailed regulatory-compliance investigation and any code compliance issues noted in this report are based on information provided by the regulatory agencies noted above. If possible, the provided information was confirmed with on-site observations. Additional information that is received within 30 days of the site visit will be forwarded upon receipt.

2.4 Document Review

The following documents were referenced as part of this assessment. Information obtained from the documents is incorporated into the appropriate Sections of this report. If available, copies of the referenced documents are included in the appendices.

- Tax Assessor property information (<https://assr.parcelquest.com/Home/Index>)
- Fire inspection reports for 400 North McDowell including: Quarterly Fire Sprinkler System Inspections performed by Reliant (2015); Fire Sprinkler Inspection Certificate report performed by Reliant (March 12, 2015); Annual Fire Hydrant Inspection performed by Reliant (December 31, 2015); Special Hazard Fire Suppression System Inspection performed by Reliant (December 30, 2015); Fire Inspection / Hazardous Materials Notice performed by the City of Petaluma Fire Department (March 17, 2015)
- Fire inspection reports for 416 Payran performed by Stanley Security (2015)

- Elevator conveyance permits (400 North McDowell)
- OSHPD seismic ratings online
(http://www.oshpd.ca.gov/FDD/seismic_compliance/SB1953/ExtensionRequests.pdf)
- OSHPD Project Status online database
(http://www.oshpd.ca.gov/FDD/project_status/index.asp)
- Capital improvement projects list

2.5 Prior Reports

A prior report was not available for reference.

3.0 PROPERTY CHARACTERISTICS

3.1 Parcel Configuration

The subject property improvements are each placed upon two parcels. The 400 North McDowell parcel is irregularly-shaped and comprises approximately 14.63 acres. The 416 Payran parcel is rectangular and comprises approximately 0.48 acres.

3.2 Observed Tenant Areas

<i>Observed units</i>		
<i>Building</i>	<i>Status</i>	<i>Condition notes</i>
Main Hospital	Operational	Good to fair
Burns Hall	Operational	Fair
Groverman Hall	Operational	Good
Power Plant	Operational	Good to fair
Petaluma Hospice	Operational	Good

Observed interior spaces were selected based on the current operations at each facility at the time of the walk-through survey. Areas where patients were being treated were not observed. Conditions appeared to be consistent throughout.

3.3 Site Improvements

3.3.1 Topography and Stormwater Drainage

The general vicinity at the 400 North McDowell property is sloped to the southeast. The general vicinity at the 416 Payran property is flat with a gentle slope to the southeast.

Stormwater at both properties is removed primarily by sheet flow action across the paved surfaces towards stormwater drains located throughout the subject properties and in the public right of way. Sheet flow action from the east portion of the property at 400 North McDowell flows into Lynch Creek that runs along the east property line.

The subject properties are connected to a storm sewer system that is owned and maintained by the municipality.

Survey Condition and Analysis

The topography was observed to be in good overall condition and appears to adequately accommodate the built improvements. Routine maintenance is anticipated during the evaluation period.

Precipitation was not present during the walk-through survey; consequently, direct observation of the operation of the stormwater drainage systems was not possible. Evidence of improper operation was not readily apparent. Routine maintenance, including clearing of debris from inlets, channels, piping and outlets, is anticipated throughout the evaluation period.

3.3.2 Vehicular Access, Paving

Vehicular access is provided by two-way drive lanes leading from the adjacent public right-of-way to the on-site parking areas and drive aisles. Signalization is provided at the entrance point to the 400 North McDowell property but is not provided at the entrance point to the 416 Payran property.

Asphalt pavement is generally utilized throughout both properties. The loading dock at the 400 North McDowell property utilizes concrete pavement.

Based on a physical count, parking areas at 400 North McDowell provide a total of 325 spaces, including 11 ADA-designated and one van-designated spaces. The parking area at 416 Payran provides a total of 25 spaces, including one ADA-designated space that is also van-designated.

Curbing placed at the parking area perimeters and interior islands consists of cast-in-place concrete.

Survey Condition and Analysis

Pavement appears to be in good to fair structural condition. An overlay of the asphalt pavement on the south and west sides of the 400 North McDowell property was completed in 2013 and was observed to be in good overall condition. Linear cracking and "map" or "alligator" cracking were noted in the north and east portions of pavement. Repair of the noted area is recommended. An opinion of cost for this work is included in Table 1. Concrete pavement at the loading dock was observed to be in generally good condition. Pavement at 416 Payran was observed to be in generally good condition. Routine maintenance is anticipated during the evaluation period.

Pavement markings and striping appear to be in good to fair condition. Pavement markings throughout the south and west parking areas at 400 North McDowell were renewed in 2013 and were observed to be in good condition. Markings throughout 416 Payran were worn and should be renewed. An opinion of cost for this work is included in Table 1. Continued reapplication of markings and striping is anticipated during the evaluation period. An opinion of cost for this work is included in Table 2.

Asphalt seal coat appears to be in good to fair condition. The seal coat was renewed during the overlay project in 2013 at the south and west pavement areas of 400 North McDowell and was in good overall condition. The seal coat throughout the north and east pavement areas at 400 North McDowell and throughout 416 Payran was worn and should be replaced. An opinion of cost for this work is included in Table 1. Reapplication of the seal coat is anticipated during the evaluation period. An opinion of cost for this work is included in Table 2.

Curbing was observed to be in good condition. Curbing at 400 North McDowell was replaced in 2013. Routine maintenance is anticipated during the evaluation period.

3.3.3 Walkways, Grade-Level Steps and Ramps

Building entrance flatwork and pedestrian walkways consist of cast-in-place concrete construction. Concrete steps with painted handrails accommodate sidewalk grade changes. Exterior stairs are also provided at the helicopter landing pad.

Survey Condition and Analysis

The pedestrian concrete walkways and steps appear to be in generally good overall condition. Limited cracking was noted. The stairs at the helicopter landing pad were recently replaced and are in good condition. Routine maintenance, including minor sectional replacement, is anticipated throughout the evaluation period.

3.3.4 Landscaping and Irrigation

Landscaped areas consisting of grass-covered lawns, floral plantings, trees and shrubs are provided in areas not occupied by buildings, walkways, or pavement. An underground automatic irrigation system is provided at both properties.

Survey Condition and Analysis

Vegetative materials appear to be in good overall condition. Landscaping services at 400 North McDowell are provided by an outside contractor Land Design. Routine maintenance, including as-needed replacement of vegetation, is anticipated throughout the evaluation period.

Although operation of the sprinkler system was not directly tested, components are assumed to be in proper working order, based on the general appearance and as reported by management. The overall conditions of the landscaping and maintenance practices by the landscape service appear to be adequate. Routine maintenance is anticipated during the evaluation period.

3.3.5 Retaining Walls

Retaining walls are not present.

3.3.6 Site and Building Signage

Building address identification at the 400 North McDowell property is provided by a metal monument sign in the landscaped area at the south property entrance. Façade mounted metal signage is also provided throughout the property near building entrances. Room and area identification signage are provided throughout the interior building corridors and next to the doorways. Building address identification at 416 Payran is provided by painted wood signage above the main building entrance.

Survey Condition and Analysis

The signage was observed to be sufficient and in good condition. According to the property project list the signage at 400 North McDowell was replaced in 2015. Sign painting or replacement can be conducted on an as-needed basis during the evaluation period as part of routine maintenance.

3.3.7 Perimeter Walls, Gates and Fences

Chain-link fencing is provided around the mechanical equipment on the east side of the 400 North McDowell property and around the helicopter landing pad on the north side of the property. Chain-link gates provide access to these areas. Stucco site walls with painted wood gates provide an enclosure around the oxygen tank on the rear of the Main Hospital.

Wood fencing is provided around the south perimeter of the 416 Payran property and painted wood fencing is provided around the dumpster.

Survey Condition and Analysis

The fencing, gates and site walls were observed to be in good and operational condition. Routine maintenance is anticipated during the evaluation period.

3.3.8 Exterior Lights

Outdoor lighting is provided by pole-mounted light fixtures generally located in parking areas. The poles are constructed of metal and some have concrete bases. Soffit areas over entryways have recessed halogen lighting. Limited quantities of bollard-type walkway lights are present at walkways adjacent to building entrances. Timers and photocells control exterior lighting.

Survey Condition and Analysis

The walk-through survey was conducted during daylight hours and lighting operation could not be verified. Based on the number of lights provided and the spacing, the lighting appears to be adequate and was reported to be sufficient for the subject property.

The light fixtures were observed and reported to be in good overall condition. According to the property project list, the lighting at 400 North McDowell was replaced in 2015. The light fixtures are anticipated to require minimal repairs and replacements that can be addressed as part of routine maintenance during the evaluation period.

3.3.9 Site Amenities

Site amenities at 400 North McDowell appear to be limited to benches at the plazas and entrance areas and a patio with chairs and tables on the south side of the building adjacent the dining room.

A leisure area is provided at the rear of the 416 Payran property that is landscaped with brick pavers, gardens and benches. In addition, metal tables and chairs are located on the north side of the 416 Payran property.

Survey Condition and Analysis

The site amenities appear to be in good overall condition. Routine maintenance is anticipated during the evaluation period.

3.3.10 Special Utility Systems

Irrigation water for the 400 North McDowell property is utilized from an on-site water well. The well system includes a pump and water storage tank that are located on the east side of the property.

Survey Condition and Analysis

Special utility systems appear and are reportedly in good overall condition. No issues or service deficiencies were reported. Routine maintenance is anticipated during the evaluation period.

4.0 STRUCTURAL FRAME AND BUILDING ENVELOPE

4.1 Foundation/Substructure

According to property management, foundations at the 400 North McDowell property consist of concrete structural slab and grade beams supported by drilled concrete piers.

Based on experience with similar structures in this geographic region, foundations at the 416 Payran property are presumed to consist of a reinforced-concrete slab-on-grade with continuous strip footings at the perimeter and isolated spread footings at interior bearing locations.

Survey Condition and Analysis

Observation of foundation systems was limited to sections that extend above grade or are uncovered in utility rooms. Cracking was observed in the slab in the Material Management section of the Main Hospital building. In addition, the terrazzo floor finish in the first floor Operating Rooms (OR) was cracked in several locations which is potentially indicative of slab movement at some point in the past. Based on interviews with property management, the operating room (OR) floor finish has been cracked for at least several years and since the cracks were sealed in 2015, further movement has not been observed. Evidence of structural distress indicative of foundation settlement was not observed around the building perimeter or along the exterior walls. It is recommended that the foundation be monitored, specifically in the OR for additional damage to the floor covering. If the deterioration continues, the floor should be investigated by a structural engineer. Normal monitoring of the foundation is anticipated during the evaluation period.

4.2 Building Frame

The Main Hospital and Power Plant are constructed with a conventional steel frame consisting of interior and perimeter columns supporting elevated floors of steel beams, girders and joists with concrete-topped metal decks. The roof is constructed of a metal deck supported by steel columns, beams and joists. Exterior walls consist of steel studs spanning between the floor structures.

Groverman Hall is constructed with load bearing light-gauge steel studs at perimeter and interior walls. Steel columns and beams are utilized at isolated areas. Elevated floors are constructed of steel, C-channel studs supporting concrete-topped metal decking. The flat roof is formed by engineered, light-gauge steel trusses sheathed with plywood decking.

The Burns Hall and the Petaluma Hospice are constructed of conventional, wood-stud platform framing. Upper floors consist of wooden beams and joists with concrete-topped, wooden sheathing supported by interior wooden columns. The pitched roof structure consists of engineered-wood trusses with wooden decking. The roof trusses form an attic that is accessible by a ceiling hatch located in the upper floor corridor.

Survey Condition and Analysis

Evidence of structural distress indicative of framing failure was not observed. The framing appears to be in functional condition. Normal monitoring of the framing is anticipated during the evaluation period.

4.3 Facades or Curtain Walls

4.3.1 Exterior Walls

The exterior walls of the buildings at the 400 North McDowell property consist of painted stucco. The exterior walls of the 416 Payran building consist of painted wood clapboard siding. Soffits are painted stucco or wood.

Survey Condition and Analysis

The exterior wall were observed to be in generally good condition at both properties. Staining was observed along the upper perimeter of the buildings at the 400 North McDowell property, especially below the upper floor windows at the Main Hospital. It is recommended that that all four buildings at 400 North McDowell be cleaned. Due to the low cost and limited scope of this work it can be performed as part of regular routine maintenance as part of the operational budget. Reportedly some dry rotted siding was replaced in 2015 at the 416 Payran property. In order to preserve the estimated useful life of the exterior walls, exterior cleaning, minor repairs and painting is recommended over the evaluation period for all of the buildings at both properties.

An opinion of cost for this work is included in Table 2.

4.3.2 Windows

Windows were observed to be double-pane fixed and operable units. Window framing was observed to be aluminum at both properties. Windows at the building entrances at the Main Hospital are part of a storefront window system consisting of full height, low-e or solar tinted glazing in aluminum frames that incorporates the entry doors. Aluminum-framed storefront units with fixed panes of tinted, insulated glazing are utilized along the main floor of the Main Hospital building.

Survey Condition and Analysis

Windows were reported and observed to be in good to fair overall condition. Windows in the Community Room were replaced in 2013. No signs of window leaks or condensation were evident during the observation. Window sealants were observed to be intact, with no signs of deterioration. Some staining was observed on the window frames at Burns Hall; cleaning the exteriors should include cleaning the window frames. Routine maintenance including replacing sealants and caulking the perimeter frames is anticipated during the evaluation period.

4.3.3 Doors

The main entrance doors consist of single or double aluminum-framed doors with full-height glazing or painted metal doors. Hardware includes horizontal exit bars, exterior pulls, closers and deadbolts.

The main entrance at the Main Hospital building is constructed of an automatic-opening pair of aluminum-framed doors with full-height glazing set in an aluminum storefront system. An inner pair of doors of the same basic configuration form a vestibule with sides constructed of aluminum-framed storefront windows.

Secondary doors are painted, hollow metal set in metal frames. The doors have horizontal exit bars, exterior lever handles, closers and deadbolts.

Survey Condition and Analysis

Doors are reported and observed to be in good overall condition. Doors in the Community Room were replaced in 2013. Routine maintenance is anticipated during the evaluation period.

4.3.4 Parapets

Exterior walls at the Main Hospital, Burns Hall and the Power Plant extend above the roof plane as parapets and are capped with sheet steel copings. Roof materials cover the inboard sides of the parapets (except for the Main Hospital addition where the inboard sides are stucco). The materials terminate under the coping. Parapets are not provided at the 416 Payran building.

Survey Condition and Analysis

Parapets appear to be in fair overall condition. Microbial growth was observed around the inner walls of the parapets on the Main Hospital building. It is recommended that these areas be cleaned in order to preserve the estimated useful life of the roof membrane along the parapet wall. Due to the low cost and limited scope of this work it can be performed as part of regular routine roof maintenance. Routine maintenance is anticipated during the evaluation period.

4.4 Roof

4.4.1 Roofing Materials

Roof coverings at the Main Hospital (original building), Burns Hall and the Power Plant consist of rubber (EPDM) single-ply sheet over original built-up roofing (BUR). The roofing materials extend vertically up the inboard side of the parapet walls, terminating under metal copings. Roof coverings at Groverman Hall consist of adhered, single-ply membrane and parapet walls are not provided. Roof coverings at the Main Hospital addition consist of BUR system with mineral-surfaced cap sheet. Roofs at 416 Payran are pitched and covered with asphalt-composition shingles (ACS). Flashing materials appear to be similar to the roofing membrane.

Several canopies are provided around the buildings. Canopies are typically supported by stucco columns and have a roof covering that is similar to the building, BUR with single-ply top sheet. Covered walkways are provided between the Main Hospital building and Groverman Hall. The walkways are supported by wood posts and the roofing consists of single-ply membrane.

<i>Structure</i>	<i>Roof type</i>	<i>Approximate area</i>	<i>Installation date</i>
Main Hospital	Single-ply over BUR	53,000	1979 and added EPDM ply in 1990s
Main Hospital Addition	BUR with asphalt topping	10,800	1991
Burns Hall	Single-ply over BUR	3,000	1979 and replaced EPDM ply in 1990s
Groverman Hall	Single-ply	2,400	1979 and replaced EPDM ply in 1990s
Power Plant	Single-ply over BUR	3,200	1979 with addition in 1990
Petaluma Hospice	Asphalt composition shingles	5,800	1997

Survey Condition and Analysis

The roofing systems at 400 North McDowell appear to be in fair to poor overall condition. The roofs throughout the property are approaching the end of their service lives. According to property management, the BUR roof system is original, installed in 1979 at the Main Hospital, Burns Hall and Groverman Hall. A single-ply membrane was laid over the BUR in the early 1990s. The roof on the addition to the Main Hospital (north side) is original and installed in 1991. Based on our observations, the reported ages appear to be reasonable.

Ponding and collections of debris and silt deposits were observed throughout the roof of the Main Hospital building. According to property management, the roof over the Power Plant is budgeted for replacement in 2016. It is recommended that the roof over the Main Hospital also be budgeted for replacement. An opinion of cost for this work is included in Table 1. Based on estimated useful life and overall condition replacement of the roofs at Burns Hall, Groverman Hall and the addition at the Main Hospital are anticipated during the evaluation period. An opinion of cost is included in Table 2. Metal coping around the roof perimeters was observed to be in fair to poor condition throughout and should be replaced during the roof replacement. Due to the complexity of the OSHPD process for all capital improvement projects at the subject property, it is recommended that the roofs be budgeted for replacement before failure.

According to the site escort, roof maintenance and repairs at 400 North McDowell are conducted by a roofing contractor, either Cinemark or Rosa Construction. Preventative maintenance is conducted by in-house staff and includes cleaning debris from the roofs and internal roof drains annually.

The roof at the Petaluma Hospice was observed to be in good overall condition. According to the site contact the roof is original installed in 1997. Several roof repairs were conducted in 2015. Replacement of the roof is anticipated during the evaluation period. An opinion of cost is included in Table 2.

According to the site escort, roof maintenance and repairs at 416 Payran are conducted by a roofing contractor Allied Builders.

4.4.2 Roof Drainage

Stormwater runoff for the roofs at the 400 North McDowell property is directed to roof drains connected to internal leaders that exit through the exterior walls and discharge directly to into the storm drain collection system. Emergency overflow scuppers are provided at the Main Hospital addition.

Stormwater runoff for the roof at the 416 Payran property is directed to gutters and downspouts which discharge at grade.

Survey Condition and Analysis

Roof drainage at 400 North McDowell was observed to be in good to fair overall condition. Roof drains should be repaired or replaced as needed during roof replacement activities. Evidence of ponding was observed throughout the Main Hospital building. Ponding is a source of potential water infiltration and may contribute to reducing the expected useful life of the membrane. Evidence of water damage indicative of roof leaks was observed at the Main Hospital building in the Pharmacy. According to the staff personnel at the Pharmacy, the ceiling leaks during rain events. Immediate repair of the noted leak is recommended. Due to the low cost and limited scope of the roof work this can be performed as part of regular maintenance. Routine maintenance is anticipated during the evaluation period.

Roof drainage at 416 Payran was observed to be in good overall condition. Gutters and downspouts should be repaired or replaced as needed during roof replacement activities. Evidence of ponding or roof leaks was not observed. Routine maintenance is anticipated during the evaluation period.

4.5 Fire Escapes, Stairs or Balconies

Exterior stairs at 400 North McDowell include stairs providing access to the second floor of the Main Hospital, Burns Hall and the Power Plant. Exterior stairs at the Power Plant are painted steel with steel treads and open risers; at Burns Hall the stairs are constructed of steel frame with concrete treads and open risers. Steel pipe guardrails are provided on the open sides, while steel handrails are located on adjacent walls. Exterior stairs at the Main Hospital are painted steel frames with concrete treads and closed risers. Observed steel components are painted.

Exterior stairs at 416 Payran are located on the west elevation and provide access to the second floor. The stairs are constructed of painted wood. Painted wood guardrails are provided on the open sides, while painted wood handrails are located on adjacent walls.

Interior stairs at the Main Hospital are constructed of steel stringers and closed risers with concrete-filled steel pan treads. Open sides are protected by steel pipe guardrails and steel pipe handrails are located on walls at closed sides. Interior stairs at Burns Hall are constructed of steel stringers and closed risers with concrete-filled steel pan treads and carpet floor covering. Stained wood handrails are provided on wall sides. Observed steel components are painted and the concrete treads are exposed.

Interior stairs at 416 Payran are constructed of wood stringers and closed risers with wood treads and carpet floor covering. Open sides are protected by painted wood balustrades and handrails. Painted wood handrails are located on walls at closed sides.

Survey Condition and Analysis

Stairs appear to be in generally good condition. The stairs at the 416 Payran property were repaired in 2015. The non-slip material on exterior stair treads at Burns Halls is worn or missing and should be replaced. Due to the low cost and limited scope of this work it can be performed as part of regular maintenance. Routine maintenance is anticipated throughout the evaluation period. Replacement of elastomeric coatings is anticipated during the evaluation period. The cost for this work is relatively inexpensive and can be performed as part of routine maintenance. Painting of the guardrails and handrails can be performed in conjunction with the painting of the building exterior. Replacing the carpet finish can be performed in conjunction with replacing the interior carpeting.

5.0 MECHANICAL AND ELECTRICAL SYSTEMS

5.1 Plumbing, Domestic Hot Water and Sewer Systems

Domestic water piping was reported to be copper at both properties by property management.

Sanitary drainage and vent piping is reported to be cast iron and galvanized steel by property management.

Domestic hot water to the 400 North McDowell property is supplied by two low pressure steam boilers located in the Power Plant building (the low pressure boilers are also used for heating). Water is piped from the boilers to two water heaters that are located in the room adjacent the Boiler Room. Based on the size of the water heaters they are estimated to have an approximate capacity of 140 gallons. The low pressure steam boilers are manufactured by Cleaver Brooks and Mura Boiler. The Mura automatic steam boiler has an input capacity of 4,148 MBh. The input capacity of the Cleaver Brooks automatic steam boiler could not be located; however, it is likely similar to the capacity of the Mura. Two water softeners manufactured by Bruner are located in the room with the water heaters.

Two high pressure steam boilers provide hot water to the operating rooms on the first floor of the Main Hospital for sterilization. The high pressure boilers are located in the Power Plant.

Domestic hot water to the restrooms and kitchen at the 416 Payran property is reportedly provided by a 30-gallon gas-fired water heater.

Survey Condition and Analysis

The plumbing systems were reported to be in good overall condition. Evidence of leaks or faulty piping was not observed. Routine maintenance is anticipated during the evaluation period.

The low pressure steam boilers were in good to fair condition. The Mura boiler was installed in 1993 and was offline during the site walk-through. According to property management, regular maintenance is difficult to perform on the boiler and replacement parts are challenging to find when needed for repairs. Therefore, the Cleaver Brooks boiler is always online and supplies all of the hot water to the property, while the Mura is only utilized when the Cleaver Brooks is undergoing maintenance. The Cleaver Brooks boiler appears to be in good and operational condition. Due to the overall condition and difficulty maintaining and repairing the Mura boiler, it is recommended that the boiler be replaced. An opinion of cost for this work is included in Table 1. Due to the complexity of the OSHPD process for all capital improvement projects at the subject property, it is recommended that the boiler be budgeted for replacement prior to failure. Based on estimated useful life and overall condition replacement of the Cleaver Brooks boiler is anticipated during the evaluation term. An opinion of cost for this work is included in Table 2. Based on estimated useful life and overall condition replacement of the water heaters is anticipated during the evaluation period. An opinion of cost for this work is included in Table 2.

The high pressure boilers were reported to be in poor to good condition. One of the high pressure boilers was out of commission during the walk-through survey and is in the process of being replaced. In order to accommodate for the hot water demand, a temporary boiler was brought on-site. According to property management, the replacement boiler is in the design process with the local regulating agency OSHPD and the temporary boiler will remain in operation until the new boiler is installed. The second high pressure

boiler was in operating condition. The high pressure boilers were installed in the 1990s. Due to estimated useful life and overall condition, replacement of the second high pressure boiler is anticipated during the evaluation period. It is recommended that the boiler be budgeted for replacement in 2016 to ensure that enough time is provided for design and replacement before the boiler fails to operate. An opinion of cost for this work is included in Table 2.

The water heater at 416 Payran was reportedly in good overall condition. The unit was reported to have been installed in 2015. Routine maintenance is anticipated during the evaluation period.

The sanitary drainage and vent system was reported to be in good overall condition. Review of the capex list indicated that a sewer line was repaired in 2013. Evidence of leaks or faulty piping was not observed. Routine maintenance is anticipated during the evaluation period.

Repairs of the plumbing system at the 400 North McDowell property is reportedly performed by an outside contractor, CBS Plumbing. In addition, they perform annual inspections of the backflow preventers. As-needed repairs of the plumbing system at the 416 Pyran property are performed by an outside contractor, Joe's Plumbing.

Opinions of cost provided in Table 1 and Table 2 for the building components in this section (applicable to the 400 North McDowell property only) include an estimated mark-up for the additional fees associated with the OSHPD process. Factors that were considered include costs to furnish equipment, installation, controls, demolition, reconnection of piping and ductwork, engineering, design and OSHPD review fees. It should be noted that the opinions of cost are rough order of magnitude estimates for high-level planning and budgeting purposes, actual costs will vary depending on the level of design required by OSHPD and the cost for retrofitting the building systems impacted by the project.

5.2 Heating, Air Conditioning and Ventilation

Heating and cooling are provided by a central system that consists of a boiler, a cooling tower, chillers, air handling units (AHUs) and fan coil units (FCUs). The gas-fired low pressure steam boilers (also used for domestic water heating) are located in the boiler room in the Power Plant building and are manufactured by Cleaver Brooks and Mura Boiler. The Mura automatic steam boiler has an input capacity of 4,148 MBh. The input capacity of the Cleaver Brooks automatic steam boiler could not be located but is likely similar to the capacity of the Mura. Heating is provided to the building by the low pressure steam boilers which send steam to heat exchangers located throughout the building.

A new chiller was in the process of being installed at the time of this site survey. The new chiller will replace the current chiller and cooling tower. The chiller equipment is located in a fenced area next to the Power Plant building on the south side of the property. The new chiller is manufactured by York and has a reported capacity of 200-tons and utilizes R-134A refrigerant. A temporary chiller was installed during the walk-through survey and will remain operational until the new chiller is online. These components provide steam or chilled water to five air handling units and to variable-air-volume (VAV) boxes located in the ceiling. Three of the air handling units are located in mechanical rooms and two are located on the roof. The air handling units, manufactured by Trane and Mammoth range from 11,000 to 25,000 CFM. They are controlled by a building automation system (BAS) along with local thermostats for temperature control. VAV boxes are provided for AHU 1 distribution.

Heating and cooling to Burns Hall and Groverman Hall are provided by HVAC packaged units that are located at grade around the perimeter of the building (Burns Hall) or on the roof (Groverman Hall). The packaged units were manufactured by various manufactures and have a typical input capacity of 5-tons. Cooling is provided by direct expansion and appears to utilize R-22 refrigerant while the heating is provided by electric resistance coils. Conditioned air is distributed through sheet metal ducts to diffusers located in the finished ceilings. Fresh air is supplied by intakes on the side of the package units. Return air is collected by concealed sheet metal ducts through ceiling-mounted intakes. The systems are controlled by manually operated thermostats.

Heating and cooling to the 416 Payran property are provided by direct expansion HVAC split systems. Each system has a condensing unit located at grade on the west side of the building below the stairs. Manufactured by York and Goodman, the six condensing units have a typical input capacity of 3- to 4-tons and use R-22 refrigerant. The furnace units are located in the attic and provide heat through gas-fired heating coils. Distribution of the conditioned air is by concealed sheet metal ductwork and temperature control is by a local thermostat.

Accessory areas such as mechanical rooms and vestibules are heated by electric resistance, cabinet unit space heaters that are either ceiling-hung or wall-mounted.

Ventilation is provided by individual and common area fans that vent through the roof. According to property management, some of the pneumatic piping is polybutylene.

Survey Condition and Analysis

According to property management, the mechanical equipment at 400 North McDowell is maintained by in-house staff and an outside vendor, United Mechanical. Quarterly maintenance is typically performed twice per year by the outside contractor and twice per year by the in-house staff. The mechanical equipment at 416 Payran is maintained by Simpson Sheet Metal which includes quarterly preventative maintenance.

The low pressure steam boilers were reported to be in good to fair condition. Please refer to Section 5.1 for further discussion of the low pressure boilers.

The chiller at the 400 North McDowell property was in the process of being replaced during the walk-through survey, it was on site but not online yet. The building was running off of a temporary chiller. The cooling tower that was part of the old system was not in operation and will be removed after the new chiller is online. The site contact anticipated installation to be complete by the first week of May 2016. Replacement of the chiller is not anticipated during the evaluation period. Routine maintenance is anticipated during the evaluation period.

HVAC packaged units at Burns Hall and Groverman Hall were observed to in good to poor condition. The units were reported to have been installed in the mid-1990s. One packaged unit at Burns Hall was out of commission. It is recommended that this packaged unit be replaced. An opinion of cost for this work is included in Table 1. Replacement of the packaged units is anticipated during the evaluation period. An opinion of cost for this work is included in Table 2. Routine maintenance is anticipated during the evaluation period.

HVAC split systems at 416 Payran were observed to be in good condition. Two of the condensing units and furnaces were replaced in 2013. According to property management, the other four split systems were installed in 1997. Replacement of the four original split systems is anticipated during the evaluation period. An opinion of cost for this work is included in Table 2. Routine maintenance is anticipated during the evaluation period.

Air handling units are reported to be original (four installed in 1979 and one installed during the addition in 1991). They are reported to be in good to fair condition. Air handling unit 3 was retrofitted in 2015, the coils and the controller were replaced. Based on estimated useful life, replacement/retrofitting of the other four air handling units is anticipated during the evaluation period. An opinion of cost for this work is included in Table 2. All systems are on a maintenance service agreement through United Mechanical and appear to be well maintained. Routine maintenance is anticipated during the evaluation period. Due to the complexity of the OSHPD process for all capital improvement projects at the subject property, it is recommended that the air handling units be budgeted for replacement prior to failure.

Roof-mounted exhaust fans and ducting appeared to be in good condition. Fire dampers were repaired in 2013. Routine maintenance, including regular inspection, testing and minor repair is anticipated throughout the evaluation period.

Opinions of cost provided in Table 1 and Table 2 for the building components in this section (applicable to the 400 North McDowell property only) include an estimated mark-up for the additional fees associated with the OSHPD process. Factors that were considered include costs for the furnish equipment, installation, controls, demolition, reconnection of piping and ductwork, engineering, design and OSHPD review fees. It should be noted that the opinions of cost are rough order of magnitude estimates for high-level planning and budgeting purposes, actual costs will vary depending on the level of design required by OSHPD and the cost for retrofitting the building systems impacted by the project.

5.3 Electrical

Electrical service to 400 North McDowell is delivered via pad-mounted, utility-owned transformers located on the south side of the property. Main electrical service is rated at 2000 amp, 600 volt, three phase, four wire main distribution panels. Breaker panels for lighting and power controls are generally located in the electrical room, emergency generator room and mechanical rooms with several located in the corridors and other interior spaces. Observed panels were manufactured by Square D and ITE.

Electrical service to 416 Payran is delivered via a pole-mounted, utility-owned transformers located along the street on the north side of the property. Main electrical service is rated at 400 amp, 208/120V volt, three phase four wire main distribution panels. Breaker panels for lighting and power controls in the interior spaces. Observed electrical panels were manufactured by Square D.

Electrical branch wiring at both properties was reported to be copper by property management.

Emergency electrical power to the 400 North McDowell property is provided by three diesel-powered generators. The generators are located in the fenced utility area on the south side of the property. The generators reportedly power all emergency services at the property during a power outage. The two main generators are rated at 365 kW (manufactured by Cummins) and 315 kW (manufactured by Kohler). A small generator is also provided to support the CT machine. An underground 10,000-gallon

diesel tank powers the emergency generators (due to the age and installation date, this tank can also be used to power the boilers if needed).

Survey Condition and Analysis

The electrical service at 400 North McDowell was reported to be adequate for the current demands of the facility. The switchgear, circuit breaker panels, electrical meters and wiring appear to be mostly original with some upgrades to the system in the 1990s. In addition, some upgrades/retrofits have been performed to comply with OSHPD regulations during capital improvement projects. Electrical service components appear to be in good overall condition. Routine maintenance is anticipated during the evaluation period.

The electrical service at 416 Payran was reported to be adequate for the current demands of the facility. The switchgear, circuit breaker panels, electrical meters and wiring appeared to be in good condition. Routine maintenance is anticipated during the evaluation period.

The emergency generators are tested weekly. According to property management, the generators were installed in the 1990s, are reportedly in fair to poor condition and are scheduled for replacement in 2016. According to the site contact replacing the generators would include replacement of all of the generator related equipment in the generator room and removal of the underground storage tank. Due to the criticality of the generators to the overall mission at the hospital, it is recommended that a similar system (two medium sized generators verses one large generator) be used for the replacement. An opinion of cost for replacement of all three generators is included in Table 1. Routine maintenance is anticipated throughout the evaluation period. Due to the complexity of the OSHPD process for all capital improvement projects at the subject property, it is recommended that the emergency generators be budgeted for replacement before running them to failure.

Preventative maintenance for the electrical system is reportedly performed annually by an outside contractor, Blake City Electrical. Annual infrared testing is performed by Asco Emerson. Service for the emergency generators are serviced by Peterson Power.

Service and repairs to the electrical system at 416 Payran are performed by an outside contractor, Mike Ferris Electric.

Opinions of cost provided in Table 1 for the building components in this section (applicable to the 400 North McDowell property only) include an estimated mark-up for the additional fees associated with the OSHPD process. Factors that were considered include costs for the furnish equipment, installation, controls, demolition, reconnection of piping and ductwork, engineering, design and OSHPD review fees. It should be noted that the opinions of cost are rough order of magnitude estimates for high-level planning and budgeting purposes, actual costs will vary depending on the level of design required by OSHPD and the cost for retrofitting the building systems impacted by the project.

5.4 Vertical Transportation

Vertical conveyances are not provided.

5.4.1 Elevators

Four hydraulic passenger elevators (two passenger and two service) are provided at the 400 North McDowell property. According to posted signs and placards, the elevators were manufactured by Kone and each has a capacity of 4,000 pounds.

One hydraulic passenger elevator is provided at the 416 Payran property. According to posted signs and placards, the elevator was manufactured by Kone and has a capacity of 2,500 pounds.

The interior cab finishes consist of lighting ceiling panels, carpet wall finishes and resilient flooring. The control panels are provided with illuminated push button floor indicators, alarm button, emergency pull button and emergency phone. The elevators are provided with audible floor indicators and sensors that automatically open the doors when an obstruction is encountered.

Survey Condition and Analysis

The elevators at the 400 North McDowell property were observed to be in fair to poor overall condition. One passenger elevator was out of commission. According to property management, the elevator has been down since December 2015. The elevator equipment is original and appears to be nearing the end of its service life. Replacement of the elevator will require the project to go through the local regulating agency OSHPD for design. An opinion of cost to replace the elevator is included in Table 1. Replacement of elevator mechanical and control equipment for the other three elevators is anticipated during the evaluation period. An opinion of cost for this work is included in Table 2. Due to the complexity of the OSHPD process for all capital improvement projects at the facility, it is recommended that the elevators be budgeted for replacement prior to failure.

According to the operation permit, the elevators at 400 North McDowell were last inspected on November 13, 2015. Inspection and test certificates were available for review but those posted in the cab were expired. It is recommended that copies of the current permits be posted in the elevator cabs.

The elevator at the 416 Payran property was observed and reported to be in good overall condition. According to the operation permit, the elevator was last inspected on October 16, 2015. The elevator was reportedly last load tested in January 2016. Inspection and test certificates were observed within the elevator cab. Routine maintenance is anticipated during the evaluation period.

The elevators at both properties are reportedly maintained through a service contract with Kone. The service contract reportedly provides for minor repairs and maintenance activities. The date of last service was posted as October 15, 2015 for the 416 Payran elevator and was not provided for reference for the 400 North McDowell property.

Opinions of cost provided in Table 1 and Table 2 for the building components in this section (applicable to the 400 North McDowell property only) include an estimated mark-up for the additional fees associated with the OSHPD process. Factors that were considered include costs for the furnish equipment, installation, controls, demolition, reconnection of piping and ductwork, engineering, design and OSHPD review fees. It should be noted that the opinions of cost are rough order of magnitude estimates for high-level planning and budgeting purposes, actual costs will vary depending on the level of design required by OSHPD and the cost for retrofitting the building systems impacted by the project.

5.4.2 Escalators

Escalators are not provided.

5.5 Life Safety and Fire Protection

5.5.1 Fire Suppression Systems

Both properties are protected by an automatic fire protection system consisting of a wet-pipe automatic sprinkler system. However, Burns Hall and Groverman Hall do not have a sprinkler system.

A chemical fire suppression system is located in the exhaust hood above the cooking equipment in the kitchen at the Main Hospital. The chemical tank is located on a wall adjacent to the exhaust hood.

Fire extinguishers were observed in corridors, elevator lobbies and in mechanical/electrical spaces. They are reportedly inspected on a yearly basis, with the last inspection having occurred in March 2015 at the 400 North McDowell property and May 2015 at the 416 Payran property. Fire hydrants are located at several points adjacent to the parking lot.

Survey Condition and Analysis

The fire suppression system appears to be in good overall condition. The systems appear to be original, installed in 1979 (400 North McDowell property) and 1997 (416 Payran property). The system, including the backflow preventers, is reportedly tested on an annual basis. Current inspection tags were observed on the risers. Review of the most recent Special Hazard Fire Suppression System Inspection report conducted by Reliant on December 30, 2015 indicate that several deficiencies were identified including improper warning signs, service switch malfunction in the MRI Trailer and several deficiencies related to the control panel. It is recommended that the deficiencies be corrected. An opinion of cost for this work is included in Table 1. Routine maintenance, including regularly-scheduled testing, is anticipated during the evaluation period.

Current inspection tags were observed on the fire extinguishers. Routine maintenance, including regularly-scheduled testing and as-needed replacement, is anticipated during the evaluation period.

5.5.2 Alarm Systems

The fire alarm systems at both properties are reportedly comprised of hardwired smoke detectors, heat detectors, pull stations and alarm horn/strobes. Central fire alarm control panels monitor the smoke detectors, pull stations and sprinkler system flow switches. The alarm panels were manufactured by Honeywell (Main Hospital and Groverman Hall), Simplex (Burns Hall) and Radionics (416 Payran) and each includes a remote dialer. The system is fully-addressable and is reportedly monitored by Allied and Stanley for the 400 North McDowell and 416 Payran properties, respectively.

Survey Condition and Analysis

The fire alarm systems appear to be in good overall condition and are reportedly tested on an annual basis. Current inspection tags were observed on the main fire alarm control panel. The fire alarm control panels were reportedly replaced at the 400 North McDowell property in 2013 (Groverman Hall) and 2015 (Main Hospital). Fire alarm system components were reported to have been added to the second floor

sleep room in 2014. Routine maintenance, including regularly-scheduled testing, is anticipated during the evaluation period.

5.5.3 Other Systems

Emergency lighting is typically provided by wall- and ceiling-mounted battery-operated fixtures. Emergency means of egress locations are indicated by illuminated exit signs. Security systems are installed at the Main Hospital including card access and cameras.

Survey Condition and Analysis

The observed components appear to be in good overall condition. The emergency lighting is reportedly tested monthly at both properties. Routine maintenance, including regularly-scheduled testing and as-needed replacement, is anticipated during the evaluation period.

6.0 INTERIOR ELEMENTS

6.1 Common Areas

Significant common areas at the subject property consist of the lobby, cafeteria, corridors, stairwells, passenger elevators, public restrooms and waiting rooms at the Main Hospital.

Corridor finishes consist of vinyl composition tile (VCT) flooring, wall coverings and painted gypsum board walls and acoustical tile ceilings. Lighting consists of suspended fluorescent fixtures.

Common area finishes consist of VCT, resilient sheet, ceramic tile and carpet flooring, painted gypsum board walls and acoustical tile ceilings. Lighting consists of fluorescent light fixtures with diffusers. Furnishings in the common areas typically consist of tables and chairs.

Stairwell and interior corridor doors are solid-wood or painted metal doors equipped with panic-bar hardware and closers. The restroom finishes consist of ceramic tile and resilient sheet floors, ceramic tile, wallpaper covering and painted gypsum board walls, painted gypsum board ceilings and metal toilet partitions.

Survey Condition and Analysis

Common area finishes and furnishings were observed to be in good overall condition. Most of the floor finishes are original; however, appeared to be in generally good overall condition. According to property management, finishes in several of the common areas were renovated in 2012 including the main lobby, cafeteria and ER waiting room. Replacement or refurbishment of finishes and furnishings is anticipated during the evaluation period. An opinion of cost for this work is included in Table 2.

6.2 Amenities and Special Features

Amenities at the Main Hospital include the gift shop near the main lobby.

Survey Condition and Analysis

Amenities were observed to be in good overall condition. Routine maintenance is anticipated during the evaluation period.

6.3 Support Areas

Management office and back-of-house areas at the 400 North McDowell property include the medical spaces restricted to staff (i.e., nurses stations, Pharmacy, Materials Management, Medical Records, laboratories), offices, conference rooms, training rooms, employee lounges, commercial kitchen, maintenance areas and mechanical spaces. Burns Hall, Groverman Hall and the Power Plant are considered support areas. Support areas at the 416 Payran property include offices and the kitchen.

Support areas are typically finished with carpet, ceramic tile, VCT and exposed concrete slab flooring, painted gypsum board with accent areas of wall covering and painted gypsum board, acoustic tile and exposed ceilings.

The commercial kitchen at the Main Hospital is finished with quarry tile flooring, fiberglass reinforced plastic (FRP) and painted gypsum board wall finishes and painted gypsum board ceilings. The kitchen is provided with a variety of commercial kitchen equipment consisting of electric ovens, grills and stoves, broilers, fryers, steamers, microwaves, warming ovens, chilled prep tables, chilled and heated delivery cabinets, walk-in refrigerator and freezer, reach-in refrigerators and freezers, miscellaneous small appliances, a scullery with sanitizer and drying racks, stainless steel shelving, cutlery and wares. Employee lounges are typically provided with a kitchenette consisting of a sink, cabinets, mini refrigerator and a microwave.

The kitchen at the Petaluma Hospice is finished with VCT flooring, painted gypsum board walls and ceiling. The kitchen is provided with residential type kitchen equipment consisting of a gas-fired stove, oven, refrigerator/freezer, dishwasher and toaster.

Doors at both properties are typically stained and painted solid core wood set in painted metal frames. Hardware consists of lever handles.

Survey Condition and Analysis

Interior support area finishes and furnishings were observed to be in good to fair overall condition. Most of the floor finishes are original but generally in good overall condition.

The kitchen equipment at both properties was reported to be original and in good to fair condition. In-house staff performs regular preventative maintenance on the commercial kitchen equipment. Based on estimated useful life, replacement of the kitchen equipment is anticipated during the evaluation period. An opinion of cost for this work is included in Table 2.

The finishes at Burns Hall were generally in fair condition. According to property management, finishes in several of the support areas were renovated including the laboratory (2011) and Groverman Hall (2010). Based on the expected useful life, replacement of soft finishes (carpet, paint and wall coverings) is anticipated during the evaluation period. An opinion of cost for this work is included in Table 2.

Furnishings and equipment appear to be in good to fair overall condition. Based on the expected useful life, replacement of a portion of the furnishings and equipment is anticipated during the evaluation period. An opinion of cost for this work is included in Table 2.

6.4 Tenant Spaces

Tenant occupancy includes one tenant at each property. Tenant spaces at both properties include spaces occupied by staff and patients. At the Main Hospital these spaces are generally areas where patients are treated including patient rooms which make-up most of the second floor, operating room, emergency rooms and other treatment areas (i.e., radiology, mammography). At the Petaluma Hospice these spaces include treatment rooms and the recreation rooms. Currently the Main Hospital is licensed for 60 beds. Approximately 12 beds were not being utilized during the walk-through survey and those rooms were being used for storage and sleep rooms for staff. Observed tenant space flooring consists of carpet, wood, terrazzo and vinyl tile. Walls are typically painted gypsum board; areas of vinyl wall covering are also present. Ceilings are typically suspended acoustic tiles and painted gypsum board. Furnishings in the treatment areas includes beds, televisions, nightstands, chairs and cabinetry.