



**HAMPTON INNS & SUITES
NORWICH, CONNECTICUT**

**TWENTY-FOURTH SITE OBSERVATION REPORT
DECEMBER 11, 2009**

**EMJ PROJECT No. 07-5189
DECEMBER 14, 2009**

**HAMPTON INNS & SUITES
154 SALEM TKPE.
NORWICH, CONNECTICUT**

GENERAL DESCRIPTION

The project will consist of the construction of a six-story hotel on a 4.5 acre site adjacent to Interstate 395 and Salem Tkpe. (CT Rt. 82). The hotel will have 113 rooms. Surface parking for 132 vehicles, including five designated handicap spaces, will be provided for the proposed building.

The proposed hotel will be a masonry bearing wall structure with concrete plank floors and roof. Exterior closure will consist of brick veneer and EFIS with metal stud back up.

All utilities for the site will be provided by the City of Norwich, with exception of telephone by AT&T, and cable TV by ComCast.

Heating and cooling for the guest rooms will be by PTAC units. The common areas and the lobby will be heated and cooled by split system equipment. A standby generator will be installed to supply emergency power.

Finishes, plumbing, fire protection and mechanical systems have not been defined.

GENERAL PROJECT DATA

Owner	PRA At Norwich LLC
General Contractor	PRA Development & Management Corp.
Architect	Leonard Ciccotello
MEP Engineer	
Civil Engineer	CLA Engineering, Inc.
Geotechnical Engineer	
Structural Engineer	

TWENTY-FOURTH SITE OBSERVATION, December 11, 2009, by John Cason

Our twenty-fourth site observation was made on December 11, 2009, at the request of the Developer on behalf of the Lender.

It was overcast during our site observation with a temperature of approximately 50° F.

DOCUMENTS RECEIVED

1. Application for Payment No. 24 corrected to No. 25 for the period to 11/30/09, not signed by the Architect of Record

DOCUMENTS NOT RECEIVED

1. All city, county, state and federal approvals
2. All agreements for design and construction services
3. Geotechnical soil report
4. Property survey
5. Lien waivers

STATUS OF CONSTRUCTION

The following is a summary of work completed thus far:

GENERAL CONDITIONS

The General Contractor has an operational site trailer with provisions for electric, telephone and meetings.

DEMOLITION

All existing structures have been removed.

CLEARING AND GRUBBING

Clearing and grubbing operations are complete.

SITework/EXCAVATION

The site has been excavated to subgrade. Topsoil and organics have been removed for the pad and site entry. Excavation for the foundation and column piers is complete. Trenching and compacted cover for electrical/plumbing feeds and undergrounds have been completed. Clearing and stockpiling of topsoil have been completed. Excavation for water, storm, sewer and electric is complete and backfilled. Trenching and backfill for gas service has been completed by the local utility. All utility trenching and backfill is now complete. Porte cochere column footing excavation and backfill operations have been completed. Excavation for the swimming pool has been completed. The entry road has been paved and stripped to within approximately 75' of the site. The municipal township has installed a stop light at the Salem Turnpike entry to the hotel. The hotel access and footprint area have received a crushed stone base.

SITE UTILITIES

All three galleries for storm water management have been placed below finished grade. All concrete structures and laterals for storm and sanitary have been installed. The force main lift station structure has been set in place below grade. Construction power has now been placed underground to a metered distribution panel on the first floor. Site fire protection materials have been delivered. Utilities for sewer, water/fire protection, gas and electric are to the building. Fire protection and water share the same line and will be wet tapped. The new sanitary sewer main from the building is in place, but has not yet been connected to the street service. The existing fire hydrant, which was located in the path of the new entry road to the

hotel, has been relocated. The new fire hydrant is located and connected to the new water line on site. All utilities for the hotel are now in place and tied in.

CONCRETE

Concrete footings for grade beams, columns and elevators have been poured. The stone base for the slab-on-grade has been placed and compacted. The slab-on-grade has been poured. Concrete columns and reinforced slabs are complete to the roof. The transformer pad has been installed. The elevator shaft openings are to the roof. Post tension concrete planks are in place for the 2nd through 5th floors. The concrete frame of the building is complete. Concrete footings for the porte cochere entry are poured. Concrete curbing pours are in progress at the entry to the site. Concrete work at the pool and spa walkway area has been poured. Gunite spray for the pool and whirlpool has been completed. Building concrete work appears to have been completed.

MASONRY

Construction of the split face block retaining wall has been completed on the north facing side of the property. EIFS foam board installation is complete with sheathing and undercoating. All brick veneer work for the building is complete. The brick base installation for the swimming pool enclosure is complete. EFIS has been installed on the building facades, pilasters and entry columns. The stone base for the hotel entry is in place. EFIS work appears to be completed. 'porte coche' canopy masonry columns are installed. Brick work for the west elevation of the pool enclosure is installed.

METALS

Rebar column cages that were fabricated have been connected to the slabs and poured with the floor decks. The elevator shaft is framed. Post tension cables were pulled as the pours are ready. Both metal stairs are to the roof. Metal stair railings are installed. The structural

system and miscellaneous iron installation has been completed. Steel framing for the 'porte coche' has been erected.

CARPENTRY

Exterior sheathing is installed at all elevations. Tyvec sheeting is fastened to the building exterior. Perimeter heavy gauge metal stud framing is in place to the roof. The plywood sheathing for the cornice is installed. Metal partition installation for guest rooms and corridors is complete. Gypsum board installation, taping and spackling are complete in the electric room, rated shafts and above ceiling line. Electric backer board has been installed. Plywood backboard for bathroom fixtures and medicine cabinet support is installed. Taping and the first coat of compound are in progress. Elevator shaft panels are installed. Bathroom cement wall board has been installed. Ceiling furring at the guest room and corridors is installed. Gypsum board with the first coat of compound is in progress at the corridor side of the bathrooms. The 1st floor lobby/reception area partition work has started. Gypsum board rated fire drops above the ceiling lines for the guest floors have been installed. Installation of gypsum board is continuing. The rated shafts for the guest room mechanical risers are installed with the drops to the 1st floor. Gypsum board installation at the guest rooms has started on the 5th and 6th floors. Gypsum board has been distributed to all floors in preparation for installation. Horizontal metal furring has been installed on the corridor and guest room partitions on the 2nd through 6th floors. Gypsum board was being installed on the 1st floor at the time of the inspection.

DOORS/WINDOWS

All windows on the 2nd through 6th floors are installed. The 1st floor aluminum and glass storefronts are installed. Hollow metal frames are on site and installed at the service entries, electric room and communication closets. Elevator door frames have been delivered.

ROOFING

Roofing and cornice work has been completed. Insulation work has been installed at perimeter walls.

ELEVATOR

The elevator piston casings and spring restraints are installed in the 1st floor pit. Elevator equipment is on site. Elevator controller and doors are stored on site.

PLUMBING

Installation of the underground piping for storm and sanitary below the 1st floor pad is completed. Plumbing undergrounds are installed below the 1st floor slab. Risers for storm, sanitary, fire protection and water as well as rough-ins are in to the 6th floor. Storm water drains are in place on the roof. Roughs for water and sanitary are installed to the 6th floor. Tub installation is complete. Pool area plumbing has been installed. Roof drains and mains are installed. Water piping for the guest rooms is insulated. The gas main to the building has been installed at the exterior of the hotel.

FIRE PROTECTION

Standpipe, sprinkler mains, branches and heads are installed to the 6th floor. Fire alarm wiring is roughed in for the guest room floors. Fire patch has been installed at the standpipe floor penetrations.

MECHANICAL

A/C equipment has been brought to the site. PTAC sleeves are installed. PTAC enclosures are on site. Compressors are installed. Ductwork for make up air and guest room bathroom exhaust is now installed. Roof curbs are installed and ready for equipment. The a/c package unit has been set in place on the roof and tied into the distribution main. Guest room

exhaust risers are installed. Ductwork materials are on site with installation in progress. The laundry chute is installed to the 1st floor laundry room location. Rooftop exhaust fan hoods are on site and installation has started. The installation of ductwork is continuing. Air handlers are on site. Trane units are on site. The corridor supply ductwork insulation is proceeding with the installation.

ELECTRIC

Electrical conduits are installed from the main electric closet to electrical closet locations within the building. Telephone and electrical conduits from the property line have been brought to the building utility locations. Electrical through-slab conduits are installed in the 1st floor slab with through-slab sleeves being set with the formwork for the post tension floor slabs. Below-slab transformer secondaries are to the building energized electric equipment on the 1st floor. This service is in use for construction. Electric rough-ins for power and lighting are installed in all guest rooms. Housekeeping outlet rough-ins are in all corridors. Floor panels are in and wiring is in progress. Low voltage work is being installed with the electric work. Lighting fixtures are being delivered to the site. Recessed light frames and drops are installed above the ceiling line for the guest rooms. Termination back boxes are installed with the rough-ins. Fluorescent light fixtures have been installed for the utility closets. The transformers are installed and the building is now on permanent power. Floor panel pull boxes are installed.

PROJECT ADMINISTRATION

The project is staffed with a full time project superintendent, Mr. Wayne Pack, who is supervising the trades and coordinating paper work and submittals.

BUDGET CHANGES

The Borrower has advised that the schedule of values has been revised based on subcontractor buyouts. The construction budget total has not changed.

1. Concrete was \$2,165,035, is now \$2,219,000, resulting in an increase of \$125,965.
2. Structural Steel was \$80,000, is now \$120,000, resulting in an increase of \$40,000.
3. Millwork was \$165,000, has been decreased to \$150,000 resulting in a savings of \$15,000
4. Sheathing/GWB & ACT was \$1,125,000, has been decreased to \$1,100,00, resulting in a savings of \$25,000
5. Windows were \$84,965, are now \$89,000, resulting in an increase of \$4,035.
6. Doors were \$265,000 have been decreased to \$245,000, resulting in a savings of \$20,000.
7. Aluminum storefront was \$75,000, has been decreased to \$65,000, resulting in a savings of \$10,000.
8. Ceramic tile was \$250,000, has been decreased to \$225,000, resulting in a savings of \$25,000.
9. Painting and wallcover was \$145,000, has been decreased to \$130,000, resulting in a savings of \$15,000.
10. Elevators and Laundry chutes was \$175,000, has been decreased to \$165,000, resulting in a savings of \$10,000.
11. Pools and Spa were \$50,000, have been decreased to \$45,000, resulting in a savings of \$5,000.

12. Landscaping and irrigation were \$70,000, have been decreased to \$60,000, resulting in a savings of \$10,000.

CONTINGENCY STATUS

There is a hard cost contingency in the amount of \$300,000 identified in the hard cost budget. The Borrower has requested contingency funding to date in the amount of \$180,000.

CHANGE ORDERS

No change orders were presented at the time of this site visit.

SCHEDULE

The project reportedly began in May of 2007. The project superintendent anticipated a 15-month schedule to complete the project. Weather delays have now extended the completion of the project. The project is progressing much slower than normal. Work activity has decreased substantially. The Borrower advised that mechanic liens in place are responsible for this. The final completion date of the project cannot be estimated based on the slow progress that has occurred to date.

ADJUSTMENTS/COMMENTS TO APPLICATION FOR PAYMENT

Adjusted for work in place.

The overall percent complete based on the revised schedule of values does not represent the project percent completion to date.

EMJ'S BUDGET REVIEW

The Lender requested that EMJ prepare a cost-to-complete estimate for this project. On ~~December 9, 2009 EMJ requested the latest subcontractor requisitions for active trades and~~ subcontracts for the balance of the trades from the Developer's Construction Manager Richard Astrel. None of the requested information has been received to date.

SUMMARY AND CONCLUSION

Based on our twenty-fourth site observation of December 11, 2009, we estimate the project to be approximately 81% complete. We recommend an advance for this period of \$59,446.61. This amount does not take into consideration any land advances or soft costs; however, retainage on subcontractors is considered.

Recapitulation:

Original Hard Construction Costs	\$10,500,000.00
Change Orders	\$ 0.00
Current Hard Construction Costs	\$10,500,000.00
Total Completed and Stored to Date	\$ 8,511,913.60
7.5 %Retainage	\$ 638,393.52
Total Earned Less Retainage	\$ 7,873,520.08
Less Previous Advances	\$ 7,814,073.47
Value of Current Work in Place Recommended	\$ 59,446.61
Remaining Hard Cost Available for Completion plus Retainage	\$ 2,626,479.92

Material and workmanship observed at the project, to date, are of reasonable quality and conform, in general, with approved plans. There has been no request for payment of materials stored off-site included with this requisition.

Since we have no control over the cost of labor, materials or scheduling, our opinion is an estimate and is not to be construed as a guarantee.

This site observation report is intended for the sole benefit of The Bank of Smithtown, its agents and employees. The Consultant shall have no obligation to the Owner and/or Developer or any agents thereof. In addition, this report is in no way intended for any utilization, reliance or otherwise, by the Owner and/or Developer or any agents thereof.

EMJ CONSTRUCTION CONSULTANTS NA, INC.



John Casson

Senior Project Consultant