
A Member of the Hawaii Inspection Group, Inc.
Residential and Commercial Property Inspections
www.HawaiiInspectionGroup.com

The Purpose of the PCA (Property Condition Assessment) is to observe and report, to the extent feasible pursuant to the processes prescribed within the ASTM E2018-01 guidelines, on the physical condition of the subject property.

Report Date: 2014

Client: Apartment Ventures, LLC

Property Address: 111 Main Street

c/o Client's Email Address:

City, State, Zip: Wailuku, Hawaii



PLEASE READ THIS REPORT CAREFULLY, A FULL UNDERSTANDING OF THE INFORMATION IT CONTAINS MAY BE CRITICAL TO THE SUCCESSFUL OUTCOME OF THIS TRANSACTION AND/OR MANAGEMENT OF THE PROPERTY!

I appreciate this opportunity to be of service to you. If I can be of further assistance, please call.

Sincerely,

Thomas Douma

HI General Contractor License

ASHI Certified Inspector

MBA Stanford Graduate School of Business

CAI Certified Reserve Specialist

Certified Mold Remediation Manager

111 Main Street

A Member of the Hawaii Inspection Group, Inc.
Residential and Commercial Property Inspections
www.HawaiiInspectionGroup.com

INVOICE

Survey Date: November 4, 2014	Time: 8:30 am	Report No:
Inspection Address: 111 Main Street		
City, State, Zip: Wailuku, Hawaii	Aprox. Sq. Ft.	20,801
Client's Name: Client: Apartment Ventures, LLC	Listing Inspection: <input type="checkbox"/>	(Due within 90 days)
Agent's Name:	Phone:	
Office:	Email:	
Inspection Cost:	Add:	For: GET
Paid On Site: <input type="checkbox"/>	Check No.	Billing Fee: \$0.00
		Total: \$0.00

MAKE CHECKS PAYABLE TO:

Hawaii Inspection Group, Inc.
95 E. Lipoa Street, Suite A208
Kihei, Hawaii 96753

\$0.00

BILLING INSTRUCTIONS

*All amounts are subject to BILLING FEE unless paid on site)

Escrow Company: N/A		
Escrow Number:	Escrow Officer:	
Address:		
City, State, Zip:		
Phone:	Ext:	Email:

111 Main Street

TABLE OF CONTENTS

Description	Page No.
I. Cover Letter	Page 1
II. Invoice	Page 2
III. Table of Contents	Page 3
IV. PCA Agreement and Contract of Services	Pages 4-5
1.0 Executive Summary	Pages 6-7
1.1 General Description	Page 6
1.2 General Physical Condition	Page 6
1.3 Opinions of Probable Costs	Page 7
1.4 Deviations from the Guide	Page 7
1.5 General Recommendations	Page 7
2.0 Purpose and Scope	Page 8
3.0 Walk-Through Survey, Description and Observations	Pages 9-15
3.1 Overall General Description	Page 9
3.2 Site	Page 9
3.3 Property Grounds	Page 10
3.4 Utilities	Page 10
3.5 Structural Frame and Building Envelope	Page 11
3.6 Roofing	Page 11
3.7 Mechanical and Electrical System	Pages 12-13
3.7.1 Plumbing	Page 12
3.7.2 Heating	Page 12
3.7.3 Air Conditioning & Ventilation	Page 13
3.7.4 Electrical	Page 13
3.8 Vertical Transportation	Page 14
3.9 Life/Safety & Fire Protection	Page 14
3.10 Interior Elements	Page 15
4 ADA Abbreviated Accessibility Survey	Page 16-17
5 Additional Considerations	Page 18
6 Document Review and Interviews	Page 19
7 Out of Scope Considerations	Page 20
8 Qualifications & Credentials	Page 21
9 Limiting Conditions	Page 21
10 List of Additional Exhibits (Not listed in this table)	Page 22
11 Carry Over Page (If Needed)	Page 23
12 Opinions of Probable Costs to Remedy Physical Deficiencies	Page 24-25
13 Photo Pages	Page 26+

PCA Agreement and Contract for Services, Page 1 of 2

SCOPE OF SERVICES

HIG, Inc. ("HIG") has been engaged by the undersigned client(s) to inspect the property conditions and thereafter issue a report as to the observations made by the inspector. HIG's inspection report is based on a visual reconnaissance of the structure, its foundation and the immediately adjacent terrain. This study is limited to observation of the general nature of the building pad and the structure as well as characteristics immediately adjacent to the structure. This inspection is not technically exhaustive, and does not describe the use of measurements, instruments, testing, calculations, exploratory probing or discovery, or other means to discover, or a combination thereof, or troubleshoot physical deficiencies or develop architectural or engineering findings, conclusions, and recommendations, or combination thereof.

LIMITATIONS OF WARRANTY/DISCLAIMER AND STATUTE OF LIMITATIONS

It is hereby acknowledged that there may be hidden or obscured conditions that are not observed by the inspector and seasonal environmental and soil conditions that may change after the inspection. Because of inherent conditions associated with unstable land and unknown soil conditions no warranty can be made with respect to the possibility of erosion, faulting, and slope stability problems. HIG warrants that the services provided are within the reasonable standard of care provided by other inspectors practicing in this area and offering similar services. In addition, The Standard Guide for property condition assessments written in Section E 2018 of the American Society of Testing and Materials shall be the Standard of care for this inspection, excluding Sections that may be noted within the body of this report. No other warranty expressed or implied is made. This report does not include an analysis of the presence of any environmental hazards including, but not limited to toxins, mold, carcinogens, hazardous materials, and contaminants in the soil, water, and air. HIG's site reconnaissance visually identifies actual conditions only at those points where and when observed. This report is based on conditions that exist at the time of HIG's inspection, no warranty or guarantee can be made as to future conditions. It is hereby agreed that the time to begin legal action for a claim under this contract shall not exceed two years from the date of the inspection.

LIQUIDATED DAMAGES

It is understood and agreed to by the client(s) that HIG is not an insurer and the amounts payable to HIG for its services by the client are not sufficient for HIG to assume the risk of consequential or other damages to the client(s) for any act of negligence, omission or commission. From the nature of the services to be performed it is hereby agreed that it is impractical and extremely difficult to fix actual damages in the event of an act of negligence, omission or commission, if any, which may result these services. If HIG should be found liable for loss or damage due to an act of omission or commission or for breach of this contract, its liability shall be limited to no more than three (3) times the amount paid by client for the services performed under this contract as liquidated damages. It is hereby agreed and understood that said amount agreed to as liquidated damages are not a penalty, irrespective of cause or origin of the loss or damage. Alternatively, the client may request in writing that the aforementioned limitation of liability clause be excluded or modified for an appropriate increase in the inspection fee. If the client selects this alternative, he or she must contact HIG for a quote as to the increased inspection fee and/or any other desired modification to the services provided or the terms under which they are offered. A separate written agreement must be executed to facilitate the selection of this alternative and until said writing is executed by both parties, the liquidated damages provisions set forth in the previous paragraph shall remain in full force and effect.

DISPUTE RESOLUTION

ANY DISPUTE OR CLAIM BETWEEN THE CLIENT(S) AND HIG AND/OR ITS AGENTS, OR AFFILIATES ARISING OUT OF THIS CONTRACT, THE OBSERVATIONS SET FORTH THEREIN OR THE RESULTING REPORT SHALL BE SUBMITTED FIRST TO MEDIATION BEFORE A MUTUALLY ACCEPTABLE MEDIATOR. IF THE DISPUTE OR CLAIM IS NOT RESOLVED BY MEDIATION, THE DISPUTE OR CLAIM WILL THEN BE SUBMITTED TO AND DECIDED BY NEUTRAL BINDING ARBITRATION IN ACCORDANCE WITH STATE LAW.

ReportNumber



PCA Agreement and Contract for Services Cont. Page 2 of 2

UPON SELECTION OF AN ARBITRATOR, THE PARTIES SHALL AGREE UPON THE LIMIT AND EXTENT OF NECESSARY DISCOVERY PRIOR TO THE HEARING. THE PARTIES SHALL AGREE UPON THE SELECTION OF AN ARBITRATOR WHO SHALL BE EITHER A RETIRED SUPERIOR COURT JUDGE, A LICENSED HAWAII ATTORNEY WITH AT LEAST TEN (10) YEARS OF REAL ESTATE LITIGATION EXPERIENCE, A LICENSED GENERAL ENGINEERING CONTRACTOR OR LICENSED PROFESSIONAL ENGINEER WITH AT LEAST FIVE YEARS OF EXPERIENCE AS DEFINED IN STATE AND LOCAL JURISDICTION LAW. THE ARBITRATION SHALL TAKE PLACE IN THE COUNTY WHERE THE PROPERTY IS LOCATED. TO THE EXTENT THE PARTIES CANNOT AGREE UPON AN ARBITRATOR, ONE OR BOTH OF THE PARTIES MAY PETITION THE SUPERIOR COURT IN THE COUNTY WHERE THE PROPERTY IS LOCATED TO COMPEL ARBITRATION AND MAY IN SAID PETITION REQUEST THE COURT TO APPOINT A NEUTRAL ARBITRATOR. THE PREVAILING PARTY IN ANY ARBITRATION UNDER THIS ARBITRATION AGREEMENT SHALL BE ENTITLED TO RECOVERY OF ATTORNEY'S FEES AND COSTS INCURRED IN THE ARBITRATION AND THOSE RELATED TO ANY PETITION TO COMPEL ARBITRATION OR APPOINT AN ARBITRATOR, IF ONE IS NECESSARY. JUDGMENT ON THE AWARD RENDERED BY THE ARBITRATOR MAY BE ENTERED IN ANY COURT HAVING JURISDICTION.

IMPORTANT NOTICE

YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS IN THIS AGREEMENT DECIDED BY NEUTRAL BINDING ARBITRATION AS PROVIDED BY HAWAII LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OF LAW OR BY JURY TRIAL. BY SIGNING IN THE SPACE BELOW YOU ARE GIVING UP YOUR RIGHTS TO CIVIL DISCOVERY AND YOUR RIGHTS TO AN APPEAL SINCE THE GROUNDS FOR AN APPEAL OF THE DECISION RENDERED MAY BE LIMITED.

BY SIGNING BELOW, YOU ARE SPECIFICALLY AGREEING TO THE SCOPE OF SERVICES, LIMITATION OF LIABILITY AND DISPUTE RESOLUTION PROVISIONS, AND ALL CONDITIONS AS DESCRIBED ON THIS CONTRACT. IF THIS AGREEMENT IS NOT SIGNED WITHIN THREE (3) CALENDAR DAYS OF THE INSPECTION BY THE CLIENT OR THEIR AUTHORIZED AGENT, THE INSPECTION AND/OR REPORT WILL CARRY NO WARRANTY OR GUARANTEE AS TO ITS CONTENTS, AND NO ONE SHALL BE ENTITLED TO RELY ON ITS CONTENTS FOR ANY PURPOSE. THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF HAWAII.

CLIENT REVIEW AND INTERPRETATION OF TERM

The client acknowledges that he/she had the opportunity to review the entirety of this contract. Client further agrees that he/she will not later contend that any ambiguity should be construed against HIG as the purported drafter of the Agreement.

WE HAVE READ AND UNDERSTAND THE FOREGOING:

CLIENT(S): Janet Leskinen DATE: 2014 10, 29

INSPECTOR: [Signature] DATE: 11, 5, 14

ReportNumber

1.0 Executive Summary

1.1 General Description

Property

This document is a PCR (Property Condition Report) written with the purpose of describing the conditions of the property described herein as per guidelines established by the ASTM Standard E2018-01 for conducting a PCA (Property Condition Assessment).

Subject Property

Address: 111 Main Street

Wailuku, Hawaii

Approx. Square Footage: 20,801

Approx. Date Built: 1969

Occupied?

YES

NO

No. of Structures: 1

Construction Type: Cast in place poured concrete

Design Style: Contemporary

Property Use: Office

Retail

Industrial

Warehouse

Residential Apartments

Location:

The property is located on Pio Drive with the main street address entry facing South. There are 16 residential apartments in the building, with 16 parking areas at the front of the structure. The property is located in a residential zone with pedestrian and automobile access from a main street or roadway.

1.2 General Physical Condition

Overall General Physical Condition of the Property: The property appeared in good condition and fairly maintained.

Apparent Level of Past Preventive Maintenance: Typical, no known records exist of preventive maintenance.

Significant Deferred Maintenance Noted:

The following list of "significant" maintenance items were found to have been deferred for future maintenance:

- The water pressure to the units appeared low, and the pressure reducing valve may need repair or replacement. (photo 1)
 - The metal gutter system and discharge piping at the rear of the building was in various stages of disrepair. (photos 2 - 5)
 - The composition roll roofing over the exterior stairways at the left and right sides of the building was worn and deteriorated, and should be replaced or coated. (photo 12)
 - The metal flashing cap at the top of the wall on the right side of the building was bent, split, & deteriorated. (photo 6)
 - The street lights at the front entry drive were missing. (photo 7)
 - There was some bubbled and peeling waterproof coating found at the walkway areas on the 1st & 2nd floors at the front of the building. (photo 8)
-

Summary of Material Physical Deficiencies Needing Attention:

- The soil at the rear of the building was eroded, with areas of soil washout and undermining seen at the bottom of the foundation in areas. Recommend further assessment by a structural engineer for advice regarding any needed treatment and/or repairs. (photos 9-11)

There were no other noted physical deficiencies outside of typical maintenance items and/or cosmetic issues.

Capital Improvements Pending, In-progress and/or Recently Implemented:

NONE

Additional Findings From Research or Other Sources:

NONE

111 Main Street

1.3 Opinions of Probable Costs

Approx. Probable Cost Aggregate:

Not within the scope of the contracted services. Contact Us if this service is required for a quote.

The expected approximate total cost for the "Immediate" items that need attention is about: \$0.00 N/A

The expected approximate cost of the "Short Term" items needing attention is about: \$0.00 N/A

The expected approximate cost of the "Long Term" items needing attention is about: \$0.00 N/A

The total aggregate of the Immediate, Short Term, and Long Term Items is approximately: \$0.00 N/A

1.4 Deviations From the ASTM E-2018-01 Guidelines

Guideline Sections Excluded or Not Applicable Per E2018-01:

All ASTM E2018-01 guidelines were followed for the PCA and the production of this PCR to the best of my knowledge and conditions present at the time of the Walk Through Survey.

Additional Services Performed Exceeding ASTM E2018-01 Guidelines.

Mold Sampling Infrared Camera Survey Foundation and Drainage Consulting

No additional services were performed by the "Walk Through" Inspector/ PCR preparer.

Comments (If Any):

1.5 Recommendations/Discussions:

The Following Components Are Recommended for Further Study, Research, Testing, or Exploratory Probing.

Wood Destroying Organisms Foundation Drainage Roofing
 Plumbing Heating HVAC Other

Comments (If Any):

- a) Recommend further assessment of soil level and foundation at rear of building by a structural engineer for advice regarding any needed treatment and/or repairs. (photos 9-11)
- b) Recommend cleaning and repairs of gutter system, especially at the rear of the building. (photos 2-5)
- c) Recommend replacement or coating of composition roll roofing over stairways at left and right sides of building (less than 150sf) (photo 12)

2.0 Purpose and Scope

2.1 Purpose:

Purchase/Lessee: This PCR is intended to provide an overview of the condition of the property for purchase/lease.

2.2 Scope:

During the site visit, the field surveyor observed the general physical condition of the subject property and the material systems and components to identify material physical deficiencies and any unusual features or inadequacies. The PC surveyor observed and is reporting by making specific or representative observations, as appropriate. No testing, measuring, or preparing calculations for any system or component to determine adequacy, capacity, or compliance with any standard was performed and are outside the scope of this guide. The listing of specific items of the material building systems and components to be observed, which are presented in the succeeding subsections, should not be considered all-inclusive by the PCA user. Similarly, subsections identified as “out of scope issues” are provided for clarification within the report and should not be construed as all-inclusive.

3.0 Walk-Through Survey, Description and Observations

ASTM 2018-01, 8.1 Objective: The objective of the walk-through survey is to visually observe the subject property so as to obtain information on material systems and components for the purposes of providing a brief description, identifying physical deficiencies to the extent that they are observable, and obtaining information needed to address such issues in the PCR as outlined within Section 10.

3.1 Overall Description:

This property was comprised of one main concrete structure used for residential apartments. The property did not appear to be open to the public.

Tenant Equipment or Other:

Coin-operated laundry equipment appeared leased through Web. (photos 13 & 14)

3.2 Site:

Topography:

Mostly Flat Slight Slope Sloped Very Sloped

The majority of the property appeared primarily flat at the front and under the building, and sloped severely at the rear (North) side of the building toward a ravine. (photo 9)

Storm Water and Drainage:

Surface Drainage: Underground Drainage: None Available

Drainage for the property was on surface only. (photo 15)

Ingress & Egress:

The main vehicle access to the property is from the South by means of a parking lot/entry driveway. Vehicle egress from the property is also through the same location. Main access to the apartment units is from the South side of the building.

3.3 Property Grounds:

Paving, Curbing, & Parking: Garage Surface Sub Surface None

The surface parking was asphalt with 16 marked parking spaces. The asphalt parking areas were in fair condition. Timely sealcoating is recommended to avoid damage to the asphalt. (photo 18)

Flat Work:

There were sidewalk areas at the front and sides of the building. The areas were in serviceable condition.

Landscaping & Appurtenances:

Limited landscaping installed at the property; installed items (Palm trees and other shrubbery) were in fair to good condition. There was chain link fence installed at the North side of the property; the fencing appeared in fair condition, but showed some surface corrosion to the fabric.

Recreational Facilities:

Pool(s) Play Ground(s) Gym(s) Jetted Tub(s) Tennis Court(s) Other

3.4 Utilities:

Water Electricity LP Gas Other Special Utility Systems

Main water service and pressure reducing valves were located at the Southeast corner of the property, and appeared to service both the domestic water supply and irrigation. (photo 1)

The main electrical service entrance was in the electrical service/storage closet on the 1st floor in the center of the building, with electric meters and 100amp breaker disconnects for each of the 16 units and one "house" panel, and a main electric service disconnect (208v-600amp 1PH) in the same area. (photo 16) There was an electrical "house" subpanel (208v-125amp 1PH) located on the right wall near the main disconnect. (photo 17) The service and panels appeared original to the building, and showed some condition issues as described in section 3.7.4 Electrical.

Out of Scope Utility Issues:

Operating conditions of any systems or accessing manholes or utility pits. Observation of any locked access panel. Turning on-off main shut-off valves or utility disconnects.

3.5 Structural Frame & Building Envelop:

The structural system was cast in place concrete slabs and walls throughout the building and dividing each unit.

The parking areas were partially covered by the concrete 2nd floor walkway. (photo 18)

There was some relatively minor spalling found at some vertical wall areas at the rear of the building. (photo 19)

Out of Scope Frame & Building Issues:

8.4.2.2 Out of Scope Issues—Entering of crawl or confined space areas (however, the field observer should observe conditions to the extent easily visible from the point of access to the crawl or confined space areas), determination of previous substructure flooding or water penetration unless easily visible or if such information is provided.

3.6 Roofing:

Membrane 80% Approx. Composition Roll 20% Approx.

Observations:

- a) While the membrane roof had been coated and in generally good condition, there were some areas toward the East end of the building where the coating appeared thinner than the rest of the membrane roof, and showed some shadowing through the coating. (photos 20 & 21)
- b) There was some composition roll roofing installed at the center of the building and appeared in good condition, and an estimated age of approximately 10yrs. Recommend that the roofing be coated at time of next membrane coating to prolong useful life expectancy of the roofing. (photo 22)
- c) The composition roll roofing installed on top of the stairways at the left and right sides of the building was worn with missing aggregate and exposed fiberglass fabric. Recommend replacement at this time (less than 150sf) (photo 12)
- d) There were metal gutters installed at the front and rear of the building, and while the gutters and piping at the front of the building was largely in good condition with no corrosion to the interiors, the gutters and piping at the rear of the building showed various deficiencies including broken or missing pipes and drain scuppers, irregular piping discharges and haphazard repairs to the gutter mounts, etc. (photos 2-5)

Out of Scope Roofing Issues:

8.4.3.2 Out of Scope Issues—Walking on pitched roofs, or any roof areas that appear to be unsafe, or roofs with no built-in access, or determining any roofing design criteria.

3.7 Mechanical

3.7.1 Plumbing:

Water Supply Lines	<input checked="" type="checkbox"/> Copper	<input type="checkbox"/> PEX (Plastic)	<input type="checkbox"/> Galvanized	<input type="checkbox"/> Other
Sanitary Waste Lines	<input type="checkbox"/> ABS Plastic	<input checked="" type="checkbox"/> Galvanized	<input type="checkbox"/> Copper	<input checked="" type="checkbox"/> Cast Iron <input type="checkbox"/> Other
Storm Waste Lines	<input type="checkbox"/> Plastic (ABS, etc.)	<input type="checkbox"/> Galvanized	<input type="checkbox"/> Cast Iron	<input type="checkbox"/> Concrete <input type="checkbox"/> Other
Hot Water Production	<input checked="" type="checkbox"/> LP Gas Fired	<input type="checkbox"/> Electric	<input type="checkbox"/> Solar	<input type="checkbox"/> Other

Observations:

The LP gas water heater (GE, estimated mfg. date 3/2010, 30 gal. capacity) was located at the exterior rear center of the building, and supplied hot water to the laundry equipment only. (photo 23)

There was a newer LP storage found at the Southwest corner of the lot; recommend client know if tank is owned or leased.

Out of Scope Plumbing Issues:

8.4.4.2 Out of Scope Issues—Determining adequate pressure and flow rate, fixture-unit values and counts, verifying pipe sizes, or verifying the point of discharge for underground systems.

3.7.2 Heating:

<input type="checkbox"/> Gas Fired Forced Air	<input type="checkbox"/> Electric	<input type="checkbox"/> Hot Water Radiant	<input type="checkbox"/> Other
---	-----------------------------------	--	--------------------------------

Observations:

No provisions for space heating were found.

Out of Scope Heating Issues:

8.4.5.2 Out of Scope Issues—Observation of flue connections, interiors of chimneys, flues or boiler stacks, or tenant owned or maintained equipment.

3.7.3 Air Conditioning & Ventilation:

Tenant Specific System Multiple Tenant Systems Building Wide Central System Electrical
 Gas Fired Combination Heat/AC Unit(s) Other

Observations:

No provisions for air conditioning were found.

Out of Scope Air Conditioning & Ventilation Issues:

8.4.6.2 Out of Scope Issues—Process related equipment or condition of tenant owned/maintained equipment.

3.7.4 Electrical:

Service Voltage 120 240 480 208
Service Amperage 600 100amp unit disconnects 125 amp subpanel
Phase Single 3 Phase

Observations:

The main electrical service entrance was in the electrical service/storage closet on the 1st floor in the center of the building, with electric meters and 100amp breaker disconnects for each of the 16 units and one "house" panel, and a main electric service disconnect (208v-600amp 1PH) in the same area. There was an electrical "house" subpanel (208v-125amp 1PH) located on the right wall near the main disconnect. The service and panels appeared original to the building, and showed some condition issues:

- a) The metal cabinets for the main panel, unit meters and service disconnect breakers showed visible corrosion, and may need replacement within 10-15 years. These panels appeared original to the building, and upgrading the panels may save significant money in energy-efficiency savings. (photo16 & 17)
- b) The vast majority of the electrical outlets were worn and connections loose, with no GFCI outlets or circuits installed for the bathrooms and kitchen areas.

Out of Scope Electrical Issues:

8.4.7.2 Out of Scope Issues—Removing of electrical panel and device covers, except if removed by building staff, EMF issues, electrical testing, or operating of any electrical devices, or opining on process related equipment or tenant owned equipment.

3.8 Vertical Transportation:

- Elevators Escalators Maintenance Contract In Place
- Service Contractor Listed. Name: N/A

Observations:

Not applicable.

Out of Scope Vertical Transportation Issues:

8.4.10.2 Out of Scope Issues—Operating appliances or fixtures, determining or reporting STC (Sound Transmission Class) ratings, and flammability issues/regulations.

3.9 Life/Safety & Fire Protection:

- Sprinklers Wet Stand-pipe Dry Stand-pipe Fire Hydrant(s) Fire Alarm Sys. Water Storage
- Smoke Detectors Fire Extinguishers Emergency Lighting Stairwell Pressurization Smoke Evacuation
- Other

Observations:

There were 2 fire extinguishers and 2 pull stations with bells installed on the front of the building, and a reset panel installed in the electrical service area. (photo 24)

Out of Scope Life/Safety & Fire Protection Issues:

8.4.9.2 Out of Scope Issues—Determining NFPA hazard classifications, classifying, or testing fire rating of assemblies.

3.10 Interior Elements

Flooring Materials:

Concrete Vinyl/Linoleum Ceramic Tile Carpet Wood
 Laminate Stone Other

Flooring Observations:

The floors appeared in serviceable condition where visible inside the building. The carpeting in some of the units appeared older, and in need of replacement.

Wall Observations:

The walls appeared in serviceable condition where visible inside the building. There was one wall area to the right of the toilet in the bathroom of Unit 104 where the paint on the wall was bubbled and drooping from an apparent leak from the unit above, however the wall area was dry at time of our visit. (photo 25)

Ceiling Observations:

The ceilings appeared in serviceable condition where visible inside the building.

Window & Door Observations:

Tempered Safety Glass Every Place Needed? YES NO N/A

Panic Handle Where Needed? YES NO N/A

Doors: Wood Metal Vinyl Sliding

The doors operated normally, except for 2 vinyl sliding doors with lock mechanisms that did not function (Units 202 & 205)

The vinyl framed sliding windows at the rear of the building operated normally. The metal framed glass louvered windows at the front of the building were in fair condition, the majority of which worked normally.

Other Misc. Interior Observations:

Approximately 60% of the units had been remodeled to some degree with newer cabinets, countertops, and ceramic tiled floors.

Out of Scope Interior Issues:

8.4.10.2 Out of Scope Issues—Operating appliances or fixtures, determining or reporting STC (Sound Transmission Class) ratings, and flammability issues/regulations.

5.0 Additional Considerations

Additional Considerations if Any:

Many electric water heaters had been replaced, however the heaters in Units 103, 106, 202, 203, 204, 206, 207, and 208 were more than 10 years old, and we recommend these be replaced to help mitigate water damage.

There were other relatively minor items that needed correction in the individual units, the kinds and types of which differed from unit to unit; we recommend that the units be further inspected and repairs made by a handyman or other qualified technician for proper function of the various items.

Outside Standard Practices If Any:

Many of the cast iron bathtubs within the units showed some visual evidence of corrosion at the overflow plates and in some cases around the drain rings; while none of the areas were severe at time of our visit, we recommend the areas be treated, repaired, or touched up to help prevent further corrosion to the tubs which could result in water damage. (photo 28)

Other Standards If Any:

NONE

Additional Issues:

NONE

6.0 Document Review & Interviews

ASTM 2018-01,

7.1 Objective—The objective of the document review and interviews is to augment the walk-through survey and to assist the consultant's understanding of the subject property and identifying of physical deficiencies. Records or documents, if readily available, may be reviewed to specifically identify, or assist in the identification of, physical deficiencies, as well as any preceding or ongoing efforts, or costs to investigate or remediate the physical deficiencies, or a combination thereof. Such review is not to include commentary on the accuracy of such documents but merely to determine the existence of such documents.

7.2 Reliance—The consultant is not required to independently verify the information provided and may rely on information provided to the extent that the information appears reasonable to the consultant.

7.3 Accuracy and Completeness—Accuracy and completeness of information varies among information sources. The consultant is not obligated to identify mistakes or insufficiencies in the information provided; however, the consultant should make reasonable effort to compensate for mistakes or insufficiencies of information reviewed that are obvious in light of other information obtained in the process of conducting the PCA or otherwise known to the consultant.

Government Agency Provided Information:

NONE

Pre-Survey Questionnaire Provided Information:

NONE

Owner/User Provided Documentation and Information:

NONE

Information Attained Through Interviews:

NONE

7.0 Out of Scope Considerations

11. Out of Scope Considerations

11.1 Activity Exclusions—The activities listed below generally are excluded from or otherwise represent limitations to the scope of a PCA prepared in accordance with this guide. These should not be construed as all-inclusive or imply that any exclusion not specifically identified is a PCA requirement under this guide.

11.1.1 Removing or relocating materials, furniture, storage containers, personal effects, debris material or finishes; conducting exploratory probing or testing; dismantling or operating of equipment or appliances; or disturbing personal items or property, that obstructs access or visibility.

11.1.2 Preparing engineering calculations (civil, structural, mechanical, electrical, etc.) to determine any system's, component's, or equipment's adequacy or compliance with any specific or commonly accepted design requirements or building codes, or preparing designs or specifications to remedy any physical deficiency.

11.1.3 Taking measurements or quantities to establish or confirm any information or representations provided by the owner or user, such as size and dimensions of the subject property or subject building; any legal encumbrances, such as easements; dwelling unit count and mix; building property line setbacks or elevations; number and size of parking spaces; etc.

11.1.4 Reporting on the presence or absence of pests such as wood damaging organisms, rodents, or insects unless evidence of such presence is readily apparent during the course of the field observer's walk-through survey or such information is provided to the consultant by the owner, user, property manager, etc. The consultant is not required to provide a suggested remedy for treatment or remediation, determine the extent of infestation, nor provide opinions of probable costs for treatment or remediation of any deterioration that may have resulted.

11.1.5 Reporting on the condition of subterranean conditions, such as underground utilities, separate sewage disposal systems, wells; systems that are either considered process-related or peculiar to a specific tenancy or use; wastewater treatment plants; or items or systems that are not permanently installed.

11.1.6 Entering or accessing any area of the premises deemed to pose a threat of dangerous or adverse conditions with respect to the field observer or to perform any procedure, that may damage or impair the physical integrity of the property, any system, or component.

11.1.7 Providing an opinion on the condition of any system or component, that is shutdown, or whose operation by the field observer may increase significantly the registered electrical demand-load; however, the consultant is to provide an opinion of its physical condition to the extent reasonably possible considering its age, obvious condition, manufacturer, etc.

11.1.8 Evaluating acoustical or insulating characteristics of systems or components.

11.1.9 Providing an opinion on matters regarding security of the subject property and protection of its occupants or users from unauthorized access.

11.1.10 Operating or witnessing the operation of lighting or other systems typically controlled by time clocks or that are normally operated by the building's operation staff or service companies.

11.1.11 Providing an environmental assessment or opinion on the presence of any environmental issues such as asbestos, hazardous wastes, toxic materials, the location and presence of designated wetlands, IAQ, etc.

11.2 Warranty, Guarantee, and Code Compliance Exclusions—By conducting a PCA and preparing a PCR, the consultant merely is providing an opinion and does not warrant or guarantee the present or future condition of the subject property, nor may the PCA be construed as either a warranty or guarantee of any of the following:

11.2.1 Any system's or component's physical condition or use, nor is a PCA to be construed as substituting for any system's or equipment's warranty transfer inspection;

11.2.2 Compliance with any federal, state, or local statute, ordinance, rule or regulation including, but not limited to, building codes, safety codes, environmental regulations, health codes or zoning ordinances or compliance with trade/design standards or the standards developed by the insurance industry; however, should there be any conspicuous material present violations observed or reported based upon actual knowledge of the field observer or the PCR reviewer, they should be identified in the PCR;

11.2.3 Compliance of any material, equipment, or system with any certification or actuation rate program, vendor's or manufacturer's warranty provisions, or provisions established by any standards that are related to insurance industry acceptance/approval, such as FM, State Board of Fire Underwriters, etc.

11.3 Additional/General Considerations:

11.3.1 Further Inquiry—There may be physical condition issues or certain physical improvements at the subject property that the parties may wish to assess in connection with a commercial real estate transaction that are outside the scope of this guide. Such issues are referred to as non-scope considerations and if included in the PCR, should be identified under 10.9.

11.3.2 Out of Scope Considerations—Whether or not a user elects to inquire into non-scope considerations in connection with this guide is a decision to be made by the user. No assessment of such non-scope considerations is required for a PCA to be conducted in compliance with this guide.

11.3.3 Other Standards—There may be standards or protocols for the discovery or assessment of physical deficiencies associated with non-scope considerations developed by government entities, professional organizations, or private entities, or a combination thereof.

8.0 Qualifications & Credentials

Qualifications of PCA Surveyor (Inspector):

Licensed General Contractor in Hawaii and California
Certified ASHI Residential and Commercial Inspector
Certified Reserve Specialist
Certified Mold Sampler and Remediation Manager
Qualified Expert Witness for the Hawaii Court System for construction defects and construction costs.
MBA in Finance and Real Estate from Stanford Graduate School of Business

Qualifications of PCR Preparer (If Different Than Inspector):

N/A, Same as PCA Walk-Through surveyor (Inspector)

9.0 Limiting Conditions

List of Any Additional Limiting Conditions of the PCR:

N/A, Same as PCA Walk-Through surveyor (Inspector)

10 List of Additional Exhibits (Not listed in this table)

- 1 N/A

- 2 N/A

- 3 N/A

- 4 N/A

- 5 N/A

- 6 N/A

- 7 N/A

- 8 N/A

- 9 N/A

- 10 N/A

- 11 N/A

- 12 N/A

- 13 N/A

- 14 N/A

- 15 N/A

- 16 N/A

- 17 N/A

- 18 N/A

- 19 N/A

- 20 N/A

Additional Comments: _____

NONE

11.0 Carry-Over Page

Carry-Over Page.

12.0 Opinions of Probable Costs To Remedy Deficiencies

List of Deficiencies & Opinions of Probable Cost:

12.0 Opinions of Probable Costs (Cont.)

List of Deficiencies & Opinions of Probable Cost:

ASTM 2018-01,

9.1 Purpose—Based upon the walk-through survey and information obtained in accordance with following this guide, general-scope opinions of probable costs are to be prepared for the suggested remedy of the material physical deficiencies observed. These opinions of probable costs are to assist the user in developing a general understanding of the physical condition of the subject property.

9.2 Scope—Opinions of probable costs should be provided for material physical deficiencies and not for repairs or improvements that could be classified as: (1) cosmetic or decorative; (2) part or parcel of a building renovation program or tenant improvements/finishes; (3) enhancements to reposition the subject property in the marketplace; (4) for warranty transfer purposes; or (5) routine or normal preventive maintenance, or a combination thereof.

9.3 Opinions of Probable Costs Attributes:

9.3.1 Threshold Amount for Opinions of Probable Costs—It is the intent of this guide that the material physical deficiencies observed and the corresponding opinions of probable costs (1) be commensurate with the complexity of the subject property; (2) not be minor or insignificant; and (3) serve the purpose of the user in accordance with the user's risk tolerance level. Opinions of probable costs that are either individually or in the aggregate less than a threshold amount of \$3,000 for like items are to be omitted from the PCR⁴. If there are more than four separate items that are below this threshold requirement, but collectively total over \$10,000, such items should be included.

The user may adjust this cost threshold amount provided that this is disclosed within the PCR's Executive Summary under the heading "Deviations from the ASTM E2018-01 Guidelines."

9.3.2 Actual Costs May Vary—Opinions of probable costs should only be construed as preliminary budgets. Actual costs most probably will vary from the consultant's opinions of probable costs depending on such matters as type and design of suggested remedy, quality of materials and installation, manufacturer and type of equipment or system selected, field conditions, whether a physical deficiency is repaired or replaced in whole, phasing of the work (if applicable), quality of contractor, quality of project management exercised, market conditions, and whether competitive pricing is solicited, etc.

9.3.3 Extrapolation of Representative Observations — Opinions of probable costs may be based upon: the extrapolation of representative observations, conditions deemed by the consultant as highly probable, results from information received, or the commonly encountered EULs or RULs of the components or systems, or a combination thereof.

9.3.4 Estimating of Quantities—It is not the intent of this guide that the consultant is to prepare or provide exact quantities or identify the exact locations of items or systems as a basis for preparing the opinions of probable costs.

9.3.5 Basis of Costs—The source of cost information utilized by the consultant may be from one or more of the following resources: (1) user provided unit costs; (2) owner's historical experience costs; (3) consultant's cost database or cost files; (4) commercially available cost information such as published commercial data; (5) third party cost information from contractors, vendors, or suppliers; or (6) other qualified sources that the consultant determines appropriate. Opinions of probable costs should be provided with approximate quantities, units, and unit costs by line item. If in the reasonable opinion of the consultant, a physical deficiency is too complex or difficult to develop an opinion of probable cost using the quantity and unit cost method, the consultant may apply a lump sum opinion of probable costs for that particular line item. Opinions of probable costs should be limited to construction-related costs; those types of costs that commonly are provided by contractors who perform the work. Business related, design, management fees, and other indirect costs should be excluded.

9.3.6 Costs for Additional Study—For some physical deficiencies, determining the appropriate suggested remedy or scope may warrant further study/research or design, testing, exploratory probing, and exploration of various repair schemes, or a combination thereof, all of which are outside the scope of this guide. In these instances, the opinions of probable costs for additional study should be provided. 9.3.7 Cost Segregation—Opinions of probable costs should be segregated within the PCR into the categories of immediate costs and short-term costs.

13.0 Photographs



PHOTO 1:



PHOTO 2:



PHOTO 3:



PHOTO 4:

13.0 Photographs



PHOTO 5:



PHOTO 6:



PHOTO 7:



PHOTO 8:

13.0 Photographs



PHOTO 9:



PHOTO 10:



PHOTO 11:



PHOTO 12:

13.0 Photographs



PHOTO 13:



PHOTO 14:

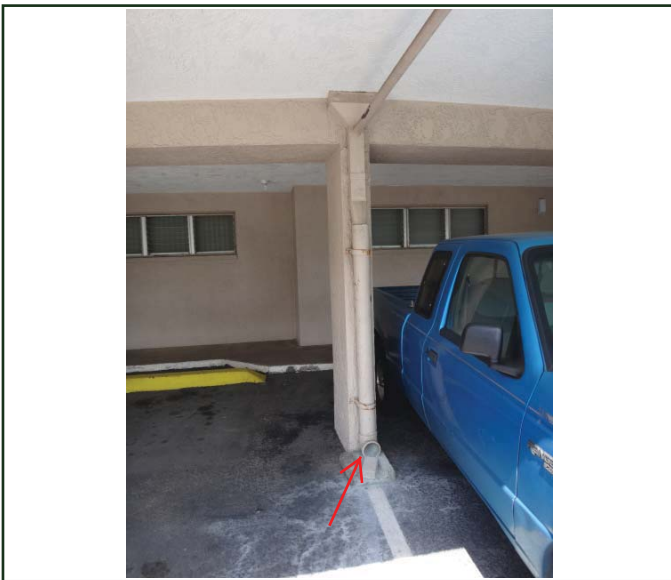


PHOTO 15:



PHOTO 16:

13.0 Photographs



PHOTO 17:



PHOTO 18:



PHOTO 19:



PHOTO 20:

13.0 Photographs



PHOTO 21:



PHOTO 22:



PHOTO 23:

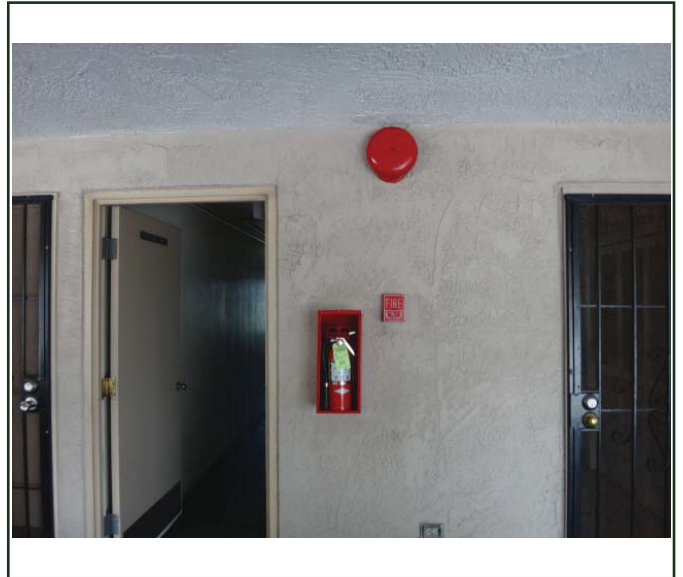


PHOTO 24:

13.0 Photographs



PHOTO 25:



PHOTO 26:

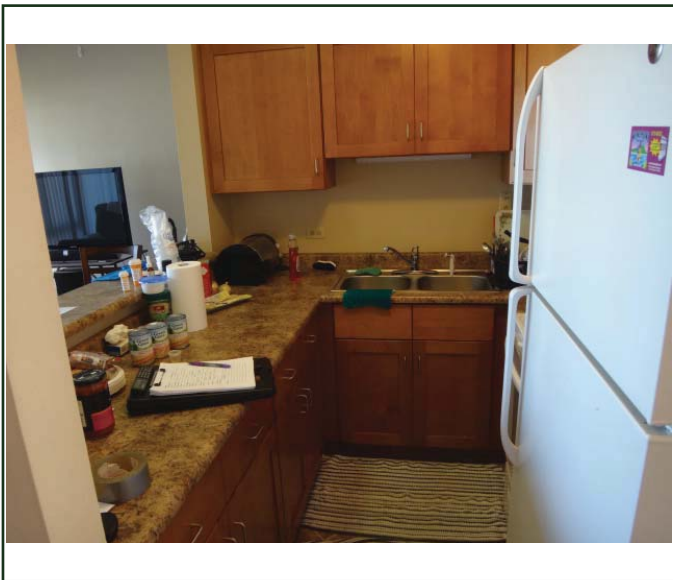


PHOTO 27:

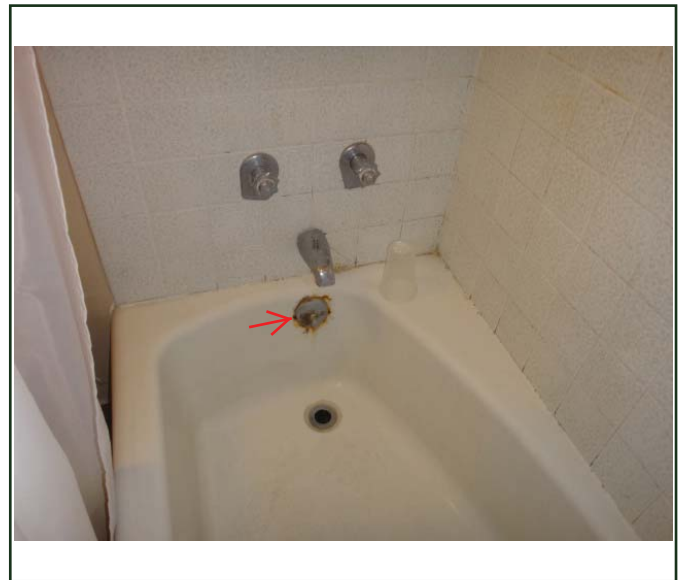


PHOTO 28:

HAWAI'I INSPECTION GROUP

The Right Choice for CONSTRUCTION CONSULTING



SCOPE OF SERVICES PROVIDED:

HOME INSPECTIONS

ASHI Standard Home Inspection, including color photos and recommendations for all needed repairs

ENVIRONMENTAL TESTINGS

Offering a full range of mold, lead and asbestos assessments and sampling, Industrial Hygienist consulting

STRUCTURAL AND SEISMIC ASSESSMENTS

Determinations conducted by licensed engineers

WATER INTRUSION TESTING

Testing done with thermal graphic cameras and moisture meters

PROJECT REPORTS FOR

A.O.A.O. (Association of Apartment Owners) & COMMERCIAL BUILDINGS

Project Management, scope of work, bid documents, and project administration

RESERVE STUDIES

CAI Certified Reserve Specialist, 15 years experience

EXPERT WITNESS TESTIMONY

Provided for construction defects lawsuits

QUALIFICATIONS

ASHI Certified Home Inspector - over 8,000 inspections performed
Hawai'i Licensed General Contractor
Hawai'i Licensed Civil Engineer
Hawai'i Licensed Chemical Engineer
State Licensed Industrial Hygienist
Hawai'i State Certified Lead and Asbestos Testing
Nationally Certified Mold Testing
CAI Certified Reserve Specialist
Hawai'i State Qualified Expert Witness

SCHEDULING AN INSPECTION?

Call or Email us directly.

Office 808.879.6000 FAX: 808/879/9006

Toll Free 866.306.9006

info@HawaiiInspectionGroup.com

Visit our website for sample reports and information:

www.HawaiiInspectionGroup.com

Hawai'i Inspection Group, Inc.

808.879.6000



www.HawaiiInspectionGroup.com

