

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's Name:

Property Address:

c/o Client's Address:

City, State, Zip:



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



ReportNumber

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INVOICE

Survey Date:	Time: 9:00 am	Report No:	ReportNumber
Inspection Address:			
City, State, Zip:		Aprox. Sq. Ft.	6700
Client's Name:	Client's Name:	Listing Inspection: <input type="checkbox"/>	(Due within 90 days)
Agent's Name:		Phone:	
Office:		Email:	
Inspection Cost: \$0	Add:	For:	
Paid On Site: <input type="checkbox"/>	Check No.	Billing Fee: \$0	Total: \$0.00

MAKE CHECKS PAYABLE TO:

HIG, INC.
P.O. Box 60
Kihei, Hawaii 96753

\$0.00

BILLING INSTRUCTIONS

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

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

ReportNumber

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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 of 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.

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.

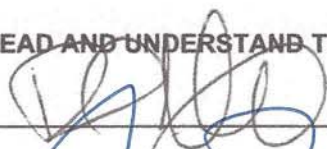
BY SIGNING BELOW, YOU ARE SPECIFICALLY AGREEING TO THE SCOPE OF SERVICES, LIMITATION OF LIABILITY AND DISPUTE RESOLUTION PROVISIONS, AND ALL CONDITIONS AS DESCRIBED ON THIS CONTRACT. IF THIS AGREEMENT IS NOT SIGNED WITHIN THREE (3) CALENDAR DAYS OF THE INSPECTION BY THE CLIENT OR THEIR AUTHORIZED AGENT, 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:

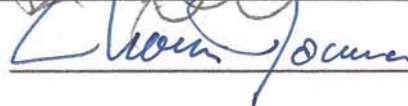
CLIENT(S):



DATE:

7, 31, 14

INSPECTOR:



DATE:

8, 1, 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:

Approx. Square Footage: 6700

Approx. Date Built: Unknown

Occupied?

☒

YES

☐

NO

No. of Structures: 1

Construction Type: Masonry Walls

Design Style:

Property Use: ☒ Office

☐ Retail

☐ Industrial

☐ Warehouse

☐ Other

Location:

The property is located adjacent to the intersection with Church Street with the main street address entry facing North. There are 12 parking areas adjacent to the main structure (one of the handicapped parking). The property is located in a commercial zone with access from a main street or roadway.

1.2 General Physical Condition

Overall General Physical Condition of the Property: The property appeared fairly maintained

Apparent Level of Past Preventive Maintenance: Minimal, Some records exist of only needed preventive maintenance

Significant Deferred Maintenance Noted:

There was evidence of any deferred maintenance noted during the site survey visit. The following list of "significant" maintenance items were found to have been deferred for future maintenance:

- a) Roof Coating
- b) Air conditioning air handlers, lower level, need servicing
- c) Paint coverage is minimal, gaps showing, needs repainting in the next year
- d) One roof drain has been leaking and may need repair

+

Summary of Material Physical Deficiencies Needing Attention:

There were noted physical deficiencies outside of typical maintenance items and/or cosmetic issues.

- a) One lower floor air handler is rusted and shows evidence of recent leaking.
- b) Spalling Damage to concrete at the main entrance, rear stair landing, and AC chiller CMU block enclosure

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

There were no additional findings other than as noted within this PCA.

Additional Findings From Research or Other Sources:

There were no additional findings other than as noted within this PCA.

Report Number

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	<input type="checkbox"/> N/A
The expected approximate cost of the "Short Term" items needing attention is about:	\$0.00	<input type="checkbox"/> N/A
The expected approximate cost of the "Long Term" items needing attention is about:	\$0.00	<input type="checkbox"/> N/A
The total aggregate of the Immediate, Short Term, and Long Term Items is approximately:	\$0.00	<input type="checkbox"/> N/A

1.4 Deviations From the ASTM E-2018-01 Guidelines

Guideline Sections Excluded or Not Applicable Per E2018-01:

*****"ASTM E2018-01,10.5.4 Present ALL material deviations and deletions from this guide, if any, listed individually"
OR...

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):

NONE

1.5 Recommendations/Discussions:

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

<input type="checkbox"/> Wood Destroying Organisms	<input type="checkbox"/> Foundation	<input type="checkbox"/> Drainage	<input checked="" type="checkbox"/> Roofing
<input type="checkbox"/> Plumbing	<input type="checkbox"/> Heating	<input checked="" type="checkbox"/> HVAC	<input type="checkbox"/> Other

Comments (If Any):

I recommend the roof be further inspected by a licensed roofing contractor to both evaluate its condition and to prepare an estimate for re-coating at this time.

The lower floor air handlers need a more thorough evaluation by a licensed HVAC contractor as these are not under maintenance contract and appear to need repairs and servicing.

ReportNumber

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:

The property is comprised of one two story poured concrete structure.

The current use of the buildings and property appears to be for offices.

Tenant Equipment or Other:

An extensive security system has been installed for the second floor tenant, and this system is beyond the scope of this Assessment. See pictures 28 thru 31

3.2 Site:

Topography:

☐ Mostly Flat ☒ Slight Slope ☐ Slopped ☐ Very Slopped

The terrain slopped from left to right facing the building from the main entrance side.

Storm Water and Drainage:

☒ Surface Drainage: ☐ Underground Drainage: ☐ None Available

The storm drainage is surface, flowing to the street storm sewer system with no visible underground drainage systems.

Ingress & Egress:

The main vehicle access to the property is through the North and South by means of a parking lot entry driveways. The main entrance to the building is through the North with 3 additional emergency doors around the building at several locations.

Report Number

3.3 Property Grounds:

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

The parking has asphalt paving in good condition, with a need to a seal coat in the next one to two years.

Flat Work:

There is no concrete flat work other than the front entrance which was in good condition.

Landscaping & Appurtenances:

Landscaped areas of trees and shrubs are located at both the left and right sides of the front parking area. There is an irrigation system installed with a back flow preventer along Church Street, see picture 2

Recreational Facilities:

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

NONE

3.4 Utilities:

☒ Water ☒ Electricity ☐ Gas ☐ Other Special Utility Systems

The main water service is supplied the County of Maui Water Department, with the main water shut off located on Church Street. See picture 2

The electricity is provided by Maui Electric Company (MECO) with the main service entrance and meter at the rear of the building. See picture 13

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.

ReportNumber

3.5 Structural Frame & Building Envelop:

The building is a poured in place two story structure with concrete slab foundation and concrete slab roof. No visible evidence of settlement was found, but some small areas of concrete spalling were noted at the front entry, rear stair landing, and the air handler CMU enclosure. These areas need repair at this time, see pictures 32 thru 34

The glazing has is anodized aluminum frames with tinted inset glass panels which were in good condition with adequate caulking where visible. This caulking does need to be re newed at least as often as the painting cycle of 10 years.

Some hairline horizontal cracks were note to the exterior walls (at the first floor foundation/horizontal wall joints) and at one interior ceiling area. No differential shifting or settlement was visible, but these should be sealed now and at the next painting cycle.

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:

Built Up Roofing 100%

Observations:

The flat roof is not protected by a vertical parapet system and appears to be a composition roll roof that has been coated. The current coating is past its effective life, and a new coating needs to be applied at this time to avoid deterioration of the cap sheet. These coatings last approximately 10 years. See pictures 3 and 4

There may be leaking at one of roof drains, and I recommend repairs at this time. See picture 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.

ReportNumber

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 checked="" type="checkbox"/> ABS Plastic	<input 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 type="checkbox"/> Gas Fired	<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Solar	<input type="checkbox"/> Other

Observations:

All the water appliances and fixtures were run with no visible evidence of leaking.

There is a GE 40 gallon water heater for the first floor that is in good condition. See picture 7

There is an Ariston on-demand electric water heater on the second floor under the kitchen sink in good condition. See picture 8

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
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Observations:

NONE

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.

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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:

The building wide AC system is comprised of a McQuay chiller located at the rear of the building and 8 air handlers located in the ceiling areas, 4 for each floor. Each air handler has its own thermostat allowing different areas of each floor to have local temperature control. In addition, there is an abandoned split system in the main room of the downstairs area that should be removed as it is no longer functional. See pictures 35 and 36

The McQuay chiller appears in good condition, and I talked to Alltemp AC who services this unit. It is of 25 ton capacity, sufficient for cooling the building, and we had it turned on the entire time during the inspection. See picture 9

The 4 air handlers on the upper floor appeared to be in good condition, and are being serviced by Alltemp AC who change the filters and inspect these units on contract. The four downstairs units are in fair to poor condition, and one unit is extensively corroded and needs to be replaced at this time. See picture 10 thru 12

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 ☐ Other
Service Amperage 600 400 200 200
Phase ☒ Single ☒ 3 Phase

Observations:

The main electrical service equipment is located at the rear of the building on the exterior wall, see picture 13
The main service panel has its specification panel painted over, and I estimate, by the size of the panel, and by comparison with other similar buildings it to be rated at 600 amps. From this main panel, the AC chiller has a 400 amp service that runs through a transformer that converts the current to three phase, see pictures 14 and 15

The building power for interior power runs through an exterior chase to two panels on the exterior wall with circuit breaker disconnects showing 200 amp ratings. These in turn provide power subpanels inside the building, one for the top floor and two for the lower floor. We turned all the power to all the lights and AC while performing the inspection and found no problems. See pictures 16 thru 19

All the outlets in the building have three line grounded circuits, but there were no GFCI outlets in the bath or kitchens.

This building, with its flat roof with no shading would be a good candidate for a solar voltaic roof mounted system.

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.

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3.8 Vertical Transportation:

☐ Elevators ☐ Escalators ☐ Maintenance Contract In Place
☐ Service Contractor Listed. Name: Enter Contact Info

Observations:

NONE

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:

The building does not have a sprinkler system, local fire extinguishers only, and no smoke detectors. The upstairs back door does not have the correct emergency lighting. I recommend the building have a smoke alarm system installed to 110 volt smoke detectors and that smoke detectors be installed in the existing and any future kitchen areas. Each floor should have a fire extinguisher cabinet near its main entry area and the upstairs rear door have a correct emergency light installed.

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.

ReportNumber

3.10 Interior Elements

Flooring Materials:

☒ Concrete ☐ Vinyl/Linoleum ☒ Ceramic Tile ☒ Carpet ☒ Wood
☐ Laminate ☐ Stone ☐ Other

Flooring Observations:

The interior floors have a variety of flooring material, all in serviceable condition. Some replacement carpeting and wood flooring was being installed at the lower floor.

Wall Observations:

The walls were a combination of textured masonry, textured sheetrock, mirrors, and some paneling. All were in serviceable condition. Several offices and one conference room were in use at the upper floor and were not inspected at the request of the current tenant.

Ceiling Observations:

The ceilings were fiberboard drop panels with electrical wiring and AC ducts in the drop spaces and some panels were damaged or missing. Some water stains were noted, though no leaking was present at the time of the inspection. See picture 20

At the upstairs rear wall, some ceiling panels have been removed exposing the underside of the roof slab where epoxy has been applied apparently to correct leaking. This area is under where we believe a roof drain could be leaking. See picture 21

Window & Door Observations:

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

Panic Handle Where Needed? ☐ YES ☐ NO ☒ N/A

Doors: ☒ Wood ☒ Metal ☒ Glass

The front entry door to the lower floor has a metal/glass door whose closer is not working correctly and needs repair. The exterior door to the AC chiller enclosure is damaged and needs repair to be opened. See picture 32

Other Misc. Interior Observations:

NONE

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.

Report Number

5.0 Additional Considerations

Additional Considerations if Any:

NONE

Outside Standard Practices If Any:

NONE

Other Standards If Any:

NONE

Additional Issues:

NONE

ReportNumber

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

ReportNumber

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):

HI General Contractor License
MBA Stanford Graduate School of Business
CAI Certified Reserve Specialist
ASHI Certified Inspector

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:

Two office rooms and the conference room in the upstairs space were not available for inspection.

ReportNumber

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:

The upstairs space has a door access control system, exterior parking lot surveillance camera, and interior alarm monitoring system that appear to be tenant specific. These system are not within the scope of the PCA. See pictures 28 thru 31

PHOTOS PAGE II



PHOTO 5: Possibly leaking roof drain



PHOTO 6: Possibly leaking roof drain downspout



PHOTO 7: Lower floor water heater



PHOTO 8: Ariston on demand water heater

PHOTOS PAGE III



PHOTO 9:



PHOTO 10: Corroded AC air handler, first floor ceiling



PHOTO 11: Lower floor AC air handler, typical of 4



PHOTO 12: Upper floor AC air handler typical of 4

PHOTOS PAGE IV



PHOTO 13: Main electrical meter and service panels



PHOTO 14: AC chiller disconnect panel



PHOTO 15: AC chiller transformer



PHOTO 16: Interior power disconnects, one for each floor

PHOTOS PAGE V



PHOTO 17: Downstairs subpanel "A"



PHOTO 18: Downstairs subpanel "B"

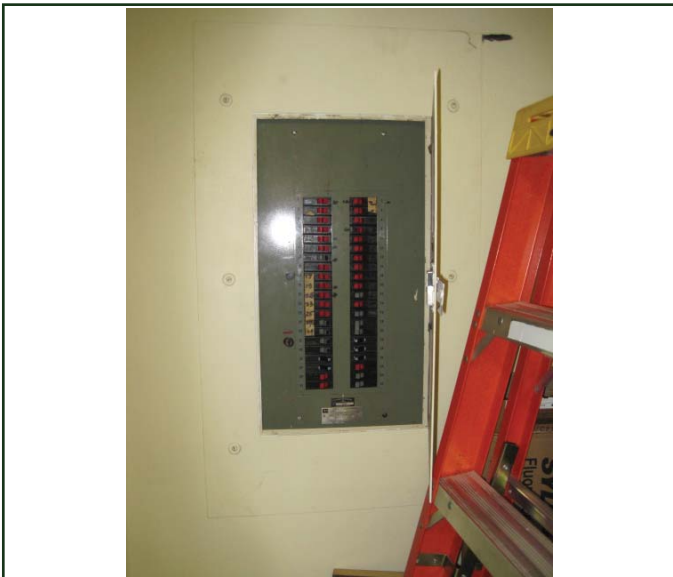


PHOTO 19: Upstairs subpanel



PHOTO 20: Downstairs ceiling tiles

PHOTOS PAGE VI



PHOTO 21: Upstairs ceiling tiles showing water damage and attempts at leak repair



PHOTO 22: Downstairs bathroom

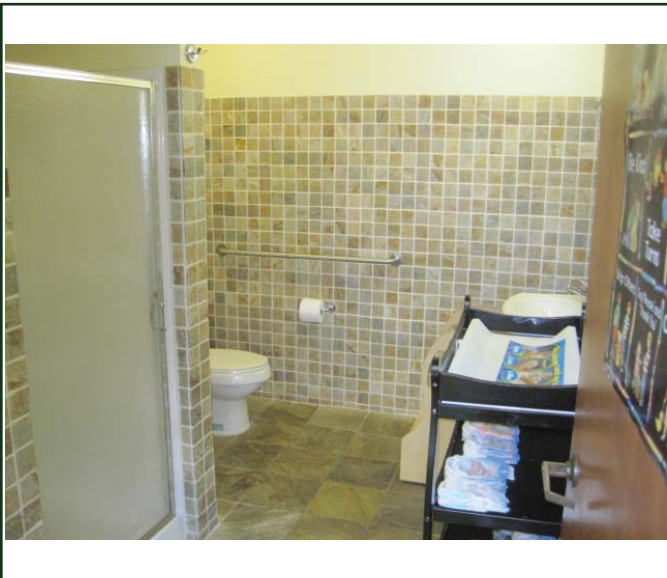


PHOTO 23: Downstairs bathroom



PHOTO 24: Downstairs kitchen

PHOTOS PAGE VII



PHOTO 25: Upstairs kitchen



PHOTO 26: Upstairs bathroom



PHOTO 27: Upstairs bathroom



PHOTO 28: Upstairs front door security system

PHOTOS PAGE VIII



PHOTO 29: Upstairs back door security system



PHOTO 30: Upstairs security system



PHOTO 31: Security monitoring camera



PHOTO 32: Spalling at AC chiller enclosure

PHOTOS PAGE IX



PHOTO 33: Spalling at rear steps



PHOTO 34: Spalling at front entry



PHOTO 35: Abandoned split AC system



PHOTO 36: Abandoned split AC system

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