

To: Lending Institution
 1234 Construction Lender Drive
 Some City, UT, 12345

Juana Manager, Manager
 (801) 555-1234 Fax: (801) 555-2345
 manager@email.com

Loan Officer: Joe Customer

For: Sample - Commercial Project
 123 Commercial Street
 Some City, UT 12345

Loan #: 123-456789
 Value: NA
 Loan: \$825,500

Joe Customer
Report Date: March 05, 2018
 Visit #01 on 03/01/18

COMMERCIAL PROGRESS REVIEW REPORT: #001

EXECUTIVE SUMMARY:

Site Visit:

The Walk-Through was conducted on: 03/01/18. Conditions at the site were cloudy, windy, approx. 30 degrees Work is progressing well. Met with superintendent on-site. Site grading is substantially complete. Framing is in progress. Lumber is on-site.

Quality

CITY/SPECIAL INSPECTIONS: Reports were not available at the job-site. I requested that they be made available. Superintendent said he would have copies of them on future visits. In our opinion, the risks to the Client regarding quality and compliance are MINIMAL. At the time of these observations, the general quality of construction relative to standards for construction of this type and scale in the region is, in our opinion, GOOD and is in general conformance with Industry Standards and/or Documents provided for our review. Any exceptions/comments are noted herein.

Schedule:

No schedule has been provided for review, but the Superintendent indicated that they anticipate having the project done prior to school starting in the fall. At the time of these observations the Work appeared to be on or ahead of schedule. Our estimated completion date: Fall 2006. Any exceptions/comments are noted herein. In our opinion, the risks to the Client regarding Schedule are MINIMAL.

Our opinions are based on a review of the documentation provided, observations, and/or verbal communications.

Funding:

We recommend that funding be considered based on conditions identified in this report, all other Lender requirements, and any other governing policies, regulations, and agreements.

PAYMENT ANALYSIS SUMMARY:

DESCRIPTION	BUDGET	%	OUR ESTIMATE	%	VAR
ORIGINAL BUDGET AMOUNT:	\$693,414	100.0%	\$693,414	100.0%	0.0%
Net Change by Change Order	\$0	0.0%	\$0	0.0%	0.0%
REVISED BUDGET AMOUNT:	\$693,414	100.0%	\$693,414	100.0%	0.0%
TOTAL COMPLETED TO DATE:	\$149,500	21.6%	\$169,125	24.4%	2.8%
Retainage:	\$0	0.0%	(\$8,456)	-5.0%	-5.0%
Total Earned Less Retainage	\$149,500		\$160,669		
Less Previous Requests:	\$0		\$0		
CURRENT PAYMENT DUE:	\$149,500		\$160,669		
Balance to complete:	\$543,914		\$532,745		

COMMENTS/RECOMMENDATIONS:

We consider that the risks to the Client regarding this Project to be .

Respectfully,

Martin Van Wagoner

NOTICE TO CLIENT:

This is an objective third party Report. It is informational only and only contains opinions and views. The Client and all other parties acknowledge that Inspection Company (the Agent) is acting solely as a limited service consultant. Any action to be implemented by the Client as a result of the Agent's service shall be identified in writing and transmitted by Client to the Agent.

Client hereby agrees to indemnify and hold harmless the Agent from any costs or other liabilities, including reasonable attorney's fees, personal injury or property damage, construction methods or techniques, errors and omissions, monitoring and review, analysis, or reporting, any and all acts of negligence of the Seller, developer and/or any contractors, their agents, servants, and employees performing services on or providing material to the Property. This report is the exclusive property of the Agent and the Client and its use by any unauthorized persons is prohibited.

PROJECT: ZC00 - Sample - Commercial Project**CONTrack** ©Construction Tracking System

PROJECT DESCRIPTION**Site Work:**

Concrete curb and gutter, asphalt pavement, site lighting, landscaping, fencing and gates, and parking stalls including handicap accessible stalls.

Building/Structure:

80,000 SF Apartment Housing Project with 10 apartment buildings and 120 units. 2-1/2 story; Typical concrete footing/foundation, wood frame structure. Metal stairs with concrete treads.

Exterior:

Siding and brick veneer. Asphalt shingles. Vinyl windows, R-19 blown-in wall insulation. R-38 attic insulation. Aluminum gutter and downspout.

Interior:

Drywall, carpet, VCT floor tile. Handicap accessible restrooms. Fiberglass shower/tub units. Wire shelving. Appliances.

Amenities:

None.

PROJECT SCHEDULE REVIEW:**Scheduled Dates:**

Start Date: 01/01/06. Completion Date: 12/31/06.

Benchmark Dates:

First building to be ready for occupancy by March 31, 2004.

Liquidated Damages:

\$1000 per day if not Closed on 12/31/04

Schedule Compliance:

No schedule has been provided for review, but the Superintendent indicated that they anticipate having the project done prior to school starting in the fall. At the time of these observations the Work appeared to be on or ahead of schedule. Our estimated completion: Fall 2006. Any exceptions/comments are noted herein.

PROJECT OBSERVATIONS:**VISIT #001:****Visit Information:**

Conducted on: 03/01/18. Conditions at the site were cloudy, windy, approx. 30 degrees. Work is progressing well. Met with superintendent on-site. Site grading is substantially complete. Framing is in progress. Lumber is on-site.

Quality and Conformance:

At the time of these observations, the general quality of construction relative to standards for construction of this type and scale in the region is, in our opinion, GOOD (except as otherwise may be noted herein) and is in general conformance with Industry Standards and/or Documents provided for our review. Any exceptions/comments are noted herein.

CITY/SPECIAL INSPECTIONS: Reports were not available at the job-site. I requested that they be made available. Superintendent said he would have copies of them on future visits.

WORK-IN PROGRESS:

As Of 03/01/18:

GENERAL: No temp facilities as permanent power is in place. SITE: GRADING: Rough grading of Phase II pad is complete. Footings are backfilled. BUILDING: Building footings and slab are complete. MATERIAL: Metal building materials are on-site.

#N/A

PAYMENT REQUEST REVIEW/ANALYSIS

PAYMENT APPLICATION #001:

Description:

Application #: 1. Dated: 01/31/18. . Description: Draw 1 - Hard Costs: Sample - Light Commercial Project.

Comments:

See Document Review and Line Item Breakdown for additional information.

PAYMENT APPLICATION #002:

Description:

Application #: 2. Dated: 02/28/18. Received by us on: 03/01/18. Description: Draw 2 - Hard Costs: Sample - Commercial Project.

Comments:

See Document Review and Line Item Breakdown for additional information.

DOCUMENT REVIEW

PLANS - ARCHITECTURAL:

Description:

Dated: 03/01/18. Number ZC00-R001-I001 - Plans - Architectural

Comments:

Plans were NOT available for our review at the job-site this visit. No plans were provided with the service request.

We have NOT been provided this information but have had access to it and reviewed it and therefore cannot determine whether it conforms to Industry Standards.

PERMIT:

Description:

Dated: 03/01/18. Number ZC00-R001-I002 - Permit

Comments:

City Permit has not been provided for our review.

We have NOT been provided this information but have had access to it and reviewed it and therefore cannot determine whether it conforms to Industry Standards.

It has been endorsed by the appropriate parties.

SCHEDULE:**Description:**

Dated: 03/01/18. Number ZC00-R001-I004 - Schedule

Comments:

No schedule has been provided. Work appears to be progressing. well.

We have NOT been provided this information but have had access to it and reviewed it and therefore cannot determine whether it conforms to Industry Standards.

It has been endorsed by the appropriate parties.

INSPECTIONS - CITY:**Description:**

Dated: 03/01/18. Number ZC00-R001-I005 - Inspections - City

Comments:

Reports should be made available for review at the job-site. Work appears to be in conformance.

We have NOT been provided this information but have had access to it and reviewed it and therefore cannot determine whether it conforms to Industry Standards.

It has been endorsed by the appropriate parties.

INSPECTIONS - SPECIAL:**Description:**

Dated: 03/01/18. Number ZC00-R001-I006 - Inspections - Special

Comments:

Reports should be made available for review at the job-site. Work appears to be in conformance.

We have NOT been provided this information but have had access to it and reviewed it and therefore cannot determine whether it conforms to Industry Standards.

It has been endorsed by the appropriate parties.

CHANGE ORDER:

Description:

Dated: 03/01/18. Number ZC00-R001-I007 - Change Order

Comments:

NO changed orders have been provided for our review. NONE are noted in draw.

We have NOT been provided this information but have had access to it and reviewed it and therefore cannot determine whether it conforms to Industry Standards.

It has been endorsed by the appropriate parties.

SCHEDULE UPDATE:**Description:**

Dated: 03/01/18. Number ZC00-R001-I008 - Schedule Update

Comments:

Superintendent was not on-site at the time of these observations.

We have NOT been provided this information nor reviewed it and therefore cannot determine whether it conforms to Industry Standards.

We recommend that this information be made available for our review. We can provide this review upon their receipt and authorization by Client.

DRAW:**Description:**

Dated: 03/01/18. Number ZC00-R001-I010 - Lender Budget Status Report

Comments:

RETAINAGE: Retainage does not appear to be withheld. Is this in accordance with the Loan Agreement?

PERCENTAGES OF COMPLETION: Line item requests are within acceptable percentage of the work observed on-site.

We have been provided this information and have reviewed it and believe it conforms to Industry Standards.

It has been endorsed by the appropriate parties.

DOCUMENTATION:**Description:**

Dated: 03/01/18. Number ZC00-R001-I011 - Draw Documentation

Comments:

Borrower's Request for Advance and Contractor Budget Sheet.

We have been provided this information and have reviewed it and believe it conforms to Industry Standards.

It has been endorsed by the appropriate parties.

PROJECT: ZC00 - Sample - Commercial Project

CONTrack ©

Construction Tracking System

To: Lending Institution
 1234 Construction Lender Drive
 Some City, UT, 12345

Juana Manager, Manager
 (801) 555-1234 Fax: (801) 555-2345
 manager@email.com

For: Sample - Commercial Project
 123 Commercial Street
 Some City, UT 12345

Loan Officer: Joe Customer
 Loan #: 123-456789
 Value: NA
 Loan Amount: \$825,500

Joe Customer
 Report Date: March 05, 2018
 Visit #01 on 03/01/18

COMMERCIAL PROGRESS REVIEW REPORT: #01

Hard Costs		Draw: 2	Dated: 02/28/18		Received: 03/01/18			
Description	Budget	Estimated	Draw Questions					
ORIGINAL CONTRACT SUM:	\$693,414	\$693,414	1	Recommend Funding? Yes				
Net Change:	\$0	\$0	2	Standard AIA? Yes				
CONTRACT SUM TO DATE:	\$693,414	\$693,414	3	Fully Endorsed? Yes				
COMPLETED TO DATE:	\$149,500 21.6%	\$169,125 24.4%	4	Irregularities with Request? No				
Retainage:	\$0 0.0%	(\$8,456) 5.0%	5	Change Orders Provided? Yes				
Total Earned Less Retain:	\$149,500	\$160,669	6	Ret. Release Requested? No				
Less Previous Payments:	\$0	\$0	7	Back-Up Provided? No				
CURRENT PAYMENT DUE:	\$149,500	\$160,669	8	Lien Releases Provided? No				
Balance (incl. Retainage)	\$543,914	\$532,745	9					
#	Code	Description	Budget	Requested	% Req	% Est	% Var	Comment
1	0100	General Conditions	\$5,000	\$1,000	20.0%	25.0%	5.0%	
2	0100	Temp Utilities	\$5,000	\$1,000	20.0%	25.0%	5.0%	
3	0100	Temp Toilet	\$5,000	\$1,000	20.0%	25.0%	5.0%	
4	0100	Dumpster	\$5,000	\$1,000	20.0%	25.0%	5.0%	
5	0100	Clean-up	\$5,000	\$1,000	20.0%	25.0%	5.0%	
6	0100	Site Trailer	\$5,000	\$1,000	20.0%	25.0%	5.0%	
7	0100	Stake/Layout	\$5,000	\$1,000	20.0%	25.0%	5.0%	
8	0100	Testing/Inspections	\$5,000	\$1,000	20.0%	25.0%	5.0%	
9	0100	SWPP	\$1,000	\$1,000	100.0%	25.0%	-75.0%	
10	0100	Project Manager	\$5,000	\$1,000	20.0%	25.0%	5.0%	
11	0100	Superintendent	\$20,000	\$5,000	25.0%	25.0%	0.0%	
12	0210	Site Prep/Demolition	\$5,000	\$5,000	100.0%	100.0%	0.0%	
13	0220	Earthwork	\$10,000	\$75,000	750.0%	100.0%	-650.0%	
14	0250	Site Concrete	\$15,000	\$0	0.0%	10.0%	10.0%	
15	0255	Paving	\$5,000	\$0	0.0%	0.0%	0.0%	
16	0260	Site Utilities	\$25,000	\$0	0.0%	100.0%	100.0%	
17	0280	Site Amenities	\$5,000	\$0	0.0%	0.0%	0.0%	
18	0285	Site Lighting	\$2,500	\$0	0.0%	25.0%	25.0%	
19	0290	Landscaping	\$1,000	\$0	0.0%	0.0%	0.0%	
20	0295	Fence/Gates	\$2,500	\$0	0.0%	0.0%	0.0%	
21	0310	Footings/Foundation	\$15,000	\$15,000	100.0%	100.0%	0.0%	
22	0330	Concrete/Rebar/Pumping	\$5,000	\$5,000	100.0%	100.0%	0.0%	
23	0340	Slab-on-Grade	\$10,000	\$10,000	100.0%	100.0%	0.0%	
24	0510	Structural Steel	\$15,000	\$10,000	66.7%	90.0%	23.3%	
25	0520	Joist/Deck	\$10,000	\$5,000	50.0%	90.0%	40.0%	
26	0530	Metal Fabrication	\$5,000	\$0	0.0%	50.0%	50.0%	
27	0535	Metal Stairs/Railings	\$5,000	\$0	0.0%	50.0%	50.0%	
28	0610	Rough Carpentry	\$10,000	\$0	0.0%	0.0%	0.0%	
29	0620	Finish Carpentry	\$10,000	\$0	0.0%	0.0%	0.0%	
30	0640	Millwork	\$10,000	\$0	0.0%	0.0%	0.0%	
31	0710	Moisture Protection	\$2,500	\$0	0.0%	10.0%	10.0%	
32	0720	Insulation/Caulk/Fire Seal	\$5,000	\$0	0.0%	10.0%	10.0%	
33	0720	Fireproofing	\$2,500	\$0	0.0%	0.0%	0.0%	
34	0730	Ext Wall Finishes	\$5,000	\$0	0.0%	0.0%	0.0%	
35	0740	Roofing/Accessories	\$7,500	\$0	0.0%	0.0%	0.0%	
36	0820	Doors/Frames	\$5,000	\$0	0.0%	0.0%	0.0%	
37	0830	Overhead Doors	\$2,500	\$0	0.0%	0.0%	0.0%	
38	0850	Windows/Glazing	\$7,500	\$0	0.0%	0.0%	0.0%	
39	0870	Finish Hardware	\$1,500	\$0	0.0%	0.0%	0.0%	
40	0920	Drywall/Metal Studs	\$10,000	\$0	0.0%	0.0%	0.0%	
41	0930	Tile/Surrounds	\$3,500	\$0	0.0%	0.0%	0.0%	
42	0950	Floor Coverings	\$7,500	\$0	0.0%	0.0%	0.0%	
43	0960	Acoustical Ceiling	\$5,000	\$0	0.0%	0.0%	0.0%	
44	0990	Paint/Wall Coverings	\$17,500	\$0	0.0%	0.0%	0.0%	
45	1022	Folding Partitions	\$39,366	\$0	0.0%	0.0%	0.0%	
46	1040	Fire Extinguishers	\$1,000	\$0	0.0%	0.0%	0.0%	
47	1050	Lockers	\$1,000	\$0	0.0%	0.0%	0.0%	
48	1055	Mail Boxes	\$1,000	\$0	0.0%	0.0%	0.0%	
49	1055	Knox Box	\$500	\$0	0.0%	0.0%	0.0%	
50	1056	Metal Storage Shelving	\$1,548	\$0	0.0%	0.0%	0.0%	

COMMERCIAL PROGRESS REVIEW REPORT: #01

51	1070	Toilet Partitions	\$1,500	\$0	0.0%	0.0%	0.0%	
52	1080	Toilet/Bath Accessories	\$1,500	\$0	0.0%	0.0%	0.0%	
53	1120	Trash Chute/Compaction	\$2,500	\$0	0.0%	0.0%	0.0%	
54	1160	Dock Equipment	\$2,500	\$0	0.0%	0.0%	0.0%	
55	1190	Appliances	\$2,500	\$0	0.0%	0.0%	0.0%	
56	1230	Cabinets/Countertops	\$7,500	\$0	0.0%	0.0%	0.0%	
57	1250	Signage	\$7,500	\$0	0.0%	0.0%	0.0%	
58	1290	Window Coverings	\$7,500	\$0	0.0%	0.0%	0.0%	
59	1410	Elevator	\$25,000	\$0	0.0%	0.0%	0.0%	
60	1540	Plumbing	\$15,000	\$2,500	16.7%	25.0%	8.3%	
61	1550	Fire Sprinklers	\$150,000	\$0	0.0%	10.0%	10.0%	
62	1560	HVAC	\$15,000	\$2,500	16.7%	30.0%	13.3%	
63	1610	Electrical	\$15,000	\$2,500	16.7%	25.0%	8.3%	
64	1670	Alarm/Security	\$5,000	\$0	0.0%	0.0%	0.0%	
65	1710	Permits/Fees	\$10,000	\$0	0.0%	100.0%	100.0%	
66	1720	Performance Bond	\$2,500	\$0	0.0%	100.0%	100.0%	
67	1730	General Liability Insurance	\$1,500	\$0	0.0%	100.0%	100.0%	
68	1740	Architect/Engineer	\$7,500	\$0	0.0%	100.0%	100.0%	
69	1750	Tenant Improvements	\$25,000	\$0	0.0%	0.0%	0.0%	
70	1760	Furnishings/Fixtures/Equipment	\$5,000	\$0	0.0%	0.0%	0.0%	
71	1780	Contingency - Hard Cost	\$10,000	\$0	0.0%	0.0%	0.0%	
72	1790	Overhead/Profit	\$15,000	\$2,000	13.3%	25.0%	11.7%	
		Totals:	693,414	\$149,500	21.6%	24.4%	2.8%	
		Visit Date:					1-Mar	

Questions		Summary	
1	On Schedule?	Yes	Work is progressing well. Met with superintendent on-site. Site grading is substantially complete. Framing is in progress. Lumber is on-site. In our opinion the risks to the Client are MINIMAL.
2	Quality in Compliance?	Yes	
3	Plans reviewed?	Yes	
4	Permit in place?	Yes	
5	Stored Material?	Yes	
6	Foundation Measured OK?	Yes	Martin Van Wagoner
7	Client Sign Posted?	Yes	
8	For Sale sign on property?	No	
9	Is property locked?	No	
10	Estimated completion date?	Fall 2018	

Sample - Commercial Project

Photo 1: Street view: Structural steel in progress through fifth floor.



Photo 2: Material on-site: Roof-top mechanical equipment on-site.



Photo 3: Main floor: Plumbing core for restrooms is on-site. Notice slab is poured.

