

**To: Lending Institution**

1234 Construction Lender Drive  
Some City, UT, 12345

**Juana B Manager, Manager**

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

Loan Officer: Sally Sales

**For: Sample Commercial Project**

123 Commercial Street  
Some City, UT 12345

Loan #: 123-456789

Value: \$6,000,000

Loan: \$5,000,000

**Joe Customer****Report Date: May 01, 2018**

Visit #01 on 04/30/18

**DOCUMENT AND BUDGET REVIEW REPORT: #001****PURPOSE AND SCOPE OF THIS REPORT:**

Sample - Document & Budget Review

In preparing this report, we use professional judgment and a practical / common sense approach in determining which items observed need a greater level of investigation and detailed reporting. It is to be understood that actual performance of individual components may vary from a reasonably expected standard and will be affected by circumstances which occur after the date of the evaluation. Please note that the verbiage and content of this Report focuses mostly on issues of greatest concern discovered in our observations and identified by discussion with others. Building systems and functions that appear to be in good operating condition are not discussed in detail in order to keep the report to a minimum. Please let us know if you would like a more detailed discussion of any particular item. In the interest of time, and insofar as the project has progressed to include significant completion of the demolition, we have focused our efforts primarily on cost analysis and project detail information identified in the Appraisal. We have not been provided any information regarding geotechnical, seismic, environmental, and accessibility other than what is on the plans. Also, we have NOT conducted a detailed assessment of code compliance of the plans. A cursory review of the Contract (with the focus of cost analysis in mind)

**EXECUTIVE SUMMARY:****Site Visit:**

The Walk-Through included visual observations of the building exterior and a walk-through of the building interior as was necessary to determine a representative condition of the Subject Property. It consisted of "nonintrusive visual observations" of what is "easily visible" and "readily accessible" per the ASTM E2018-15 guidelines. We did NOT conduct any exploratory testing, measuring, or calculations, nor dismantling of any components or systems (unless otherwise indicated herein).

Both the Walk-Through and the Report have been done by Marty Van Wagoner, a licensed General Contractor with a Bachelors Degree in Construction Management and 20 years experience in Construction and Existing Property consulting and over 35 years of construction experience in all types of construction.

The Walk-Through was conducted on: 04/30/18. Conditions at the site were cloudy, rainy, breezy, approx. 55 degrees We inspected the property on 04/30/2018. Met with superintendent on-site. He was very helpful and informative. We discussed the scope of the work to be done and the current work in progress. We also spoke with the Owner and discussed costs and income potential. Demolition is underway. Sandblasting of existing brick is in progress. The structure appears to be generally in good condition for its age. Some existing perimeter slab has been removed and excavation done to expose existing footings and foundation. What was observable, appears to be in good condition. Many of the existing wood columns are decayed and will need to be replaced. Some areas of floor and roof structure will need to be repaired/replaced.

**Document Review:**

The Document Review included a review of documents provided as **provided by the Client** (see Report detail for more information).

**Quality**

**PLANS:** Plans are well prepared and appear to be adequate for construction. Documents provided for our review are well prepared and appear to be adequate for construction. **GEO-TECH/ENVIRONMENTAL/CITY/SPECIAL INSPECTIONS:** No reports have been provided for our review. We recommend they be provided for our review. **EXISTING CONDITIONS:** The structure appears to be generally in good condition for its age. Some existing perimeter slab has been removed and excavation done to expose existing footings and foundation. What was observable, appears to be in good condition. Many of the existing wood columns are decayed and will need to be replaced. Some areas of floor and roof structure will need to be repaired/replaced. In our opinion, the risks to the Client regarding quality and compliance are **MINIMAL**.

**Property Condition:**

Definition of Condition:

- \* **GOOD:** In working condition and does not require immediate or short term repairs.
- \* **FAIR:** In working condition but may require immediate or short term repairs.
- \* **POOR:** Not in working condition OR requires immediate or short term repairs.

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, **FAIR** and is **NOT** 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. However, a conversation was held with the Contractor, who described the sequence of the work that would allow operations to continue with minimal impact in the existing facility during construction. We estimate construction time to be approximately twelve months from commencement to completion given adequate effective supervision, subcontractor cooperation, timely materials delivery, and normal seasonal weather patterns. No liquidated damages are identified in the Contract. Completion is identified as 330 days from notice to proceed. No notice to proceed has been provided. Notice to proceed is contingent on evidence of financing (\$6,500,000 minimum), Payment and Completion Guaranty, and contract with key subcontractor (Techone) which was executed on 04/25/18. Based on this, we estimate that the notice to proceed will be on or about 05/15/2018, placing completion date on or about 04/10/2019. Delays caused by Techone Construction, LLC or lower tier subcontractors are excluded from the GC Contract. Actual start date is uncertain but we estimate approximately 04/01/2018. Demolition and rehab work is currently in progress. At the time of these observations the Work appeared to be on or ahead of schedule. Our estimated completion date: Spring 2014. Any exceptions/comments are noted herein. In our opinion, the risks to the Client regarding Schedule are **MINIMAL**.

**Opinions of Costs for Suggested Remedies:**

According to ASTM E2018, Opinions of Cost are not required to be provided for Physical Deficiencies that may require the opinions of specialty consultants or the results of testing, intrusive observations, exploratory probing, or further research to determine cause.

Typically, Opinions of Cost that are either individually or in the aggregate less than a threshold amount of \$3,000 for like items are omitted, unless there are more than four separate like items that are below this threshold but collectively total over \$10,000. We have NOT included Opinions of Cost for any items in this report. Any suggestions provided in this report and the cost/responsibility for repairs/improvements are left to the discretion of the Client and their Realtor.

A "Physical Deficiency" is a conspicuous defect or Deferred Maintenance of material systems, components, or equipment. "Deferred Maintenance" is a Physical Deficiency that could have been remedied with normal/routine maintenance. "Immediate Costs" are any Physical Deficiencies that might require immediate action as a result of unsafe conditions, building code violations, or physical deficiencies that if left remedied would contribute to system failure or significant cost escalation. See Report detail and Addendum A for further information. The following is a summary of such findings:

**Immediate Costs:**

- \* Site: Demolition and removal of existing site concrete and debris.
- \* Repair/repointing of structural masonry.
- \* Repair of damaged/rotting structural components.

**Physical Deficiencies:**

- \* None.

**Deferred Maintenance:**

- \* None.

**Budget:**

Any cost estimates provided are based on national costs and historical costs for similar projects, adjusted for the area and inflation. Some line items exceed our recommended maximum budget variance of percent\_variance. See Project Cost Review Section and Cost Comparison Sheet (if We consider this project reasonably complex given that it is a specialty remodel/addition and therefore at greater risk for cost overruns. We have included contingency amounts within our estimate. Hard Cost Budget appears to be adequate to complete the Project and is within acceptable variance (+/- 5%) of our estimates. The Budget provided has no Contingency and minimal Contractor Fee. We typically recommend a Hard Cost Contingency of 3% to 5% and Contractor Fee of 5% to 10%. Allowing for such amounts provides additional security to the Bank for unforeseen costs and helps ensure adequate management and supervision of the Project. Overall amount requested is within acceptable range of our estimated costs to complete the scope of work identified in the documents provided. We typically recommend funding if amount requested is within 5% of our estimates. See Cost Comparison detail. We recommend that 5% retainage be withheld from requested funds until project is substantially complete. Contract indicates that retainage will be withheld. In our opinion, the risks to the Client regarding the Budget and Line Item variances are MINIMAL

**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.

**BUDGET COMPARISON SUMMARY:**

DESCRIPTION	BUDGET	%	\$/SF	OUR ESTIMATE	%	\$/SF	VAR
General Conditions	\$217,600	3.9%	\$3.31	\$217,600	3.7%	\$3.31	0.0%
Site Work	\$665,985	11.8%	\$10.14	\$746,346	12.8%	\$11.36	12.1%
Buildings	\$3,924,978	69.7%	\$59.76	\$4,029,480	69.0%	\$61.35	2.7%
Tenant Improvements	\$0	0.0%	\$0.00	\$0	0.0%	\$0.00	0.0%
<b>TOTAL DIRECT COSTS:</b>	<b>\$4,808,563</b>	<b>85.4%</b>	<b>\$73.21</b>	<b>\$4,993,426</b>	<b>85.5%</b>	<b>\$76.03</b>	<b>3.8%</b>
Contingency	\$650,667	11.6%	\$9.91	\$336,000	5.8%	\$5.12	-48.4%
OHP	\$110,000	2.0%	\$1.67	\$448,000	7.7%	\$6.82	307.3%
<b>TOTAL HARD COSTS:</b>	<b>\$5,569,230</b>	<b>98.9%</b>	<b>\$84.80</b>	<b>\$5,777,426</b>	<b>98.9%</b>	<b>\$87.97</b>	<b>3.7%</b>
Permits	\$0	0.0%	\$0.00	\$0	0.0%	\$0.00	0.0%
Design	\$0	0.0%	\$0.00	\$0	0.0%	\$0.00	0.0%
Bond	\$49,445	0.9%	\$0.75	\$50,000	0.9%	\$0.76	1.1%
Liability	\$11,000	0.2%	\$0.17	\$15,000	0.3%	\$0.23	36.4%
Land	\$0	0.0%	\$0.00	\$0	0.0%	\$0.00	0.0%
FF&E	\$0	0.0%	\$0.00	\$0	0.0%	\$0.00	0.0%
Finance	\$0	0.0%	\$0.00	\$0	0.0%	\$0.00	0.0%
<b>TOTAL SOFT COSTS:</b>	<b>\$60,445</b>	<b>1.1%</b>	<b>\$0.92</b>	<b>\$65,000</b>	<b>1.1%</b>	<b>\$0.99</b>	<b>7.5%</b>
<b>TOTAL COSTS:</b>	<b>\$5,629,675</b>	<b>100.0%</b>	<b>\$85.72</b>	<b>\$5,842,426</b>	<b>100.0%</b>	<b>\$88.96</b>	<b>3.8%</b>

**COMMENTS/RECOMMENDATIONS:**

We consider that the risks to the Client regarding this Project to be MINIMAL. Lender is considering financing construction on a remodel of the Subject Property. Borrower has occupied the building since 2001 and desires to remodel the interior and add on additional space. The Lender would like to confirm the Contractor's capacity and capability and assess whether the Contract Documents are accurate and complete and that the budget is sufficient to complete the work. Thanks for the opportunity to work with you on this Project! Please call us if you have questions or comments.

**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.

It is not the Agent's responsibility to research jurisdictional requirements by governing authorities regarding this Property. Agent makes no representation as to the presence or extent of Building Code violations nor the legal use of the Property. A search of public records is beyond the scope of this Report.

The Agent is not responsible recognizing or reporting on environmental concerns. Environmental concerns include asbestos, lead paint, mold, toxic waste, formaldehyde, methamphetamine or other illegal substances, electromagnetic radiation, buried site conditions, soil and/or ground water contamination, Chinese drywall, etc. Agent may, upon request of Client and for an additional fee, schedule and/or oversee special testing for such concerns. Geological or site stability information or assessment is beyond the scope of this Report.

As the Agent is acting solely as a limited service consultant, it cannot and does not warrant the actual condition of the Property nor can it certify or otherwise attest to compliance with applicable building codes or accessibility requirements. This Report is limited to visual observations, any conditions that are not accessible or observable at the time of Agent site observations are excluded from consideration in this Report. This Report should not be construed as substitution of Client's responsibility for due diligence nor a comprehensive assessment of condition, value, usability, or compliance of the Property.

This Report is not to be used for the purpose of substituted disclosure. Agent does not offer opinion as to whom should take responsibility for any of the recommendations made within this report. This should come from consultation with the Realtor and/or legal counsel. Agent takes no responsibility for faulty workmanship or any items of concern with the Property whether identified or not in this Report.

By conducting this Property Condition Assessment (PCA) and preparing this Property Condition Report (PCR), the Agent 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 physical condition; compliance with any governmental jurisdiction; compliance with trade/design or insurance standards; or compliance with any certification, manufacturer's warranty.

**PROJECT DESCRIPTION****Site Work:**

Existing site work with modifications resulting from addition. Modifications include concrete curb and gutter, asphalt pavement, site lighting, landscaping, and 30 additional parking stalls.

**Building/Structure:**

OFFICE/WAREHOUSE/SHOWROOM: 25,000 SF total, 10,000 SF which is new (5,000 SF 1st floor and 5,000 SF 2nd floor). 2 story commercial building . Concrete footing/foundation and slab-on-grade; structural steel and masonry structure; roof structure is steel with single-ply EPDM roof membrane (5,000 SF new). Addition includes a new elevator in the existing showroom area.

**Exterior:**

Smooth and split face concrete block. EIFS. Steel canopy to match existing. Single-ply roof membrane. Aluminum storefront glazing.

**Interior:**

Drywall, carpet, loor tile. Handicap accessible restrooms. Acoustical ceiling. New walls in existing showroom and existing second floor.

**Amenities:**

Dumpster enclosure. Bike rack.

**PROJECT SCHEDULE REVIEW:****Scheduled Dates:**

Start Date: 09/30/05. Completion Date: 12/31/06.

**Benchmark Dates:**

No benchmark dates have been identified.

**Liquidated Damages:**

\$1000 per day if not Closed on 04/30/14

**Schedule Compliance:**

No schedule has been provided. However, a conversation was held with the Contractor, who described the sequence of the work that would allow operations to continue with minimal impact in the existing facility during construction. We estimate construction time to be approximately twelve months from commencement to completion given adequate effective supervision, subcontractor cooperation, timely materials delivery, and normal seasonal weather patterns. No liquidated damages are identified in the Contract. Completion is identified as 330 days from notice to proceed. No notice to proceed has been provided. Notice to proceed is contingent on evidence of financing (\$6,500,000 minimum), Payment and Completion Guaranty, and contract with key subcontractor (Techone) which was executed on 04/25/18. Based on this, we estimate that the notice to proceed will be on or about 05/15/2018, placing completion date on or about 04/10/2019. Delays caused by Techone Construction, LLC or lower tier subcontractors are excluded from the GC Contract. Actual start date is uncertain but we estimate approximately 04/01/2018. Demolition and rehab work is currently in progress. At the time of these observations the Work appeared to be on or ahead of schedule. Our estimated completion: Spring 2014. Any exceptions/comments are noted herein.

## PROJECT OBSERVATIONS:

### VISIT #001:

#### Visit Information:

Conducted on: 04/30/18. Conditions at the site were cloudy, rainy, breezy, approx. 55 degrees. We inspected the property on 04/30/2018. Met with superintendent on-site. He was very helpful and informative. We discussed the scope of the work to be done and the current work in progress. We also spoke with the Owner and discussed costs and income potential. Demolition is underway. Sandblasting of existing brick is in progress. The structure appears to be generally in good condition for its age. Some existing perimeter slab has been removed and excavation done to expose existing footings and foundation. What was observable, appears to be in good condition. Many of the existing wood columns are decayed and will need to be replaced. Some areas of floor and roof structure will need to be repaired/replaced.

#### 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, FAIR (except as otherwise may be noted herein) and is NOT in general conformance with Industry Standards and/or Documents provided for our review. Any exceptions/comments are noted herein.

PLANS: Plans are well prepared and appear to be adequate for construction. Documents provided for our review are well prepared and appear to be adequate for construction. GEO-TECH/ENVIRONMENTAL/CITY/SPECIAL INSPECTIONS: No reports have been provided for our review. We recommend they be provided for our review. EXISTING CONDITIONS: The structure appears to be generally in good condition for its age. Some existing perimeter slab has been removed and excavation done to expose existing footings and foundation. What was observable, appears to be in good condition. Many of the existing wood columns are decayed and will need to be replaced. Some areas of floor and roof structure will need to be repaired/replaced.

### WORK-IN PROGRESS:

#### As Of 04/30/18:

**GENERAL: TEMP UTILITIES/FACILITIES:** No temp facilities as permanent power is in place. Existing stairwell is being painted and existing space is being prepared so that work can continue during construction. **SITE:** Concrete demolition in progress. **BUILDING:** Demolition is underway. Sandblasting of existing brick is in progress. Some existing perimeter slab has been removed and excavation done to expose existing footings and foundation. **MATERIAL:** None

In preparing this report, we use professional judgment and a practical / common sense approach in determining which items observed need a greater level of investigation and detailed reporting. It is to be understood that actual performance of individual components may vary from a reasonably expected standard and will be affected by circumstances which occur after the date of the evaluation. Please note that the verbiage and content of this Report focuses mostly on issues of greatest concern discovered in our observations and identified by discussion with others. Building systems and functions that appear to be in good operating condition are not discussed in detail in order to keep the report to a minimum. Please let us know if you would like a more detailed discussion of any particular item. In the interest of time, and insofar as the project has progressed to include significant completion of the demolition, we have focused our efforts primarily on cost analysis and project detail information identified in the Appraisal. We have not been provided any information regarding geotechnical, seismic, environmental, and accessibility other than what is on the plans. Also, we have NOT conducted a detailed assessment of code compliance of the plans. A cursory review of the Contract (with the focus of cost analysis in mind)

## COST REVIEW/ANALYSIS

### BUDGET ANALYSIS:

#### Total Cost Estimate:

Our estimate is based on National Costs and comparative projects adjusted for location and inflation. It is 3.8% HIGHER than the total Budget amount provided for review which is LESS THAN the 5.0% variance we typically consider acceptable. We consider this variance to be reasonable.

#### Breakdown:

Budget provided for review includes Line Items for: Site Work, Buildings, General Conditions, Overhead/Profit, Performance Bond, Direct Cost Contingency, for which we have included an analysis/estimate.

Budget provided excludes certain recommended Line Items, specifically, Permits/Fees, Architect/Engineer fees.

### LINE ITEM REVIEW:

#### General Conditions:

Total of \$217,600 or 4.5% of Hard Construction Costs. This is in line with the industry standard of +/- 5.0% of Hard Construction Costs for projects of this type and scale. We have included \$217,600 in our Estimate.

#### Permit/Fees:

Total of \$0 is LESS THAN the industry standard of +/- 4.0% of Hard Construction Costs for projects of this type and scale. We have included \$0 in our Estimate.

#### Architect/Engineer:



Total of \$0 is LESS THAN the industry standard of +/- 6.0% of Hard Construction Costs for projects of this type and scale. We have included \$0 in our Estimate.

**Overhead/Profit:**

Total of \$110,000 or 2.3% of Hard Construction Costs. This is LESS THAN the industry standard of +/- 10.0% of Hard Construction Costs for projects of this type and scale. We have included \$448,000 in our Estimate.

**Contingency:**

Total of \$650,667 or 13.5% of Hard Construction Costs. This EXCEEDS the industry standard of +/- 6.0% of Hard Construction Costs for projects of this type and scale. We have included \$336,000 in our Estimate.

**Performance Bond:**

Total of \$49,445 or 1.0% of Hard Construction Costs. This is in line with the industry standard of +/- 3.0% of Hard Construction Costs for projects of this type and scale. We have included \$50,000 in our Estimate.

**Finance Costs:**

Total of \$0 is LESS THAN the industry standard of +/- 8.0% of Hard Construction Costs for projects of this type and scale. We have included \$0 in our Estimate.

**DOCUMENT REVIEW****SOILS REPORT:****Description:**

Dated: 12/01/12. Number ZCDB-R001-I001 - Soils Report

**Comments:**

A copy of the Soils Report has not been provided. However, the plans reference the Soils report (by Sample Geotechnical Engineering Consultants, P.C., Project No. 106, Dated December 01, 2012) and identify special requirements identified therein. Information typically included in a Soils Report should be current and should describe the most significant geotechnical aspects of the site including soils descriptions and ground and surface water conditions, proximity to active fault lines, etc. It should specify any necessary site preparations and recommended structural bearing capacities and systems.

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..

**PLANS - ARCHITECTURAL:****Description:**

Dated: 02/28/13. Number ZCDB-R001-I002 - Architectural Plans

**Comments:**

Plans include title sheets, index and key plan, vicinity map, project information, site, floor, roof plans, exterior and interior elevations, building sections, reflective ceiling plans, exterior and interior elevations, building sections, room finish schedules and legends, door and hardware schedules, equipment schedules, details, keyed notes, cross references, general notes, code and ordinance data and references. Plans reviewed were professionally prepared and appear to be thorough and complete. Code design criteria has been provided such as Type, Occupancy, Snow or Wind loads, Seismic Zone, or soil bearing capacity. Codes referenced include IBC 2003, UMC 2003, IPC 2003, UFC 2003, and NEC 2006. Fire sprinklers not required (under 24,000 SF). According to our research, Utah has adopted IBC, IPC, and IMC 2009 edition and NEC 2008 edition. City plan review at permit time should identify if there is a problem with this discrepancy.

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.

### PLANS - CIVIL:

#### Description:

Dated: 02/28/13. Number ZCDB-R001-I003 - Civil Engineering Plans

#### Comments:

Plans include vicinity map, cover sheet, grading and drainage plan, utility plan, site lighting plan, site improvement plan, general notes and specifications, details, city and utility district specific notes, code and ordinance references, storm water pollution prevention plan, erosion control plan, storm run-off calculations.

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.

### PLANS - LANDSCAPE:

#### Description:

Dated: 02/28/13. Number ZCDB-R001-I004 - Landscape Plans

#### Comments:

Sheet A0-1 shows basic landscaping information. Plans reviewed were professionally prepared and appear to be adequate to determine scope.

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.

### PLANS - STRUCTURAL:

#### Description:

Dated: 02/28/13. Number ZCDB-R001-I005 - Structural Engineering Plans

**Comments:**

Plans include footing, floor, and roof structural plans, details, code data and references, keyed notes, cross references, and general notes. Plans reviewed were professionally prepared and appear to be thorough and complete. Correct reference has been made to the current IBC 2009 Building Code. Structure has been designed for Seismic Zone 1.0; 90 mph wind, Exposure C; 30 PSF snow load. Soil design pressure is 2500 PSF. Frost protection is 30" minimum coverage. Special inspection requirements for soils, concrete, reinforcing, bolting, welding, drill/epoxy anchors, masonry are required. S1-1 identifies requirements in detail.

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.

**PLANS - MECHANICAL:****Description:**

Dated: 02/28/13. Number ZCDB-R001-I006 - Plumbing Plans

**Comments:**

Plans include Plumbing drawings, including waste and water piping plans, load calcs, details, code data, keyed notes, fixture and equipment specifications and schedules, appropriate schedules and diagrams, standards, applicable code data, references, and general notes. Plans reviewed were professionally prepared and appear to be thorough and complete. Reference has been made to the IPC 2003 Uniform Plumbing Code (see note above regarding currently adopted codes).

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.

**PLANS - MECHANICAL:****Description:**

Dated: 02/28/13. Number ZCDB-R001-I007 - Mechanical Plans

**Comments:**

Plans include Mechanical, Fire Protection drawings, schematic plans, load calcs, details, code data, keyed notes, equipment specifications and schedules, appropriate schedules and diagrams, standards, applicable code data, references, and general notes. Includes plans for gun range ventilation. Plans reviewed were professionally prepared and appear to be thorough and complete. Reference has been made to the UMC 2003 Uniform Mechanical Code.

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.

## PLANS - ELECTRICAL:

### Description:

Dated: 02/28/13. Number ZCDB-R001-I008 - Electrical Plans

### Comments:

Plans include site lighting plan, site details and schedules, floor lighting and power plans, schematic plans, riser and panel diagrams, appropriate equipment lighting fixture and panel schedules, calculations, details, keyed notes, applicable code data and references, and general notes. Plans reviewed were professionally prepared and appear to be thorough and complete. Reference has been made to the NEC 2006 Electrical Code.

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.

## APPRAISAL:

### Description:

Dated: 05/31/13. Number ZCDB-R001-I009 - Appraisal

### Comments:

Prepared by Joe Dokes Awesome Appraisals. Appraisal reviewed is professionally prepared and appears to be thorough and complete. Valuation appears to be in line with our estimates.

We have NOT been provided this information but have had access to it and reviewed it.

## BUDGET:

### Description:

Dated: 06/30/13. Number ZCDB-R001-I010 - Contractor Budget

### Comments:

Line item breakdown of the construction costs. Appears to be created by Contractor. Does NOT include permits or soft costs. Budget includes a detailed cost breakdown for the buildings and identifies General Contractor Fee and Contingency which is accordance with our recommendations.

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.

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

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

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

**Joe Customer**  
 Report Date: May 01, 2018  
 Visit #01 on 04/30/18

**COST COMPARISON**

#	Description					Our				Variance	Var %	Comment
		Budget	Per SF	Per Unit	%	Estimate	Per SF	Per Unit	%			
<b>1</b>	<b>General Requirements</b>											
	Supervision	105,000	\$1.60	\$2,059	1.87%	105,000	\$1.60	\$2,059	1.87%	0	0.0%	
	Trailer rental	2,000	\$0.03	\$39	0.04%	2,000	\$0.03	\$39	0.04%	0	0.0%	
	Dumpster rental	4,000	\$0.06	\$78	0.07%	4,000	\$0.06	\$78	0.07%	0	0.0%	
	Temporary Heat, Water, Power	1,200	\$0.02	\$24	0.02%	1,200	\$0.02	\$24	0.02%	0	0.0%	
	Safety & Security Costs	23,000	\$0.35	\$451	0.41%	23,000	\$0.35	\$451	0.41%	0	0.0%	
	General labor - cleanup, runner, etc	73,900	\$1.13	\$1,449	1.31%	73,900	\$1.13	\$1,449	1.31%	0	0.0%	
	all / other	8,500	\$0.13	\$167	0.15%	8,500	\$0.13	\$167	0.15%	0	0.0%	
	<b>SUBTOTAL</b>	<b>217,600</b>	<b>\$3.31</b>	<b>\$4,267</b>	<b>3.87%</b>	<b>217,600</b>	<b>\$3.31</b>	<b>\$4,267</b>	<b>3.87%</b>	<b>0</b>	<b>0.0%</b>	
<b>2</b>	<b>On-Site Work</b>											
	Demolition	40,464	\$0.62	\$793	0.72%	75,000	\$1.14	\$1,471	1.33%	-34,536	-85.3%	Includes other items below
	Earth Work	75,119	\$1.14	\$1,473	1.33%	424,181	\$6.46	\$8,317	7.53%	-349,062	-464.7%	Our estimate includes this in Earthwork
	Site concrete	87,099	\$1.33	\$1,708	1.55%	0	\$0.00	\$0	0.00%	87,099	100.0%	Our estimate includes this in Earthwork
	Asphalt	118,705	\$1.81	\$2,328	2.11%	0	\$0.00	\$0	0.00%	118,705	100.0%	
	Carpents	80,000	\$1.22	\$1,569	1.42%	80,000	\$1.22	\$1,569	1.42%	0	0.0%	
	Storage Units	4,200	\$0.06	\$98	0.07%	5,000	\$0.08	\$98	0.09%	-800	-19.0%	
	Bridge	25,000	\$0.38	\$490	0.44%	25,000	\$0.38	\$490	0.44%	0	0.0%	
	Sport court	2,000	\$0.03	\$39	0.04%	5,000	\$0.08	\$98	0.09%	-3,000	-150.0%	
	Pergola/canopy	11,200	\$0.17	\$220	0.20%	11,043	\$0.17	\$217	0.20%	157	1.4%	
	Irrigation - well & pump house	32,300	\$0.49	\$633	0.57%	35,000	\$0.53	\$686	0.62%	-2,700	-8.4%	
	Fencing	7,500	\$0.11	\$147	0.13%	7,500	\$0.11	\$147	0.13%	0	0.0%	
	Trash Enclosures	5,398	\$0.08	\$106	0.10%	5,000	\$0.08	\$98	0.09%	398	7.4%	
	Site Signage	3,000	\$0.05	\$59	0.05%	0	\$0.00	\$0	0.00%	3,000	100.0%	Our estimate includes this in Earthwork
	Site Utilities	72,500	\$1.10	\$1,422	1.29%	0	\$0.00	\$0	0.00%	72,500	100.0%	Our estimate includes this in Earthwork
	Site lighting	14,000	\$0.21	\$275	0.25%	0	\$0.00	\$0	0.00%	14,000	100.0%	Our estimate includes this in Earthwork
	Covered Walkway	87,500	\$1.33	\$1,716	1.55%	73,622	\$1.12	\$1,444	1.31%	13,878	15.9%	
	all / other	0	\$0.00	\$0	0.00%	0	\$0.00	\$0	0.00%	0	0.0%	
	<b>SUBTOTAL</b>	<b>665,985</b>	<b>\$10.14</b>	<b>\$13,059</b>	<b>11.83%</b>	<b>746,346</b>	<b>\$11.36</b>	<b>\$14,634</b>	<b>13.26%</b>	<b>-80,361</b>	<b>-12.1%</b>	
<b>2</b>	<b>Off-Site Work</b>											
	Off-Site improvements	0	\$0.00	\$0	0.00%	0	\$0.00	\$0	0.00%	0	0.0%	
	all / other	0	\$0.00	\$0	0.00%	0	\$0.00	\$0	0.00%	0	0.0%	
	<b>SUBTOTAL</b>	<b>0</b>	<b>\$0.00</b>	<b>\$0</b>	<b>0.00%</b>	<b>0</b>	<b>\$0.00</b>	<b>\$0</b>	<b>0.00%</b>	<b>0</b>	<b>0.0%</b>	
<b>3</b>	<b>Concrete</b>											
	Footing/Foundation - seismic upgrade	113,606	\$1.73	\$2,228	2.02%	150,000	\$2.28	\$2,941	2.66%	-36,394	-32.0%	Included in Footing/Foundation
	Slab on Grade	0	\$0.00	\$0	0.00%	0	\$0.00	\$0	0.00%	0	0.0%	
	Lightweight Concrete	154,360	\$2.35	\$3,027	2.74%	161,377	\$2.46	\$3,164	2.87%	-7,017	-4.5%	
	all / other	34,201	\$0.52	\$671	0.61%	0	\$0.00	\$0	0.00%	34,201	100.0%	
	<b>SUBTOTAL</b>	<b>302,167</b>	<b>\$4.60</b>	<b>\$5,925</b>	<b>5.37%</b>	<b>311,377</b>	<b>\$4.74</b>	<b>\$6,105</b>	<b>5.53%</b>	<b>-9,210</b>	<b>-3.0%</b>	
<b>4</b>	<b>Masonry</b>											
	Repointing / repair / cleaning	25,000	\$0.38	\$490	0.44%	75,000	\$1.14	\$1,471	1.33%	-50,000	-200.0%	
	Retaining Walls	24,000	\$0.37	\$471	0.43%	25,000	\$0.38	\$490	0.44%	-1,000	-4.2%	
	all / other	0	\$0.00	\$0	0.00%	0	\$0.00	\$0	0.00%	0	0.0%	
	<b>SUBTOTAL</b>	<b>49,000</b>	<b>\$0.75</b>	<b>\$961</b>	<b>0.87%</b>	<b>100,000</b>	<b>\$1.52</b>	<b>\$1,961</b>	<b>1.78%</b>	<b>-51,000</b>	<b>-104.1%</b>	
<b>5</b>	<b>Metals</b>											
	Structural Steel - seismic / stack room	43,000	\$0.65	\$843	0.76%	50,000	\$0.76	\$980	0.89%	-7,000	-16.3%	
	Joists & Decks	45,750	\$0.70	\$897	0.81%	59,772	\$0.91	\$1,172	1.06%	-14,022	-30.6%	
	Erection	30,000	\$0.46	\$588	0.53%	30,000	\$0.46	\$588	0.53%	0	0.0%	
	all / other	0	\$0.00	\$0	0.00%	0	\$0.00	\$0	0.00%	0	0.0%	
	<b>SUBTOTAL</b>	<b>118,750</b>	<b>\$1.81</b>	<b>\$2,328</b>	<b>2.11%</b>	<b>139,772</b>	<b>\$2.13</b>	<b>\$2,741</b>	<b>2.48%</b>	<b>-21,022</b>	<b>-17.7%</b>	
<b>6</b>	<b>Wood</b>											
	Rough framing package	462,465	\$7.04	\$9,068	8.21%	483,535	\$7.36	\$9,481	8.59%	-21,070	-4.6%	
	decks	30,667	\$0.47	\$601	0.54%	37,363	\$0.57	\$733	0.66%	-6,696	-21.8%	
	all / other	0	\$0.00	\$0	0.00%	0	\$0.00	\$0	0.00%	0	0.0%	
	<b>SUBTOTAL</b>	<b>493,132</b>	<b>\$7.51</b>	<b>\$9,669</b>	<b>8.76%</b>	<b>520,898</b>	<b>\$7.93</b>	<b>\$10,214</b>	<b>9.25%</b>	<b>-27,766</b>	<b>-5.6%</b>	
<b>7</b>	<b>Thermal/Moisture Protection</b>											
	Soffit & Fascia - historic	20,450	\$0.31	\$401	0.36%	25,000	\$0.38	\$490	0.44%	-4,550	-22.2%	Historic
	Gutter and Downspout - historic	57,000	\$0.87	\$1,118	1.01%	24,460	\$0.37	\$480	0.43%	32,540	57.1%	
	Insulation Labor & Material	86,702	\$1.32	\$1,700	1.54%	90,662	\$1.38	\$1,778	1.61%	-3,960	-4.6%	
	Roofing Labor & Material	123,116	\$1.87	\$2,414	2.19%	134,084	\$2.04	\$2,629	2.38%	-10,968	-8.9%	
	Sealant	7,500	\$0.11	\$147	0.13%	7,500	\$0.11	\$147	0.13%	0	0.0%	
	all / other	8,333	\$0.13	\$163	0.15%	7,500	\$0.11	\$147	0.13%	833	10.0%	
	<b>SUBTOTAL</b>	<b>303,101</b>	<b>\$4.61</b>	<b>\$5,943</b>	<b>5.38%</b>	<b>289,206</b>	<b>\$4.40</b>	<b>\$5,671</b>	<b>5.14%</b>	<b>13,895</b>	<b>4.6%</b>	
<b>8</b>	<b>Doors and Windows</b>											
	Doors & Frames	127,861	\$1.95	\$2,507	2.27%	135,169	\$2.06	\$2,650	2.40%	-7,308	-5.7%	
	Overhead doors	40,000	\$0.61	\$784	0.71%	5,000	\$0.08	\$98	0.09%	35,000	87.5%	
	Window package	184,353	\$2.81	\$3,615	3.27%	210,448	\$3.20	\$4,126	3.74%	-26,095	-14.2%	
	all / other	0	\$0.00	\$0	0.00%	0	\$0.00	\$0	0.00%	0	0.0%	
	<b>SUBTOTAL</b>	<b>352,214</b>	<b>\$5.36</b>	<b>\$6,906</b>	<b>6.26%</b>	<b>350,617</b>	<b>\$5.34</b>	<b>\$6,875</b>	<b>6.23%</b>	<b>1,597</b>	<b>0.5%</b>	
<b>9</b>	<b>Finishes</b>											
	Drywall /Plaster Labor & Materials	214,250	\$3.26	\$4,201	3.81%	0	\$0.00	\$0	0.00%	214,250	100.0%	
	Finish Carpentry Labor & Materials	128,895	\$1.96	\$2,527	2.29%	0	\$0.00	\$0	0.00%	128,895	100.0%	
	Flooring - carpet	20,000	\$0.30	\$392	0.36%	0	\$0.00	\$0	0.00%	20,000	100.0%	
	Painting / Wall covering Labor & Materials	212,865	\$3.24	\$4,174	3.78%	0	\$0.00	\$0	0.00%	212,865	100.0%	
	Misc. Finishes	0	\$0.00	\$0	0.00%	0	\$0.00	\$0	0.00%	0	0.0%	
	Tile	51,250	\$0.78	\$1,005	0.91%	0	\$0.00	\$0	0.00%	51,250	100.0%	
	floor polish and other	118,841	\$1.81	\$2,330	2.11%	0	\$0.00	\$0	0.00%	118,841	100.0%	
	<b>SUBTOTAL</b>	<b>746,101</b>	<b>\$11.36</b>	<b>\$14,629</b>	<b>13.25%</b>	<b>709,558</b>	<b>\$10.80</b>	<b>\$13,913</b>	<b>12.60%</b>	<b>36,543</b>	<b>4.9%</b>	
<b>10</b>	<b>Specialties</b>											
	Bathroom Accessories	7,850	\$0.12	\$154	0.14%	0	\$0.00	\$0	0.00%	7,850	100.0%	

Signage	4,750	\$0.07	\$93	0.08%	0	\$0.00	\$0	0.00%	4,750	100.0%	
Mirrors Labor & Material	13,800	\$0.21	\$271	0.25%	0	\$0.00	\$0	0.00%	13,800	100.0%	
all / other	0	\$0.00	\$0	0.00%	0	\$0.00	\$0	0.00%	0		
<b>SUBTOTAL</b>	<b>26,400</b>	<b>\$0.40</b>	<b>\$518</b>	<b>0.47%</b>	<b>24,176</b>	<b>\$0.37</b>	<b>\$474</b>	<b>0.43%</b>	<b>2,224</b>	<b>8.4%</b>	
11 Equipment		\$0.00	\$0	0.00%		\$0.00	\$0	0.00%			
Kitchen Appliances	109,000	\$1.66	\$2,137	1.94%	0	\$0.00	\$0	0.00%	109,000	100.0%	
Clubhouse/office - exercise, desks, etc	11,000	\$0.17	\$216	0.20%	0	\$0.00	\$0	0.00%	11,000	100.0%	
bike rack	1,400	\$0.02	\$27	0.02%	0	\$0.00	\$0	0.00%	1,400	100.0%	
all / other	0	\$0.00	\$0	0.00%	0	\$0.00	\$0	0.00%	0		
<b>SUBTOTAL</b>	<b>121,400</b>	<b>\$1.85</b>	<b>\$2,380</b>	<b>2.16%</b>	<b>141,942</b>	<b>\$2.16</b>	<b>\$2,783</b>	<b>2.52%</b>	<b>-20,542</b>	<b>-16.9%</b>	
12 Furnishings		\$0.00	\$0	0.00%		\$0.00	\$0	0.00%			
Cabinets Labor & Material	197,799	\$3.01	\$3,878	3.51%	0	\$0.00	\$0	0.00%	197,799	100.0%	Included in Cabinets
Counter Tops	0	\$0.00	\$0	0.00%	0	\$0.00	\$0	0.00%	0		
Window Coverings	7,500	\$0.11	\$147	0.13%	0	\$0.00	\$0	0.00%	7,500	100.0%	
Fire Extinguishers	4,500	\$0.07	\$88	0.08%	0	\$0.00	\$0	0.00%	4,500	100.0%	
all / other	0	\$0.00	\$0	0.00%	0	\$0.00	\$0	0.00%	0		
<b>SUBTOTAL</b>	<b>209,799</b>	<b>\$3.19</b>	<b>\$4,114</b>	<b>3.73%</b>	<b>223,634</b>	<b>\$3.41</b>	<b>\$4,385</b>	<b>3.97%</b>	<b>-13,835</b>	<b>-6.6%</b>	
13 Special Construction		\$0.00	\$0	0.00%		\$0.00	\$0	0.00%			
Fire Sprinkler	145,339	\$2.21	\$2,850	2.58%	144,859	\$2.21	\$2,840	2.57%	480	0.3%	
all / other	0	\$0.00	\$0	0.00%	0	\$0.00	\$0	0.00%	0		
<b>SUBTOTAL</b>	<b>145,339</b>	<b>\$2.21</b>	<b>\$2,850</b>	<b>2.58%</b>	<b>144,859</b>	<b>\$2.21</b>	<b>\$2,840</b>	<b>2.57%</b>	<b>480</b>	<b>0.3%</b>	
14 Conveying Systems		\$0.00	\$0	0.00%		\$0.00	\$0	0.00%			
Elevator Systems Lift	0	\$0.00	\$0	0.00%	0	\$0.00	\$0	0.00%	0		
<b>SUBTOTAL</b>	<b>0</b>	<b>\$0.00</b>	<b>\$0</b>	<b>0.00%</b>	<b>0</b>	<b>\$0.00</b>	<b>\$0</b>	<b>0.00%</b>	<b>0</b>		
15 HVAC, Plumbing and Mechanical		\$0.00	\$0	0.00%		\$0.00	\$0	0.00%			
Heating & Cooling	356,620	\$5.43	\$6,993	6.33%	275,611	\$4.20	\$5,404	4.90%	81,009	22.7%	
Plumbing Labor & Materials Misc.	365,051	\$5.56	\$7,158	6.48%	450,288	\$6.86	\$8,829	8.00%	-85,237	-23.3%	
Electrical	0	\$0.00	\$0	0.00%	0	\$0.00	\$0	0.00%	0		
all / other	0	\$0.00	\$0	0.00%	0	\$0.00	\$0	0.00%	0		
<b>SUBTOTAL</b>	<b>721,671</b>	<b>\$10.99</b>	<b>\$14,150</b>	<b>12.82%</b>	<b>725,899</b>	<b>\$11.05</b>	<b>\$14,233</b>	<b>12.89%</b>	<b>-4,228</b>	<b>-0.6%</b>	
16 Electrical		\$0.00	\$0	0.00%		\$0.00	\$0	0.00%			
all / other	335,904	\$5.11	\$6,586	5.97%	347,542	\$5.29	\$6,815	6.17%	-11,638	-3.5%	
<b>SUBTOTAL</b>	<b>335,904</b>	<b>\$5.11</b>	<b>\$6,586</b>	<b>5.97%</b>	<b>347,542</b>	<b>\$5.29</b>	<b>\$6,815</b>	<b>6.17%</b>	<b>-11,638</b>	<b>-3.5%</b>	
<b>TOTAL HARD COSTS</b>	<b>4,808,563</b>	<b>\$73.21</b>	<b>\$94,286</b>	<b>85.41%</b>	<b>4,993,426</b>	<b>\$76.03</b>	<b>\$97,910</b>	<b>88.70%</b>	<b>-184,863</b>	<b>-3.8%</b>	
Bonding and Insurance		\$0.00	\$0	0.00%		\$0.00	\$0	0.00%			
Surety Bond	49,445	\$0.75	\$970	0.88%	50,000	\$0.76	\$980	0.89%	-555	-1.1%	
Liability Insurance	11,000	\$0.17	\$216	0.20%	15,000	\$0.23	\$294	0.27%	-4,000	-36.4%	
<b>SUBTOTAL</b>	<b>60,445</b>	<b>\$0.92</b>	<b>\$1,185</b>	<b>1.07%</b>	<b>65,000</b>	<b>\$0.99</b>	<b>\$1,275</b>	<b>1.15%</b>	<b>-4,555</b>	<b>-7.5%</b>	
17 Profit & Overhead		\$0.00	\$0	0.00%		\$0.00	\$0	0.00%			
General Contractor Fee	100,000	\$1.52	\$1,961	1.78%	280,000	\$4.26	\$5,490	4.97%	-180,000	-180.0%	
General Contractor Overhead	10,000	\$0.15	\$196	0.18%	168,000	\$2.56	\$3,294	2.98%	-158,000	-1580.0%	
Builder Contingency	650,667	\$9.91	\$12,758	11.56%	336,000	\$5.12	\$6,588	5.97%	314,667	48.4%	
all / other	0	\$0.00	\$0	0.00%	0	\$0.00	\$0	0.00%	0		
<b>SUBTOTAL</b>	<b>760,667</b>	<b>\$11.58</b>	<b>\$14,915</b>	<b>13.51%</b>	<b>784,000</b>	<b>\$11.94</b>	<b>\$15,373</b>	<b>13.93%</b>	<b>-23,333</b>	<b>-3.1%</b>	
<b>TOTAL COSTS</b>	<b>5,629,675</b>	<b>\$85.72</b>	<b>\$110,386</b>	<b>100.00%</b>	<b>5,842,426</b>	<b>\$88.96</b>	<b>\$114,557</b>	<b>103.78%</b>	<b>-212,751</b>	<b>-3.8%</b>	

## Sample Commercial Project

Photo 1: Street view: Looking northeast at project.



Photo 2: Street view: Looking south toward project. Temp fence installed to discourage entrance.



Photo 3: Existing structure: Southeast area of existing building.

