Select Inspect
Property Consultants, llc
2001 Reston; McKinney, TX 75070
214-770-6954
www.SelectInspect.com

PROPERTY CONDITION ASSESSMENT

Street Address:	**1234 xxxxx**	**Tracker #**			
City:	**Dallas**	State:	**TX**	Zip:	**75220**

Inspected by:	Bruce W. Carr	Inspector's Phone #:	972-678-1014
Inspection Date:	Tuesday, June 27, 2006	Report Date:	Thursday, June 29, 2006

Property Contact:		Function:	Agent

PROPERTY DESCRIPTION

Property Type:	Multifamily	# of Bldgs:	6	# of Units:	84	Year Built:	1971

This report is the exclusive property of the Inspection Company and the client whose name appears herewith, and its use by any unauthorized persons is prohibited. This Inspection has been produced in accordance with our signed contract and is subject to the terms and conditions agreed upon therein.
All printed comments and the opinions expressed herein are those of the Inspection Company.

ASTM E2018-01 Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process

1. Scope

1.1 ***Purpose***—The purpose of this guide is to define good commercial and customary practice in the United States of America for conducting a baseline *property condition assessment* (PCA) of the improvements located on a parcel of commercial real estate by performing a walk-through survey and conducting research as outlined within this guide.

1.1.1 ***Physical Deficiencies***—In defining good commercial and customary practice for conducting a baseline PCA, the goal is to identify and communicate physical deficiencies to a user. The term *physical deficiencies* means the presence of conspicuous defects or material deferred maintenance of a subject property's material systems, components, or equipment as observed during the field observer's walk-through survey. This definition specifically excludes deficiencies that may be remedied with routine maintenance, miscellaneous minor repairs, normal operating maintenance, etc., and excludes de minimis conditions that generally do not present material physical deficiencies of the subject property.

1.1.2 ***Walk-Through Survey***—This guide outlines procedures for conducting a walk-through survey to identify the subject property's material physical deficiencies, and recommends various systems, components, and equipment that should be observed by the field observer and reported in the *property condition report* (PCR).

1.1.3 ***Document Reviews and Interviews***—The scope of this guide includes document reviews, research, and interviews to augment the walk-through survey so as to assist the consultant's understanding of the subject property and identification of physical deficiencies.

1.1.4 ***Property Condition Report***—The work product resulting from completing a PCA in accordance with this guide is a PCR. The PCR incorporates the information obtained during the Walk-Through Survey, the Document Review and Interviews sections of this guide, and includes opinions of probable costs for suggested remedies of the physical deficiencies identified.

1.2 ***Objectives***—Objectives in the development of this guide are: *(1)* define good commercial and customary practice for the PCA of primary commercial real estate improvements; *(2)* facilitate consistent and pertinent content in PCRs; *(3)* develop practical and reasonable recommendations and expectations for site observations, document reviews and research associated with conducting PCAs and preparing PCRs; *(4)* establish reasonable expectations for PCRs; *(5)* assist in developing an industry baseline standard of care for appropriate observations and research; and *(6)* recommend protocols for consultants for communicating observations, opinions, and recommendations in a manner meaningful to the user.

1.3 ***Considerations Beyond Scope***—The use of this guide is strictly limited to the scope set forth in this section. Section and of this guide identify, for informational purposes, certain physical conditions that may exist on the subject property, and certain activities or procedures (not an all inclusive list) that are beyond the scope of this guide but may warrant consideration by parties to a commercial real estate transaction.

1.4 ***Organization of This Guide***—This guide consists of several sections, an Annex and two Appendixes. Section 1 is the Scope. Section 2 on Terminology contains definitions of terms both unique to this guide and not unique to this guide, and acronyms. Section 3 sets out the Significance and Use of this guide, and Section 4 describes the User's Responsibilities. Sections 5 through 10 provide guidelines for the main body of the PCA, including the scope of the Walk-Through Survey, preparation of the Opinions of Probable Costs to Remedy Physical Deficiencies, and preparation of the PCR. Section 11 provides additional information regarding out of scope considerations (see 1.3). Annex A1 provides requirements relating to specific asset types, and where applicable, such requirements are to be considered as if integral to this guide. Appendix X1 provides the user with additional PCA scope considerations, whereby a user may increase this guide's baseline scope of due diligence to be exercised by the consultant. Appendix X2 outlines the ADA Accessibility Survey.

1.5 ***Multiple Buildings***—Should the subject property consist of multiple buildings, it is the intent of this guide that only a single PCR be produced by the consultant to report on all of the buildings on the subject property.

1.6 ***Safety Concerns***—This guide does not purport to address all of the safety concerns, if any, associated with the walk-through survey. It is the responsibility of the consultant using this guide to establish appropriate safety and health practices when conducting a PCA.

Limitations, Exclusions, & Legal

As indicated in our proposal, the property condition assessment-PCA, conforms to ASTM standards. These standards have clearly defined limitations with which you should be aware. However, the assessment is essentially visual and non-destructive and relies on random sampling techniques, as opposed to comprehensive analysis, and is not technically exhaustive. The assessment is intended to identify defects or deficiencies, or alert you to the need for further evaluation by specialists, and to recommend necessary improvements that could affect your evaluation of the property. Nevertheless, the following specialized assessments are beyond the scope of our service, but we can arrange the service of specialists for a revised fee.

Termite & Pest Assessment

Termite and pest assessments are usually mandated by lending institutions, and are generally the sellers' responsibility. Select Inspect is licensed by the Texas Structural Pest Control Board (CA#43624T) for inspection of wood destroying insects. Let us know if you require a Wood destroying insect report with your PCA/PCR

Code Compliance Assessment

Commercial buildings commonly meet the code requirements for the year in which they were constructed, but may not have been retrofitted to meet current codes. Therefore, you may wish to have a specialist conduct a comprehensive assessment to determine compliance with current codes.

Seismic Vulnerability Assessment

Prior to 1970, there were no published seismic codes for commercial buildings. Consequently, many buildings remain susceptible to seismic damage. We can elaborate on this issue, however the Federal Emergency Management Association, or FEMA, has
published information detailing building types and their components that are seismically vulnerable, which are available on the web at www.fema.org but you may also wish to have a structural engineer evaluate, either for purposes of information or with a view to having the building retrofitted.

Hurricane Vulnerability Assessment

Many building components are susceptible to hurricane forces, particularly those with large glazed openings. The Federal Emergency Management Association, or FEMA, has published information describing the features of building that are most vulnerable to hurricane forces, which you can review on the web at www.fema.org but you may also wish to have a structural engineer evaluate, either for purposes of information or with a view to having the building retrofitted.

Environmental Assessment

There are different types or levels of environmental inspections. Phase One Site Inspections are the most common, and are typically mandated by banks and other lending institutions. However, such inspections rarely cover the testing of indoor air quality, which can be adversely affected by multiple contaminates that have been described by the Environmental Protection Agency. You can learn more about these on the web at www.epa.gov .

This Inspection has been produced in accordance with our signed contract and is subject to the terms and conditions agreed upon therein. All printed comments and the opinions expressed herein are those of the Inspection Company.

Americans with Disabilities Act Assessment
The Americans with Disabilities Act, or ADA, was passed in 1999 to set federal building accessibility standards for the accommodation of disabled persons. There are three levels of assessment that are available: the first level is the least expensive, and is comprised of a purely visual survey of accessibility; the second level is similar to the first but more specific and includes generalized measurements; the third level entails a complete assessment for ADA compliance. Please be aware that state and local municipalities may have incorporated all or part of these standards into their by-laws, and may have even stipulated more stringent ones.

Fire Suppression Assessment
Depending on the use, or intended use of a building, insurance companies will commonly require an evaluation of fire suppression systems and their components, and particularly as it relates to the safety of the public, and require an evaluation by specialists

Tele-communications Assessment
Telecommunications and data systems are constantly evolving and require an evaluation by specialists.

Elevator Assessment
Whereas we attempt to provide relevant information regarding the age, type, and capacity of elevators, we recommend that they be evaluated by the current service contractor, who is likely to have the most recent and comprehensive knowledge of their condition and maintenance.

Recreational Equipment Assessment
We will describe the overall condition of recreational equipment. However, we may not have the knowledge of a specialist and cannot apprise you as to its relative value, etc.

Select Inspect makes no representation except what is specifically contained within the documents prepared by Select Inspect and the Select Inspect Contract. The report and Contract are the sole and only agreement between Select Inspect and the client, and supersedes any prior written, verbal, or implied agreements between the client and Select Inspect regarding content within the Select Inspect Report, and Inspection Contract.
By accepting and relying on the information within these documents, the client expressly agrees to all agreements and limitations herein. The inspection is cursory and limited. The findings represent observed conditions at the property on the day and time of the inspection. The service attempts to reduce risk, but cannot and will not eliminate all risk of purchasing any property. Select Inspect does not warrant or guarantee that all conditions will be discovered or reported. Protection regarding errors and omissions are not stated nor implied. The inspector does not offer opinions regarding value or whether the property should be purchased. It is strongly recommended to obtain receipts, reports, and warranty information for prior repairs, and receipts, reports, and warranty information for history of repair and similar activity at this property.

Notice of Claim: If Client has issues regarding this inspection arising out of an alleged intentional act or omission by Select Inspect, Client must notify Select Inspect in writing within 10 business days of discovery and allow us and any subcontracted specialist or authorized representative from that specialist's company to reinspect the property and or components of concern prior to any changes being made to the components or condition of concern otherwise, all claims for damage arising out of such complaints are waived by Client.

Client agrees that any failure to timely notify Select Inspect and allow adequate time to investigate, prior to any modification of condition(s) after the time of inspection, shall result in Client's waiving of any and all rights Client may have against Select Inspect related to the alleged act or omission. If Select Inspect fails to perform the services as agreed or is careless and/or negligent in any performance of the services, our liability for any and all claims related thereto is limited to the fee paid for the services and there will be no recovery for consequential damages.

Mediation and Arbitration: If claim cannot be settled between direct correspondence with SI and Client, both parties agree to attempt to settle claim through mediation in accordance with the rules of the American Arbitration Association under the Construction Industry Mediation Rules. If a settlement cannot be reached through mediation, the controversy or claim shall be settled through arbitration using an appointed arbitrator who shall be a citizen of the United States, and the place of arbitration shall be in Collin County, Texas.

Limitations Period: Any legal action arising from this Agreement must be commenced within one year from the date of services. Since conditions change and component operation and efficiency decrease through time, failure to bring such an action within this time period shall be a complete bar to any such action and a full and complete waiver of any rights or claims based thereon, unless such limitation is otherwise regulated by Texas State law or regulation.

By acceptance of and or reliance upon information in this report, the client agrees that any damages resulting from breach of this contract or report are limited to the fee charged to the client by Select Inspect for this inspection service. By acceptance of and or reliance upon information in the report, the client agrees to the conditions of the contract, even if the client fails to sign the contract.

Site Description
Faces Primarily: North

Temperature: 90 - 100 Degrees *(approximate at beginning of inspection)*

Person(s) Present: ☐ Client(s) ☐ Selling Agent ☐ Occupant / Seller
☐ Listing Agent ☐ Tenant(s) ☒ Inspector ☐

Visibility: ☐ Dry ☐ Rain ☐ Stormy ☐ Ice / Snow ☐ Dark- morning / night
☐ Clear ☐ Partly to Mostly Cloudy ☐ Overcast ☐ Moderate Wind ☐ High Wind

EXTERIOR		STRUCTURE		ROOF TYPE		ROOF MATERIAL		FOUNDATION	
X	Brick	X	Wood	X	Pitched	X	Shingle	X	Rein. Conc.
X	Wood		Conc. Blk.	X	Flat		Gravel		Pier/Beam
	Stucco		Steel		Mansard		Tile		Other
	Stone		CTU		Mixed		Membrane		
	Steel		Other				Other		
	Glass					Some undetermined			
	Concrete								

OVERALL PROPERTY CONDITION										
	Excellent		Good		Average		Fair	X	Poor	

EXTERIOR PROPERTY CONDITION							
	Excellent	Good	Average	Fair	Poor	Def Maint.	N/A
Roof				X		X	
Walls					X	X	
Windows			X			X	
Decking				X		X	
Stairways				X		X	
Walkways				X		X	
Rails				X		X	
Fire Escape							X
Carports							X
Garages							X
Open Parking		X					
Driveways		X					
Landscaping				X		X	
Pool			X			X	
Graffiti Observed	X	Yes		No			
Deferred Maint.	X	Yes		No			
Health & Safety	X	Yes		No			

Exterior Comments: (-)

- Rot/moisture damage was present at siding, trim, eave, mechanical room, laundry, and stair rail components throughout the complex (4/1, 4/2, 5/1, 5/2, 6/1, 6/2) Office rear door was rot/moisture damaged
- Moisture noted seeping through multiple exterior walls suggests plumbing leaks from within (7/2, 8/1, 8/2, 9/1, 9/2)
- Tree was impeding on the roof/structure at Bldg 2 (7/1)
- Gutter components were amiss / deficient at various locations (4/2, 13/1, 12/2)
- Leaking exterior faucet noted at Bldg 2 (4/2)
- Vent covers noted as amiss / deficient at various locations. (7/2)
- Graffiti evidence present at Bldg 1, 4, and 6 (14/1, 14/2) some had been painted over.
- Foundation movement indicated by interior/exterior cracks, and exterior separation (10/1, 10/2, 11/1, 21/2, 22/1)
- Cantilevered feature at the north end of Bldg #2 was visibly out of square, and appears to have moved differentially from the building. (11/2) Moisture leakage from within the cantilevered feature was discovered- source undetermined (12/1)
- Active wood destroying insects were discovered at multiple (7) locations at Bldgs 2, 4, and 5 (13/1, 13/2)
- Wood destroying insect history and rot/moisture damage discovered at Bldg 3 (5/1)

Interior Comments: # of units (interiors) inspected: 21 Limitations include, but are not limited to: obstructions, furnishings, occupants/tenants, low clearances, wall voids, and other not readily accessible locations. Some conditions remain undetermined.
Units inspected without discovered significant deficiencies: (7): 105, 124, 218, 111, 227, 230, 231

Units inspected and related discovered deficiencies:

1. 109 **H&S** moisture intrusion / fungus discovered at bathroom and closet (17/1, 17/2)
2. 224 **H&S** moisture intrusion / fungus discovered at various interior locations.(16/2)
3. 120 **H&S** moisture intrusion discovered at various interior locations Kitchen cabinet sags (19/1)
4. 119 **H&S** kitchen wall has heat damage adjacent the stove. Moisture intrusion discovered at patio door (18/1, 18/2)
5. 217 air-conditioner system leaks heavily into bathtub
6. 216 uneven floors discovered; stress cracks noted at interior (22/2)
7. 221 **H&S** moisture intrusion / fungus discovered below bar sink (23/1)
8. 123 **H&S** moisture intrusion / fungus discovered at kitchen.(19/2)
9. 225 **H&S** moisture intrusion / fungus discovered at kitchen.(23/2)
10. 232 **H&S** balcony deck was unsteady/bouncy. (24/1)

INTERIOR PROPERTY CONDITION							
	Excellent	Good	Average	Fair	Poor	Def Maint.	N/A
Walls				**X**		**X**	
Flooring				**X**			
Ceilings					**X**	**X**	
Cabinets					**X**	**X**	
Heating			**X**				
Air Conditioning				**X**		**X**	
Plumbing					**X**	**X**	
Electrical			**X**			**X**	
Elevators							**X**
Office				**X**		**X**	
Lobby							**X**
Recreation Rm.							**X**
Basement							**X**
Boiler Room(s)				**X**		**X**	
Other							**X**
Deferred Maint.	**X**	Yes		No			
Health & Safety	**X**	Yes		No			

11. 233 **H&S** patio door was off-track/amiss. Moisture intrusion / fungus discovered at bathroom (24/2)
12. 106 **H&S** moisture intrusion / fungus discovered at bathrooms. Showers were amiss / deficient. Bathtub was corroded with missing components. Ongoing leakage from the related shower was ongoing (15/1, 15/2, 16/1)
13. 204 uneven floors were detected. Stress cracks noted at interior finishes (21/2, 22/1)
14. 135 **H&S** moisture intrusion / fungus and ongoing leakage discovered at the bathroom. Bathroom floor was amiss / deficient. Damage tiles and substrate noted at the shower. Bathroom light fixture was amiss / deficient.(20/1, 20/2, 21/1)
15. NOTE: unit 134- this unit was not entered/not inspected, though a tenant reported to me the following at the time of inspection: Ongoing plumbing leaks, damaged floors, water/sewage? leakage occurs through the exterior wall when the toilet is flushed. Moisture was noted at the exterior wall of this unit- refer to the exterior comments related to building #2 for related information.

Additional Comments:

Ground Fault Circuits (GFCI) **H&S** Not Present - Comments: Recommend upgrading individually as units are being turned over during vacancy

Electrical: units individually metered at 90 amp service (27/2, 28/1). NOTE: The complex is less than 1 mile from a medium sized public airport; it was noted that when low approaching planes pass overhead, light fixtures shake and "flicker". Through the years the condition may have caused some loose connections, and or there may be another cause/remedy for this. Recommend having electrical components evaluated during vacancy / turn-over in individual units and otherwise as needed.

Smoke detection devices **H&S** Marginally Present -Comments: Devices were present at hallways, but not in most bedroom areas as currently recommended. Multiple devices were inoperable when tested.

HVAC: In-ceiling in individual units. Condensers present at roof areas, and not fully visible for inspection. Mixed ages of components. Various interior units (evaporators) were noted as leaking condensate at the time of inspection. Units are over bathtubs, and in most cases not causing other moisture concern conditions.

Hot water provision: Boiler with 2 (two) 50 gallon water storage tanks. Systems appeared maintained and appeared generally serviceable at the time of inspection. Boiler room walls & ceiling have rot/moisture damage, wood destroying insect, and moisture intrusion conditions.

Other facilities (laundry/recreational): Laundry:(25/2) leakage condition noted at southwest walls and below shelf unit including rot/moisture damage, fungus, wood destroying insect evidence, and debris **H&S** (26/1). Southwest window was damaged ((26/2)

Pool: Access gates were locked, equipment (motor/pump, filter, etc) were not accessible. Conditions remain undetermined. The pool water was cloudy, and may have recently been "shocked" with chemicals. Vessel and deck surface appeared to be serviceable. Some cracks at coping joints could use minor caulk repair. (27/1)

To bring the property from "poor" to "average" rating, it is my opinion that as a minimum, the following should be considered for correction/improvement:

- Correct / improve **H&S** conditions.
- Have the property professionally treated for wood destroying insects (termites)
- Have the roof coverings evaluated and repair discovered deficiencies. *This is likely a source of some of the moisture intrusion conditions inside the units. Roof was high and mostly not within view; some conditions remain undetermined.*
- Have plumbing deficiencies and moisture leakage issues professionally repaired, and correct related moisture intrusion / fungus issues in the individual units including cleaning/removal/replacement of moisture/fungus damaged drywall and rot/moisture damaged structural members.
- Consider strutural specialist evaluation of Bldg #2 cantilever features, as these support tenant dwellings and failure may result in costly liability and related expenses.
- Replace rot/moisture damaged exterior cladding and deficient stair / balcony components.
- It may not be feasible to correct all deficiency conditions immediately. Consider a "worst-first" procedure, and consider initiating a more thorough maintenance schedule for this property. Many of the conditions could be updated/repaired as units become vacant and are made ready for new tenants.

Digital Photographs- Supplementary to the Inspection

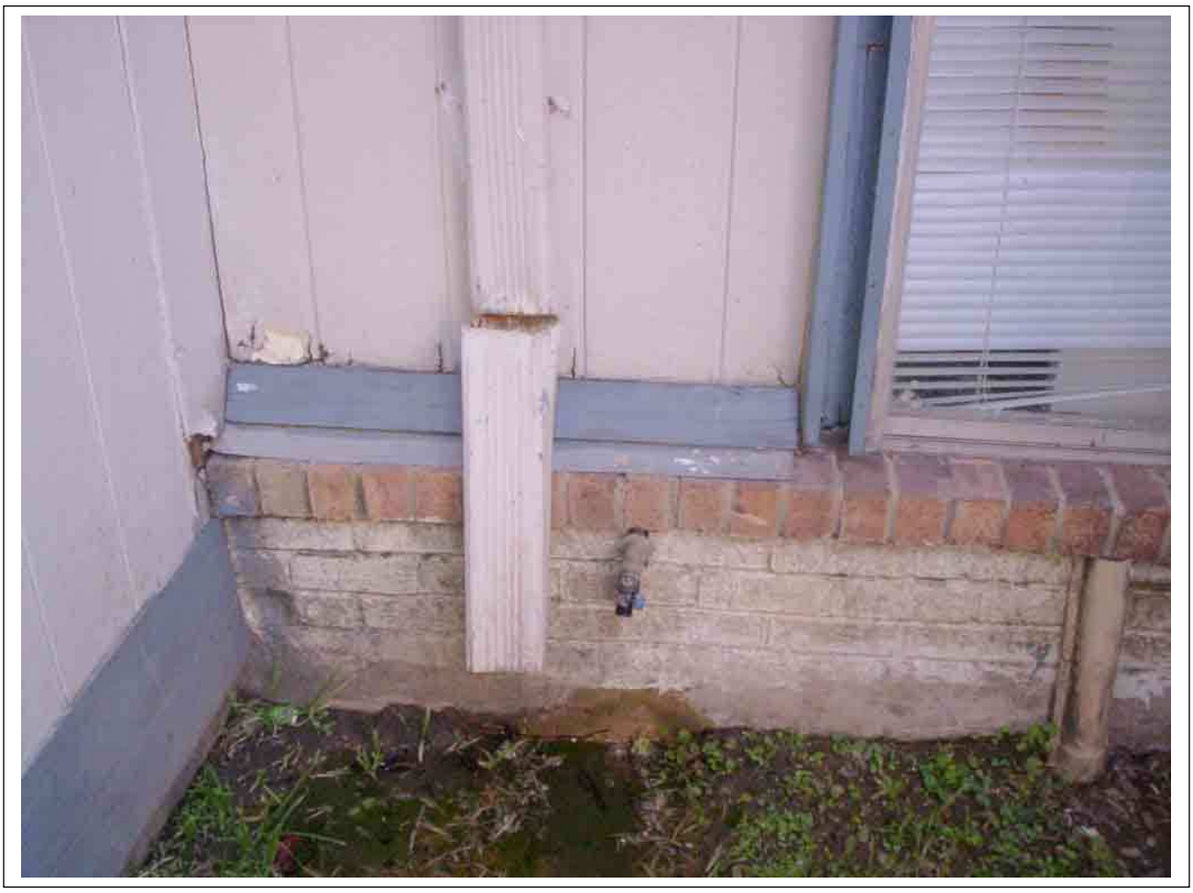
Photographs within this document are of some components and or conditions that may have been noted as “deficient”. These are included to be used as a partial visual aid in assistance for a better understanding regarding some of the components / conditions that were noted in the inspection report. All “repair / correction recommended” comments in the main report are not pictured here; some of these images may include more than one condition. For information regarding details of the components or conditions in the following images, refer to the body of the main report. This document is not to be used without the other pages of the home inspection report. This is only a complimentary addition to the inspection report, and should be viewed as such.

Thank you for your business. The greatest compliment I can receive is a referral from you to a family member, associate, or friend. When you meet someone buying a property in North Texas, please remember to mention Select Inspect. Please call our office anytime if we may be of further service. 214-770-6954

1. Comments: Primary view

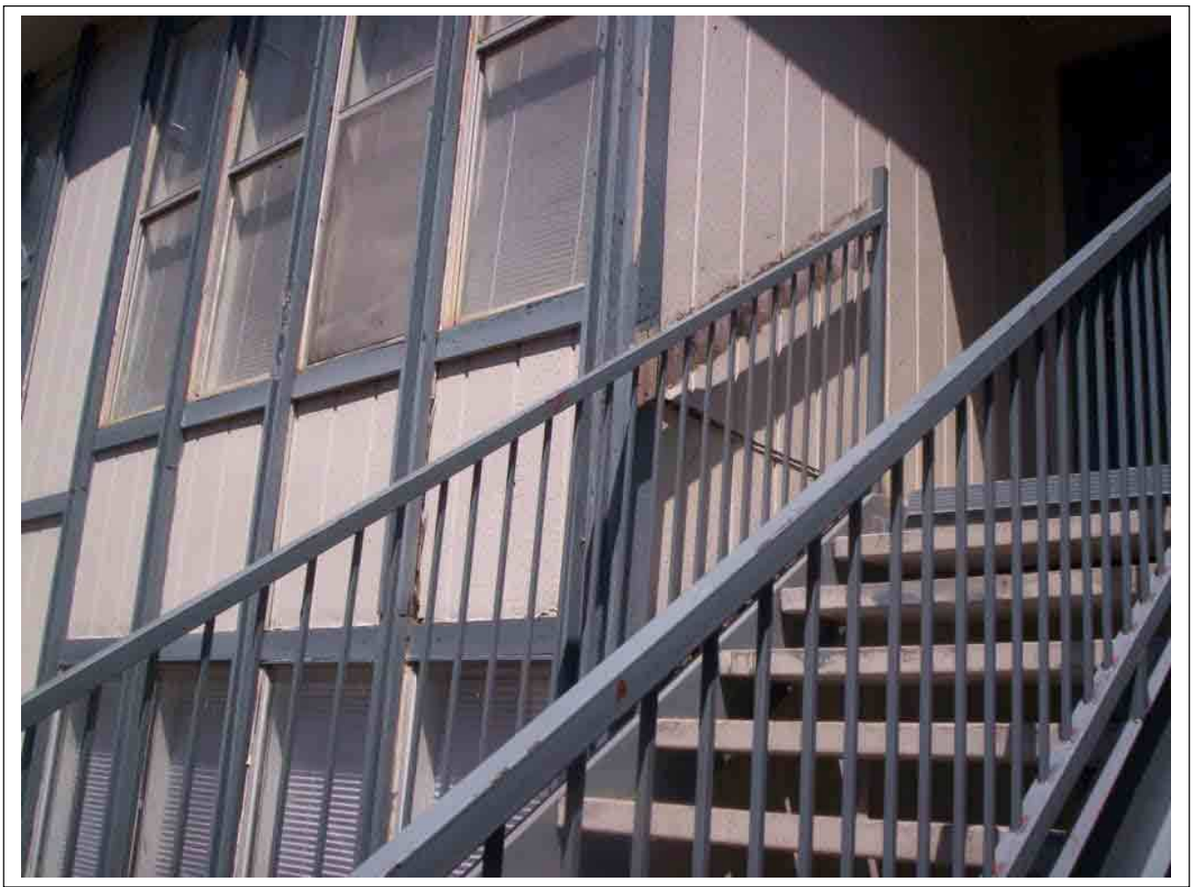
2. Comments: Representative Rear view

3. **Comments: Bldg 2- decay at under stair components.**



4. **Comments: Bldg 2- amiss / deficient gutter and exterior faucet components. Rot/moisture damage at siding and trim**

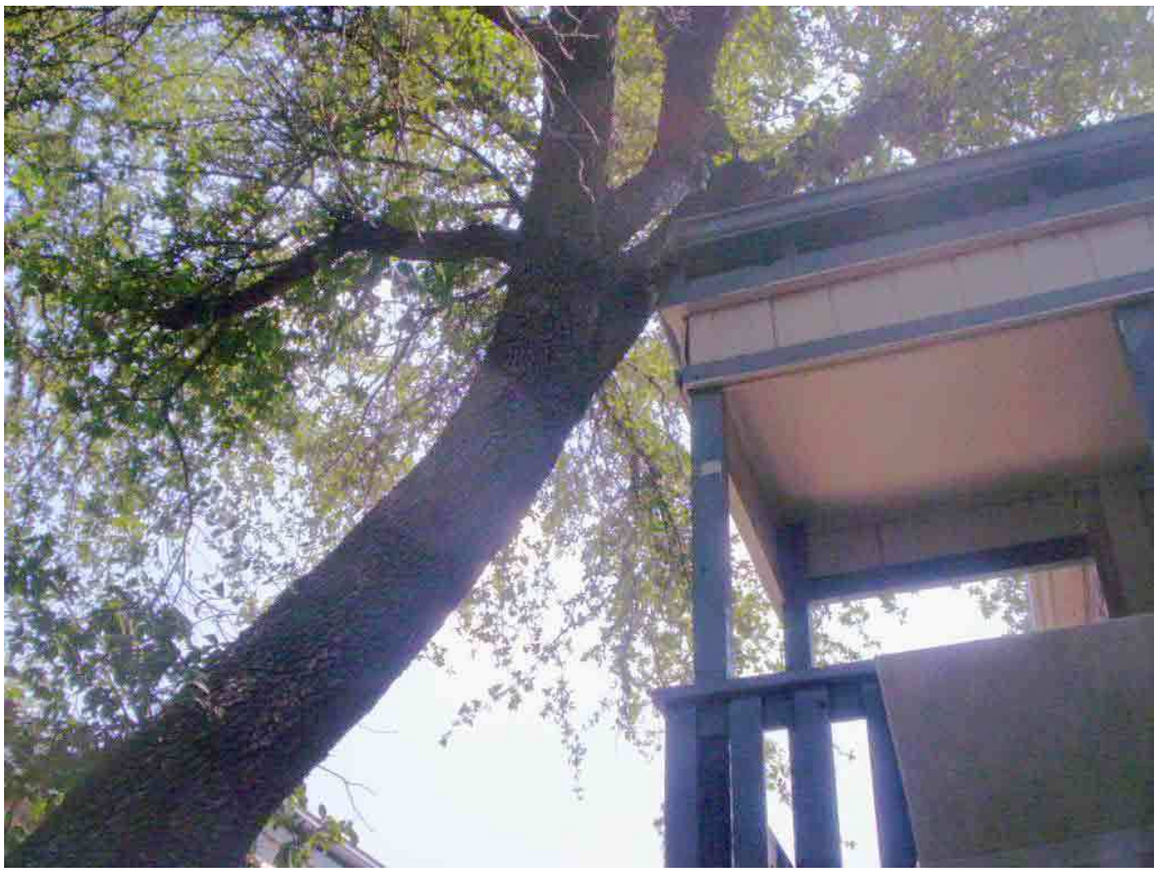
5. Comments: Bldg 3 -wood destroying insect and rot/moisture damage



6. Comments: Bldg 4- rot/moisture damage at siding / trim

7. **Comments: Bldg 3 & 4- rot/moisture damage at siding/trim (upper overhanging window features)**

8. **Comments: Bldg 6- rot/moisture damage at cladding**



9. Comments: Bldg 2- tree impeding structure

10. Comments: Bldg 2- moisture seepage from within- lower amiss vent cover- upper

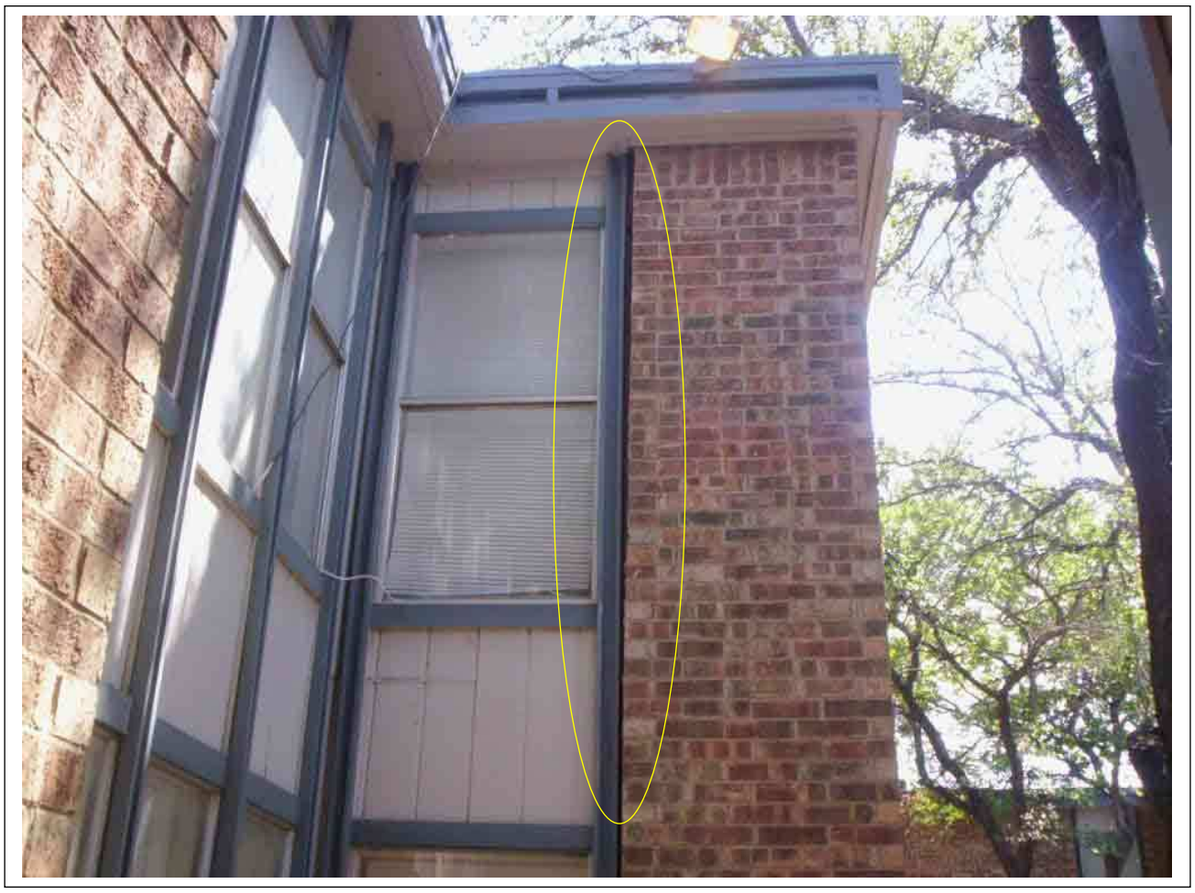
11. Comments: moisture seepage from within building- example 2

12. Comments: moisture seepage from within building- example 3

13. Comments: Seepage and apparent plumbing leak at exterior access- example

14. Comments: Seepage and apparent plumbing leak at exterior access- example 2

15. Comments: large (+- 3/8”) brick / mortar crack at southern side of Bldg 5

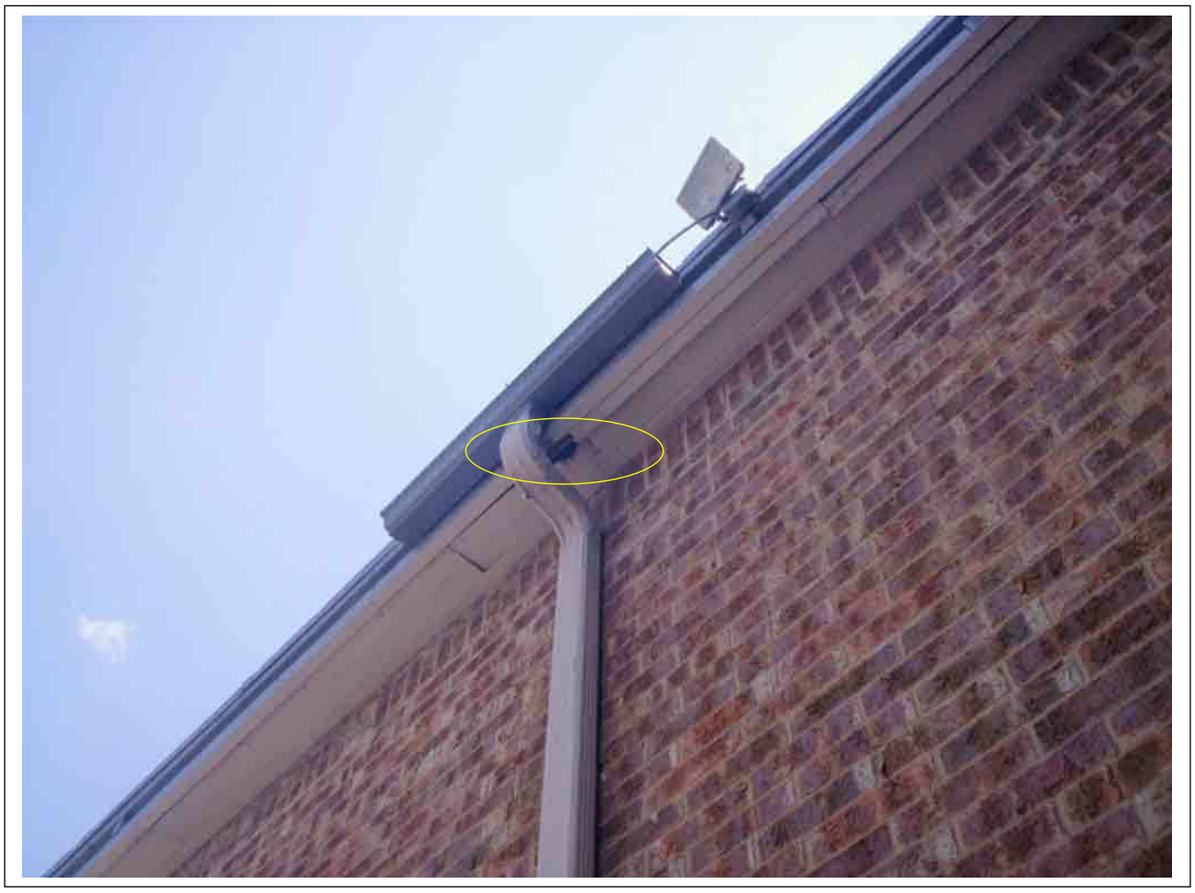


16. Comments: brick / framing separation example at Bldg 5

17. Comments: foundation slab crack- example

18. Comments: questionable integrity of cantilevered structure- north side of Bldg 2

19. Comments: moisture leakage and rot/moisture damage at underside of cantilevered structure



20. Comments: eave rot/moisture damage south Bldg 5. Suspect amiss gutter.

21. Comments: amiss gutter- left active termites, example Bldg 5- right

22. Comments: active termites- example Bldg 2

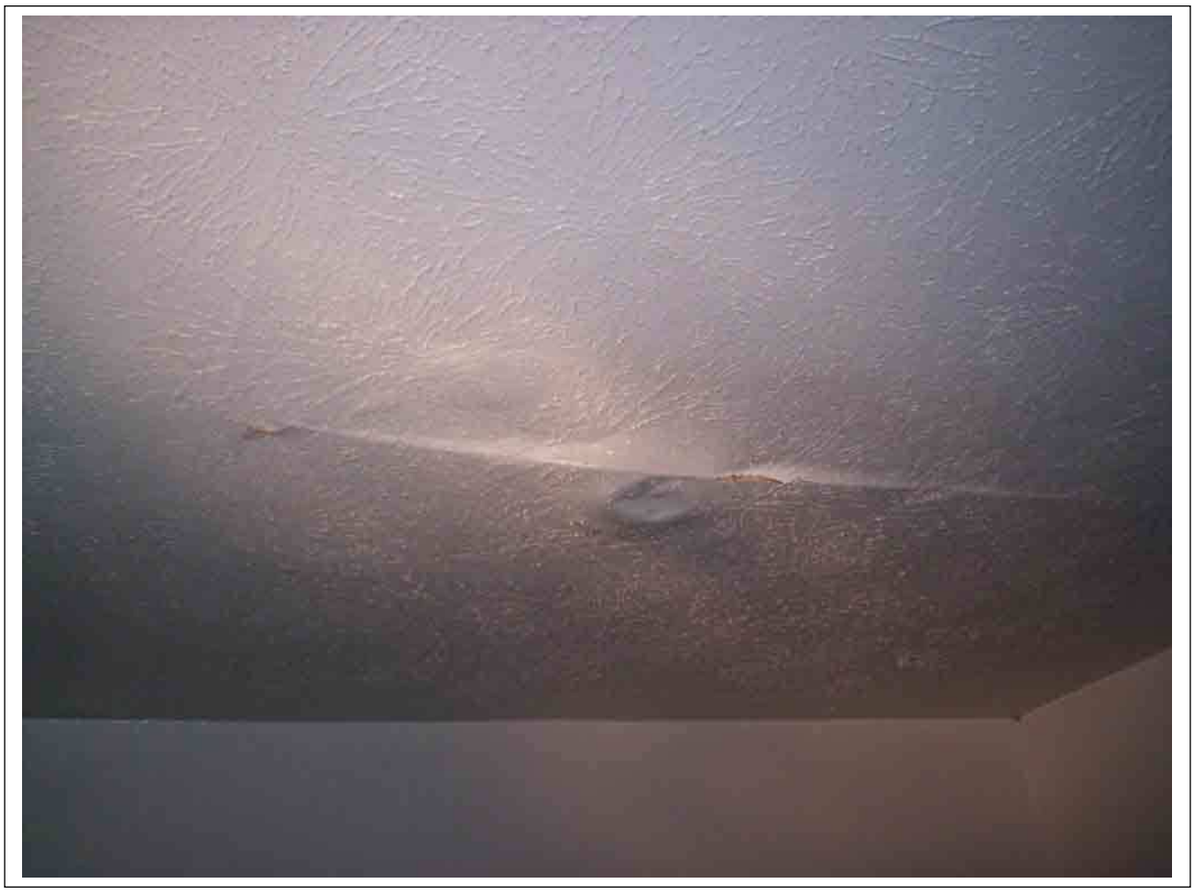
23. Comments: Bldg 4 graffiti evidence

24. Comments: Bldg 1- graffiti evidence

25. Comments: unit 106 moisture intrusion wall and ceiling H&S

26. Comments: unit 106 amiss / deficient shower enclosure

27. Comments: unit 106- amiss / deficient bathtub

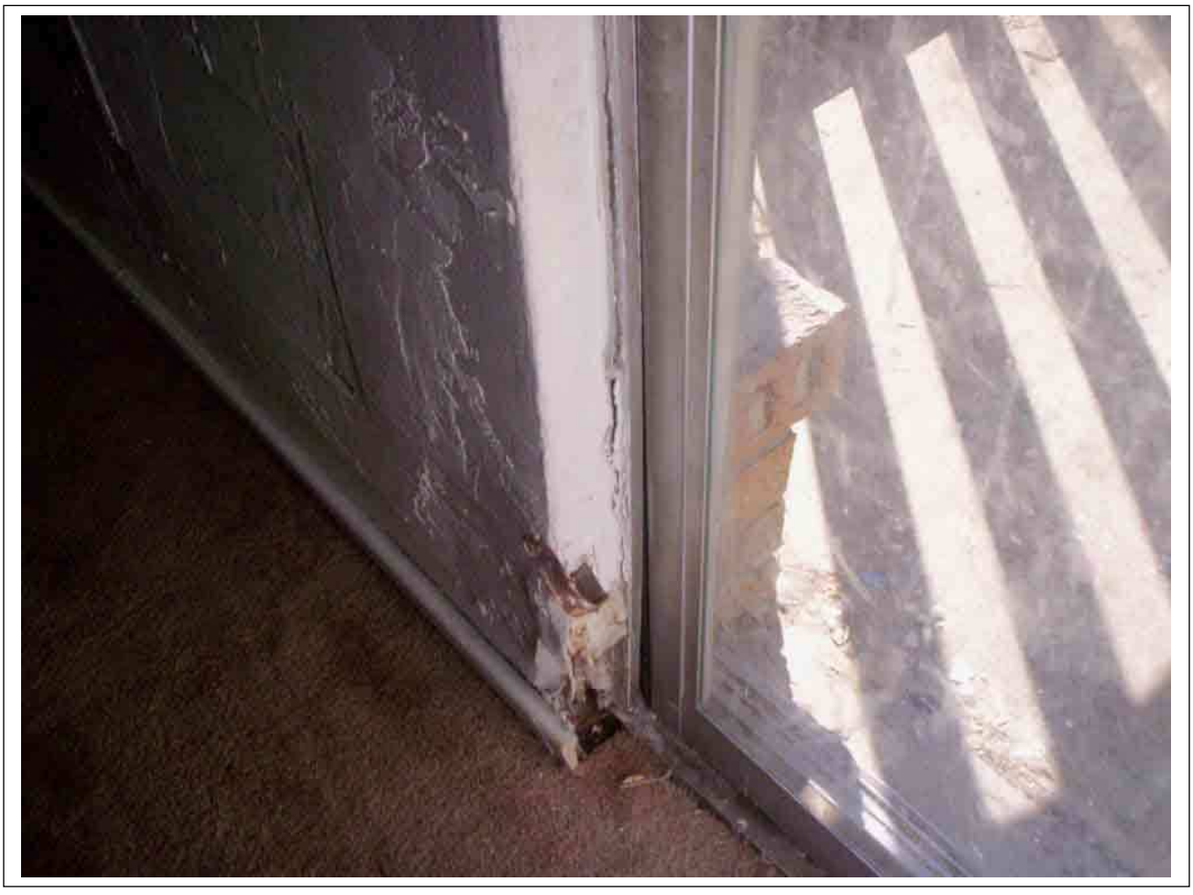


28. Comments: unit 224 – moisture intrusion evidence H&S

29. Comments: unit 109- moisture intrusion / fungus H&S

30. Comments: unit 109- moisture intrusion evidence H&S

31. Comments: unit 119- heat damaged wall adjacent stove- H&S



32. Comments: unit 119- rot/moisture damage at patio interior H&S

33. Comments: unit 120- marginally secured cabinetry

34. Comments: unit 123- moisture intrusion evidence

35. Comments: unit 135 leakage ongoing, moisture intrusion / fungus.

36. Comments: unit 135- amiss / deficient shower enclosure

37. Comments: unit 135- amiss / deficient electrical fixture H&S

38. Comments: unit 204 – foundation stress indication

39. Comments: unit 204 foundation stress indication

40. Comments: unit 216 foundation stress indication

41. Comments: unit 221- moisture intrusion / fungus below bar sink H&S

42. Comments: unit 225- moisture intrusion evidence H&S

43. Comments: unit 232- unsteady balcony floor structure H&S

44. Comments: unit 233 – moisture intrusion evidence H&S

45. Comments: common stairway example

46. Comments: property has one laundry facility at south end of complex.

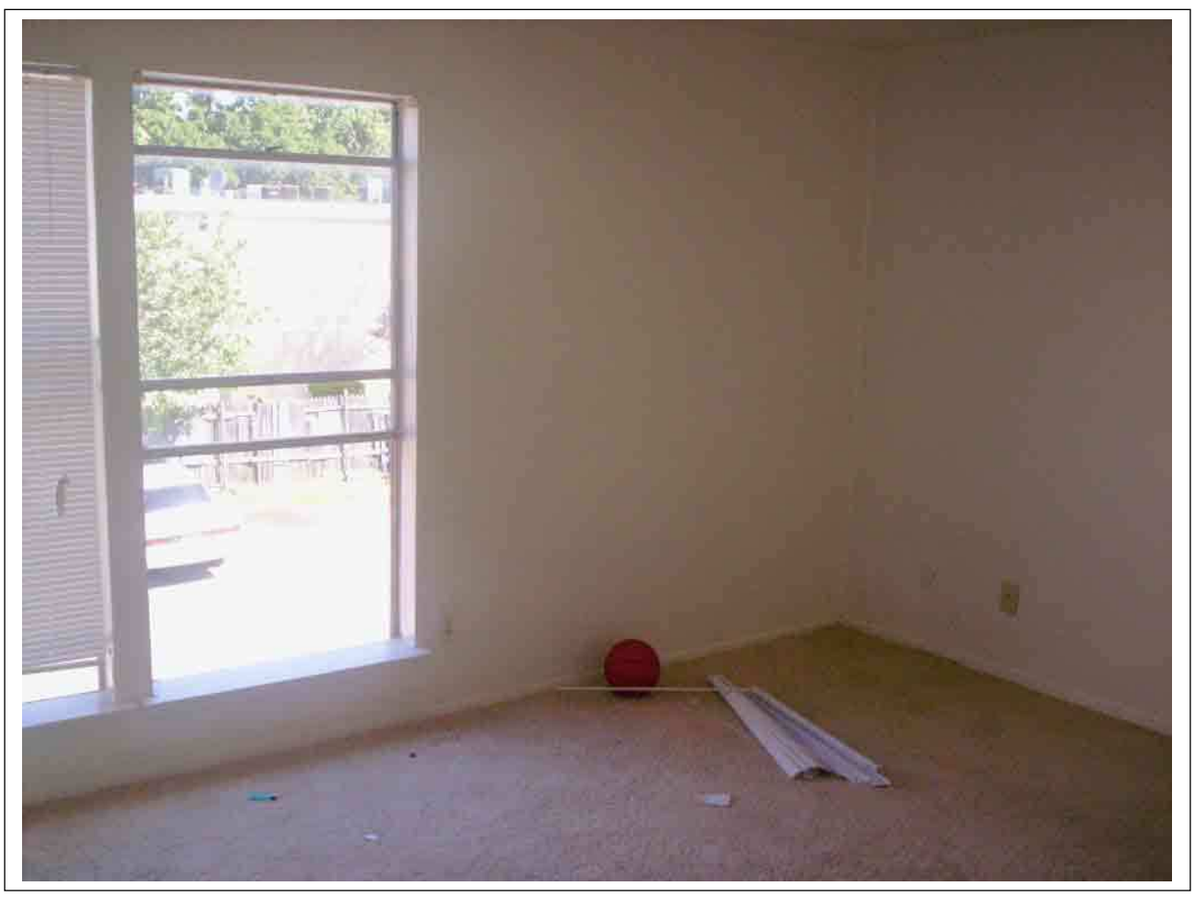
47. Comments: ongoing leakage, rot/moisture damage, fungus under shelf unit southwest corner of laundry room

48. Comments: damaged window at laundry room

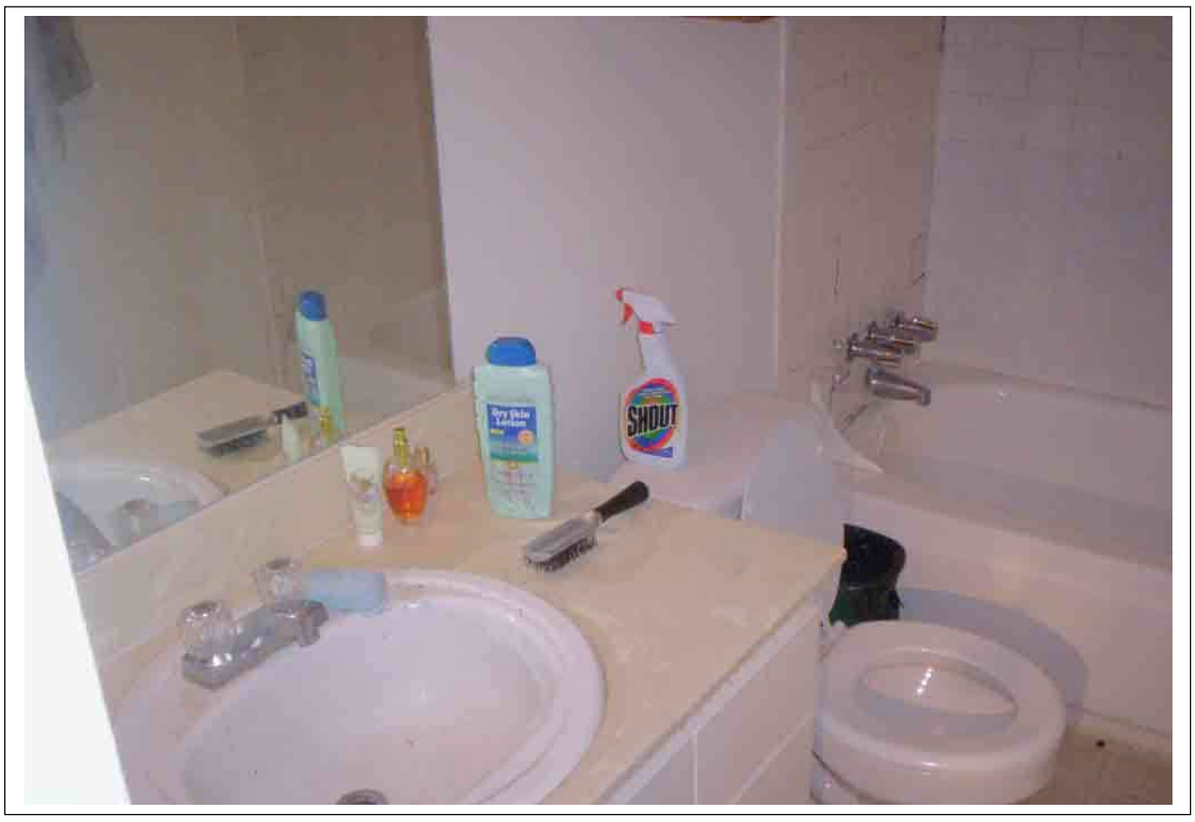
49. Comments: pool located near office- central/south area of complex

50. Comments: Typical electric meter- discovered services were 90 amp

51. Comments: Typical interior electrical panel box



52. Comments: Typical bedroom



53. Comments: Typical bathroom

54. Comments: Typical kitchen