

INSURANCE APPRAISAL
OF THE
SAMPLE CONDOMINIUM ASSOCIATION, INC.



As Of: January 1, 2019



January 1, 2019

Sample Condominium Association, Inc.
[Physical Address]
Madison, USA

RE: Insurance Appraisal – Sample Condominium Association, Inc.

To Whom it May Concern:

We have made an appraisal of certain designated property of interest to the Sample Condominium Association, Inc., and submit our findings in this report.

The purpose of our appraisal investigation was to express our opinion of the cost of reproduction new and the insurance exclusion for insurance purposes.

Cost of Reproduction New, an appraisal term synonymous with “new replacement cost” in the insurance industry, and Insurance Exclusion are defined as follows:

Cost of Reproduction New is the amount required to reproduce property in like kind and materials at one time in accordance with current market prices for materials, labor and manufactured equipment, contractor’s overhead, profit, and fees, but without provisions for overtime or bonuses for labor and premiums for materials.

Insurance Exclusion is a provision in an insurance contract describing property, or types of property, that are not covered by the contract. The insurance exclusion amount is deducted from the new replacement cost to arrive at an insurable value. Insurance Exclusions include basement excavation, foundation below ground, and piping below ground.

In estimating the cost of reproduction new, we did not consider costs associated with conforming with local ordinances or other legal restrictions, the cost of demolition in connection with reconstruction, or the cost to remove destroyed property.

In the event of partial loss, the amount of loss may be based upon the repair cost, which is usually proportionately higher than the cost of reproduction new for the entire property as defined and included in this report.

Standard Hazard Policy - does not include finishes in units but does include common area finishes

Exclusions have been calculated according to our experience with property that is typically excluded for insurance purposes. We accept no responsibility of liability for the excluded property. It is our recommendation that you consult with your insurance agents so that these figures may be compared to those in your current coverage.



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Sample Condominium Association, Inc.

January 1, 2019

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Natural Disaster Disclaimer

Recovery and reconstruction from widespread natural disasters such as hurricane or flood will create abnormal shortages of labor and materials which, in turn, will cause price increases as much as 50 percent or more above normal costs prior to the event. These increases, while temporary, may last for a year or more before returning to normal market conditions.

The values as reported herein are estimated based on normal market conditions and are considered appropriate for various purposes including insurance coverage. Some or all of the estimated values as reported herein may be inadequate for reconstruction or repair in periods after a widespread natural disaster.

The appraisal report includes the following:

- This letter, which summarizes the appraisal procedures applied in the appraisal process;

- The following appraisal reports:

- Insurance Summary
- Insurance Detail Report with Color Photographs
- Marshall & Swift Commercial Worksheets

Our appraisal investigation included the following:

- Buildings and their related service systems

Excluded from our consideration were the following:

- Land
- Land Improvements
- Contents
- Infrastructure
- Licensed Vehicles

Also excluded were assets of an intangible nature, records and drawings, inventory items, personal property of employees and leased property.



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Sample Condominium Association, Inc.

January 1, 2019

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Based upon our appraisal investigation and analysis, and the premises outlined above, it is our opinion of value that as of January 1, 2019, the Cost of Reproduction New is:

Cost of Reproduction New:	\$58,997,500
Exclusions:	\$ <u>1,018,400</u>
Cost of Reproduction New Less Exclusions:	\$57,979,100

Respectfully submitted:

A handwritten signature in black ink that reads "William N. Jaeger". The signature is written in a cursive style.

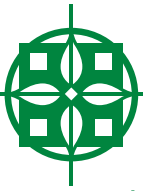
William N. Jaeger, ASA
Responsible Appraiser

Assumptions and Limiting Conditions

This appraisal report has been made with the following general assumptions:

It is assumed that the utilization of the improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report. No survey has been offered or ordered in connection with the service.

- Building areas discussed have been calculated in accord with standards developed by the American Standards Association as included in Real Estate Appraisal Terminology.
- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render them more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
- All engineering and architecture is assumed to be correct.
- We have assumed that the property is free from insect infestations, dry rot, and fungus growth. The mechanical systems, heating system, piping, plumbing, and other building service equipment have not been specifically tested, but are assumed to be in good working order and adequate for the buildings, unless specifically cited otherwise.
- It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
- It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
- It is assumed that there are no hazardous substances on the subject property or on surrounding properties that would potentially adversely affect the value of the subject property. The analyses and value conclusions in this appraisal report are null and void should any such hazardous materials be discovered. We possess no expertise or qualifications for identifying hazardous materials. We assume no responsibility for investigating or arranging for competent engineering studies of the property to identify such hazardous materials.
- The information furnished by others is believed to be reliable and has been confirmed with public records or a knowledgeable party when possible. However, no warranty is given for its accuracy.
- Our appraisal is valid only for the function, which is stated herein. Any other use of, or reliance upon, this report by you or third parties is invalid.



RESERVE ADVISORS

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- Liability of for errors and omissions, if any, in this work is limited to the amount of its compensation for the work performed in this assignment.
- All services provided are performed in accordance with the Uniform Standards of Professional Appraisal Practice. We have acted as an independent contractor and have no personal interest, either present or contemplated, in the subject property. We certify that no fee received, or to be received, or the employment of our services, is in any way contingent upon the opinion reported. All files, work papers or documents developed during the course of the assignment shall be our property. We will retain these data for at least five years.

INSURANCE SUMMARY REPORT

SAMPLE CONDOMINIUM ASSOCIATION, INC.

Building	Address	Cost of Reproduction New	Exclusions	Cost of Reproduction New Less Exclusions
CONDOMINIUM - 220 RESIDENTIAL UNITS	[PHYSICAL ADDRESS]	\$58,810,000	\$1,018,400	\$57,791,600
SWIMMING POOL		\$160,000	\$-	\$160,000
SPA		\$27,500	\$-	\$27,500
Grand Total		\$58,997,500	\$1,018,400	\$57,979,100

INSURANCE DETAIL REPORT

SAMPLE CONDOMINIUM ASSOCIATION, INC.

Owner:	SAMPLE CONDOMINIUM ASSOCIATION, INC.
Building:	CONDOMINIUM - 220 RESIDENTIAL UNITS
Address:	[PHYSICAL ADDRESS]
City / State / Zip Code:	MADISON, USA
County:	[COUNTY]
Year Built	2009
No. Of Stories	35
Sq. Ft. Area	415,082 BUILDING AREA <u>68,547</u> BALCONIES 483,629 GROSS
Framing:	REINFORCED CONCRETE
ISO Class (1-6):	(6) FIRE RESISTIVE
Foundation:	REINFORCED CONCRETE FOOTINGS, FOUNDATION WALLS, SLAB.
Exterior Walls:	STUCCO ON MASONRY, GLASS AND METAL STOREFRONT, GLASS AND METAL CURTAIN WALL, BALCONY AND LOBBY ENTRANCE DOORS.
Roofing:	(FLAT) MODIFIED BITUMEN ROOFING ON CONCRETE DECK.
Structural Floor:	REINFORCED CONCRETE.
Flooring:	CONCRETE, CERAMIC TILE, CARPETING, TERRAZZO (UNIT FINISHES BY OWNER).
Ceiling:	MASONRY, EXPOSED, DRYWALL, ACOUSTICAL SUSPENDED TILE, MARBLE (UNIT FINISHES BY OWNER).
Partitions:	MASONRY, DRYWALL ON STUDS (UNIT FINISHES BY OWNER).
Fire Safety:	AUTO FIRE ALARM SYSTEM WITH PULL STATIONS, ANNUNCIATOR, STROBE, SMOKE DETECTORS (HARD WIRED), FIRE EXTINGUISHERS, EXIT SIGNS, EMERGENCY LIGHTING.
Building Service Systems:	ELECTRICAL, PLUMBING, HEATING, AIR CONDITIONING.
Additional Features:	BALCONIES, (3) ELEVATORS, THEATER, BUILT-IN CONCIERGE DESK, 600-KW EMERGENCY GENERATOR.



VALUATION CONCLUSIONS

COST OF REPRODUCTION NEW:	\$58,810,000
EXCLUSIONS:	<u>\$ 1,018,400</u>
COST OF REPRODUCTION NEW LESS EXCLUSIONS:	\$57,791,600



FRONT 1



BACK



SIDE



LOBBY FOUNTAIN



MEETING AREA



GYM



KITCHEN



FIRE PUMP



STORAGE



ROOF



THEATER



HALL

OTHER INSURABLE STRUCTURES

COST OF
REPRODUCTION NEW
\$160,000

STRUCTURE: SWIMMING POOL

DESCRIPTION: MASONRY CONSTRUCTION WITH CERAMIC TILE TRIM FINISH, LADDER, STAIRS, FILTER EQUIPMENT, HEATER.
2,125 SQ. FT.

STRUCTURE: SPA

\$27,500

DESCRIPTION: MASONRY CONSTRUCTION WITH CERAMIC TILE TRIM FINISH, STAIRS, FILTER SYSTEM AND HEATER. 81 SQ. FT.



MAIN SWIMMING POOL



MAIN SWIMMING POOL

MARSHALL AND SWIFT BUILDING VALUATION WORKSHEETS



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Valuation Detailed Report

Property Express

2/12/2019

VALUATION

Valuation Number:	ESTIMATE-0000055	Effective Date:	01/1/2019
Value Basis:	Reconstruction	Expiration Date:	01/1/2020
		Estimate Expiration Date:	05/14/2019
		Cost as of:	09/2018

BUSINESS

Sample Condominium Association

BUSINESS

Sample Condominium Association

Location Adjustments

Climatic Region:	3 - Warm
High Wind Region:	2 - Moderate Damage
Seismic Zone:	1 - No Damage

BUILDING # 1 - Condominium 220 Residential 4 Commer

Section 1

SUPERSTRUCTURE

Occupancy:	100% Condominium, w/o Interior Finishes	Story Height:	9 ft.
Construction Type:	100% Reinforced Concrete Frame (ISO 6)	Number of Stories:	35
Gross Floor Area:	415,082 sq.ft.	Irregular Adjustment:	Irregular
Construction Quality:	2.0 - Average		
Year Built:	2009		

Adjustments

Hillside Construction:	Degree of Slope: Level	Site Accessibility:	Excellent
	Site Position: Unknown	Soil Condition:	Excellent

Fees

Architect Fees: 7% is included

CoreLogic costs include labor and material, normal profit and overhead as of date of report. Costs represent general estimates which are not to be considered a detailed quantity survey. These costs include generalities and assumptions that are common to the types of structures represented in the software.

The commercial contents values CoreLogic publishes in this report are estimates only and the values CoreLogic produce should not be considered the actual value of commercial contents insurance coverage that should be underwritten for the insured.

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Valuation Detailed Report

Property Express

Policy Number: ESTIMATE-0000055

Overhead and Profit: 20% is included

SUMMARY OF COSTS	User Provided	System Provided	Reconstruction	Exclusion
SUPERSTRUCTURE				
Site Preparation				\$2,864
Foundations			\$73,174	\$75,214
Foundation Wall				
Interior Foundations				
Slab On Ground				
Exterior			\$20,278,530	
Framing				
Exterior Wall		25% Wall Openings		
Exterior Wall	100% Stucco on Masonry			
Structural Floor				
Roof				
Material		100% Single-Ply Membrane		
Pitch				
Interior			\$10,094,002	
Floor Finish				
Ceiling Finish		100% Drywall		
Partitions				
Length		59,297 ft.		
Structure		100% Studs, Girts, etc.		
Finish		100% Drywall		
Mechanicals			\$20,607,539	\$940,360
Heating		100% Forced Warm Air		
Cooling	100% Chilled Water, with Air Handling Units			
Fire Protection	100% Sprinkler System			
	100% Manual Fire Alarm System			
	100% Automatic Fire Alarm System			

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Valuation Detailed Report

Property Express

Policy Number: ESTIMATE-0000055

SUMMARY OF COSTS	User Provided	System Provided	Reconstruction	Exclusion
Plumbing		2768 Total Fixtures		
Electrical		100% Average Quality		
Elevators	3 Passenger	0 Freight		
Built-ins			\$3,844,966	
SUBTOTAL RC			\$54,898,212	\$1,018,438
ADDITIONS				
Building Items			\$2,893,369	
Total Additions			\$2,893,369	
TOTAL RC SECTION 1			\$57,791,581	\$1,018,438
TOTAL RC BUILDING # 1	Condominium 220 Residential 4 Commer		\$57,791,581	\$1,018,438
		Reconstruction	Sq.Ft.	\$/Sq.Ft.
LOCATION TOTAL, Location 1		\$57,791,581	415,082	\$139
		Reconstruction	Sq.Ft.	\$/Sq.Ft.
VALUATION GRAND TOTAL		\$57,791,581	415,082	\$139

CoreLogic costs include labor and material, normal profit and overhead as of date of report. Costs represent general estimates which are not to be considered a detailed quantity survey. These costs include generalities and assumptions that are common to the types of structures represented in the software.

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Valuation Detailed Report

Property Express

EQUIPMENT REPORT

Policy Number: ESTIMATE-0000055

VALUATION

Valuation Number:	ESTIMATE-0000055	Effective Date:
Value Basis:	Reconstruction	Expiration Date:
		Estimate Expiration Date:
		Cost as of:

BUSINESS

Sample Condominium Association

Condominium Association

Condominium Association

Equipment: Building items and site improvements

	Replacement	Depreciated
Building # 1, Section 1		
Building Items		
Balconies		
(1) Balconies	\$2,893,369	\$2,893,369
LOCATION 1 - Sample Condominium Association TOTAL	\$2,893,369	\$2,893,369
TOTAL	\$2,893,369	\$2,893,369

CoreLogic costs include labor and material, normal profit and overhead as of date of report. Costs represent general estimates which are not to be considered a detailed quantity survey. These costs include generalities and assumptions that are common to the types of structures represented in the software.

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Valuation Detailed Report

Property Express
SUMMARY REPORT

Policy Number: ESTIMATE-0000055

2/12/2019

VALUATION

Valuation Number: ESTIMATE-0000055 Effective Date:
 Value Basis: Reconstruction Expiration Date:
 Estimate Expiration Date:
 Cost as of:

BUSINESS

Sample Condominium Association

Condominium Association

Condominium Association

BUILDING # 1: SUPERSTRUCTURE			Reconstruction	Sq.Ft.	\$/Sq.Ft.
Section 1:	100%	Condominium, w/o Interior Finishes	\$54,898,212	415,082	\$132
Section Totals			Reconstruction	Sq.Ft.	\$/Sq.Ft.
Section 1:	100%	Condominium, w/o Interior Finishes	\$54,898,212	415,082	\$139
Total Additions:			\$2,893,369		
BUILDING TOTAL, Building # 1			\$57,791,581	415,082	\$139

BUILDING INSURANCE SUMMARY

Total Insured Amount \$0
 Percent of Insurance to Value 0%
 100% Co-insurance Requirement \$57,791,581 \$57,791,581
 -100% Variance (\$57,791,581)

	Reconstruction	Sq.Ft.	\$/Sq.Ft.
LOCATION TOTAL, Location 1	\$57,791,581	415,082	\$139
	Reconstruction	Sq.Ft.	\$/Sq.Ft.
VALUATION GRAND TOTAL	\$57,791,581	415,082	\$139

End of Report

CoreLogic costs include labor and material, normal profit and overhead as of date of report. Costs represent general estimates which are not to be considered a detailed quantity survey. These costs include generalities and assumptions that are common to the types of structures represented in the software.

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