

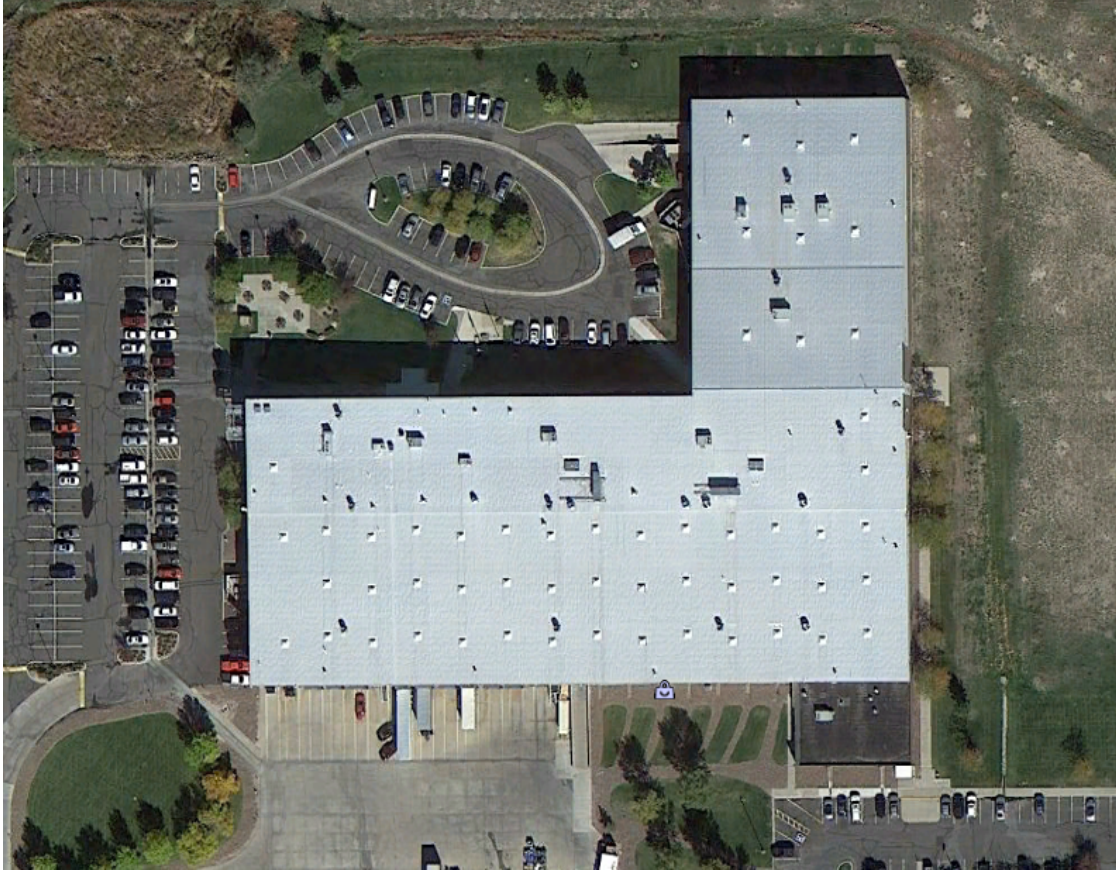
October | 2013



Commercial Property Report

DRAFT
May not be used in any
claim presentation

Production Facility



Prepared by:

Derek O'Driscoll
Licensed Public Adjuster
CO License #392187

Prepared for:

18501 [REDACTED] Drive, LLC

18501 [REDACTED] Drive
Parker, CO 80134

Subject Property Address:

18501 [REDACTED] Drive
Parker, CO 80134

Introduction

The following report is an assessment of observations and findings collected through an detailed inspection of the [REDACTED] Manufacturing Facility located at [REDACTED] Parker, CO 80134 on Tuesday, October 8, 2013 by Derek O'Driscoll, Licensed Public Insurance Adjuster and Roofing Construction Expert.

The building is a manufacturing facility built in 1992 according to Douglas County Public Records. The building is of light industrial construction; primarily comprised of a metal roof, galvanized steel exterior walls, concrete block and brick facade.

Scope of Investigation

At the request of the property's registered agent/and property manager an investigation into the condition of this property was requested. This inspection consisted of the exterior of the building, specifically the exterior walls and roof system.

The building were inspected to determine its current condition and to evaluate the existence of any damage to the structure as a result of weather related events over the past 2 years. The building's roofs, flashings, penetrations, HVAC Units, Cap Flashing and the complete exterior was inspected for damage, normal wear and/or installation deficiencies.

Investigation Summary

The existing roof system installed on the property is primarily comprised of a 29 gauge standing seam metal roof system. The roof system appears to have been installed without a reinforced deck surface, fastened directly to the building truss network.

The roof system appears to have been installed in accordance to prevailing building code at the time of construction, and in accordance with manufacturers installation specifications. The property manager indicated that leaking attributed to standard breakdown of skylight flashings has been ongoing.

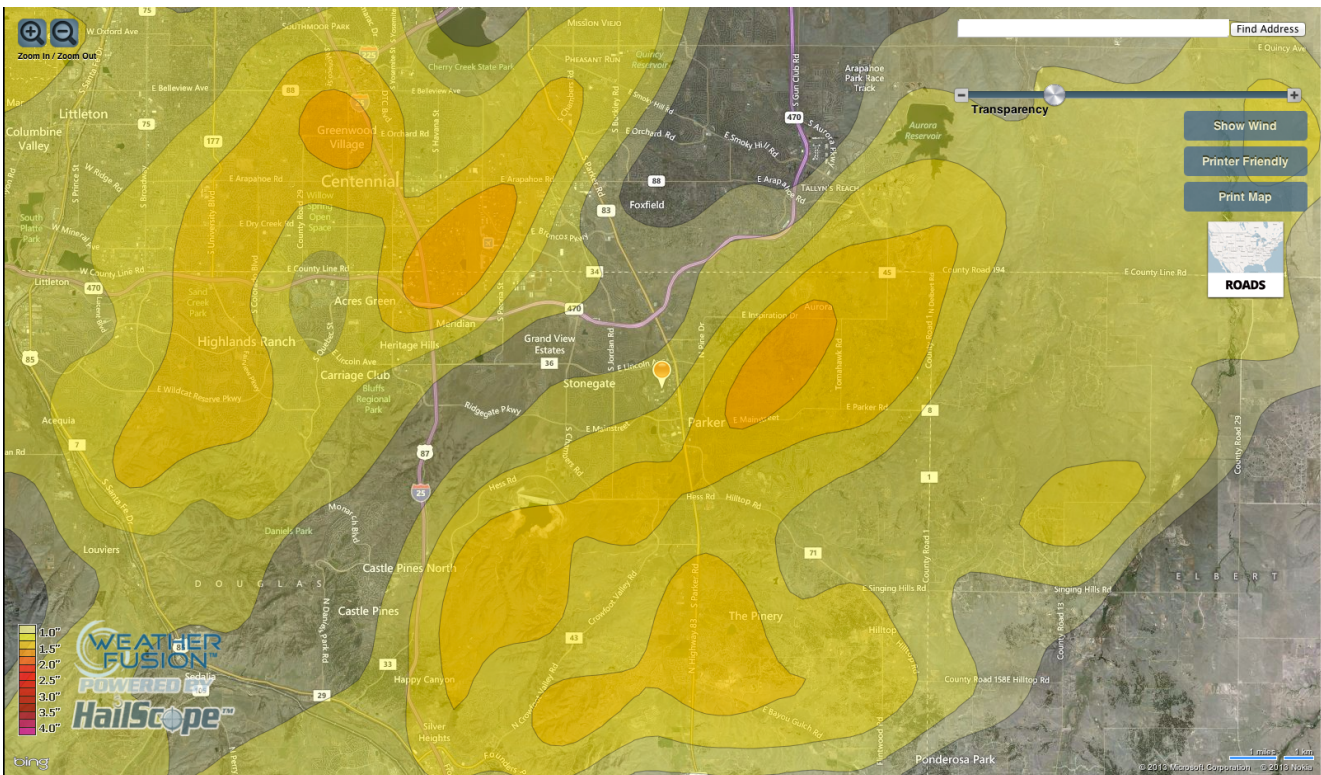
On June 7, 2012 a large hail storm moved through the City of Parker, producing hail stones as large as 2.00", with a reported solid ice density, causing extensive damage to the area. Hailstone size reported directly at the property per www.hailswath.com is 1.00"-1.25" of solid ice density.

Upon investigation it is clear the property was exposed to large hail. The damage to the subject property appears to be severe, as would be expected with hail of this size. Widespread damage was observed consistent with hail stones of this size and density. The metal roof system, and all HVAC units have sustained heavy hail damage, which may be covered under the standard commercial property policy.

Sever and widespread damage caused by hailstones was observed to the following components:

- Standing Seam Metal Roof System
- HVAC Units
- Commercial Exhaust Systems
- Skylights
- Gutters/Downspouts
- Windows
- Metal Sidewalls
- Soft Metals
- Metal Cap Flashings

See included photos.



Findings of Investigation

Observed Damage (Metal Roof System)

Damage to metal roof system caused by hail presents in dents in the metal, and damage to the seams or fasteners. Damage to seams or fastener's can allow water, snow and ice to immediately enter a roof system.

Dents in metal roof systems can commonly be misclassified as "not functional" or "Cosmetic", this is a common tactic amongst insurance companies to prevent paying claims. However, dents in metal roof systems will allow the pooling of water, and corrosive materials used in Colorado due to our climate such as magnesium chloride, road salts and other de-icing chemicals to collect and corrode the metal within a hail caused dent.

The consistent damage observed at the subject property encompasses both types of hail damage. Many seams are damaged as a result of direct impact from hail stones, and every panel on the roof system has systematic dents in the field caused by hail.

The vast majority of these dents already show signs of rust and corrosion as a result of the collection of water and chemicals over time.



Damage Scope

A "test square" is a standard insurance test used to quantify damage estimation over a large area utilizing a small test section and multiplying results over a large surface. A test square is 1 roofing "square", or 100 Square Feet and is standardly performed on each major slope or elevation.

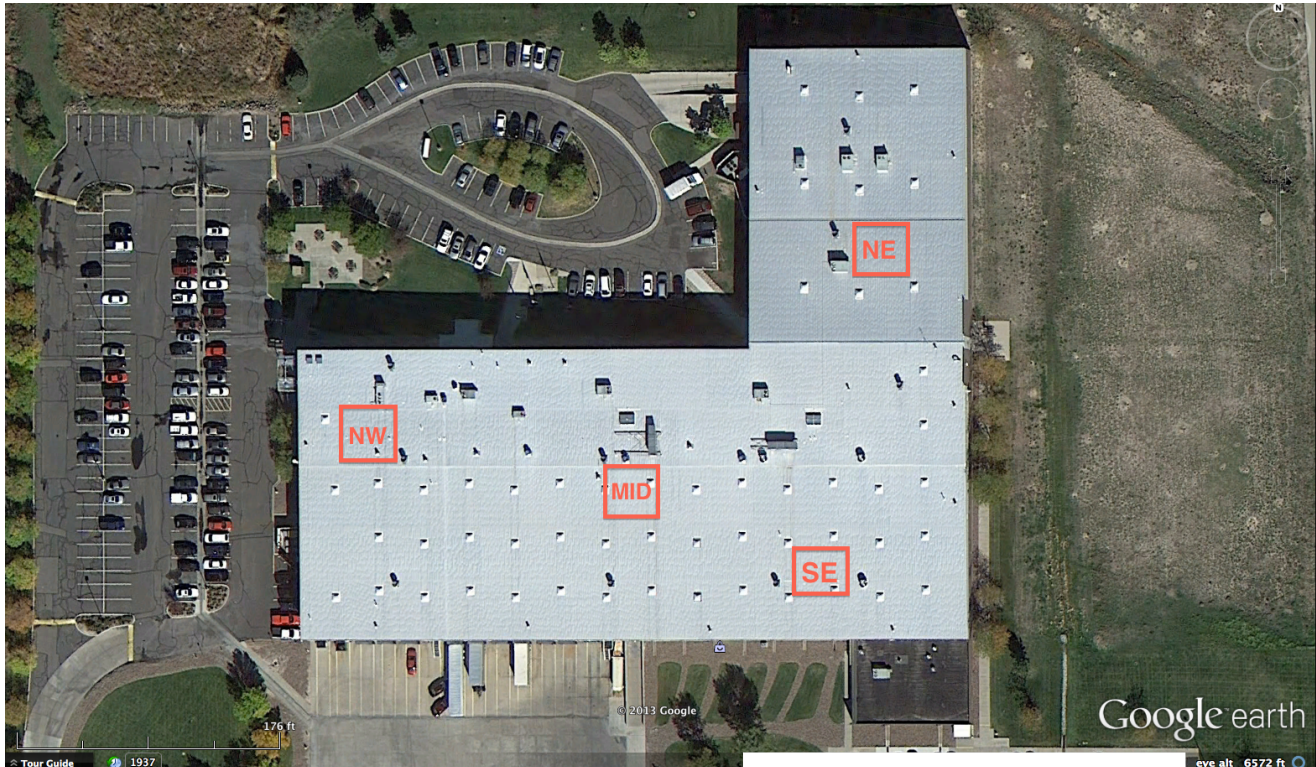
A 10' x 10' test square was selected and tested on the various slopes of the subject property to account for all facets of roof faces. The test square yielded the following results:

- South East Test Square (10 hits)
- North West Test Square (22 hits)
- North East Test Square (8 hits)

- Middle Test Square (6 hits)*

**An informal test to verify consistency was done in the middle of the building and yielded 6 hits in approximately 1/4 of a formal Square.*

The variance in the numbers of hits per square is expected given the change in slope, direction and the path of the storm. This data further supports the fact that this damage was caused by hail.



Damage Summary

The hail damage threshold for all metal roofing systems, as will any roofing products is dependent upon several factors, including product type, age, location, exposure to weather and the geometry and physics of the sustained impacts.

The system on the subject property appears to be installed without a structural deck, which leaves the standing seam panels with a lot of give and movement when walked upon. This lack of structural support makes it more susceptible to damage. When a roof system is supported rigidly it will disburse impact, unsupported surfaces absorb more of the force and are therefore more easily damaged.

The lack of support in the system is the factor by which this roof was damaged as severely as it is. Hail of this size is in the marginal range for damage to metal systems, but without the support of a deck structure the system absorbed the majority of the impacts causing damage to the system.

Observed Damage (HVAC System)

During the investigation notable damage to the HVAC system was observed. The HVAC units of the property show extensive signs of exposure to hailstones. Typical damage to an HVAC unit is commonly found in the fins of the condensing coils of the unit. These areas of light gauge metal get twisted, dented and torn when exposed to hailstones.

The HVAC units at the subject property are located on the roof, therefore subject to the full force of the storm. The amount of damage will need to be evaluated by an HVAC professional to determine the necessary repairs to return the units to a pre-loss condition. Based on experience, this adjuster believes the units age and extent of damage will require complete replacement of the majority of the units including the commercial exhaust fan systems.



Observed Damage (Skylights)

The property manager indicated that the building had leaks that have been addressed recently, by a roofing contractor. He indicated it was a result of wear and tear.

Upon our inspection it was determined that the skylights have also been damaged by exposure to hailstone impacts. The cladding of the skylights show signs of dents, consistent with other observed damage and the size of reported hail.

When the cladding of the skylights is impacted by hail damage to the waterproof seals of the skylight can occur. This can also result in damage to the flashing kit used to waterproof the roof and skylight penetrations.

It is our opinion that leaks in the skylights can be a direct result of the storm damage to the skylights.

Observed Damage (Collateral)

Collateral damage is an term used to define the additional indicators that support the assessment of storm damage to a particular building. During this property inspection collateral damage was observed on and consisted of:

1. Damage to metal caps on the roof.
2. Oxidized spatter marks from hail impacts.
3. Dents in metal exterior walls.
4. Dents in metal gutters and downspouts.
5. Chipped paint

Restoration Scope

The damage to the subject property is what this adjuster would consider severe in nature. The property has been exposed to large dense hail which has caused widespread damage to property. The following is this adjuster opinion based on experience as to what the scope of repairs would be for this claim.

1. The metal roof systems damage would be replaced in its entirety. The damage is extensive and would require the replacement of the entire roof system to return the property to a pre loss condition.
2. All skylights in the roof would be replaced.
3. The majority of roof mounted HVAC units (RTU's) would be replaced by a qualified HVAC technician.
4. The majority of the property's commercial exhaust systems would be replaced.
5. The complete replacement of all gutters and downspouts.
6. The replacement of exterior metal side wall panels that have been damaged.

Discussion/Analysis of Findings

Options

It is our opinion based on experience, that this damage is a covered loss under standard commercial insurance policies. The technical nature of this damage and standard lack of training by insurance retained adjusters will likely lead to a underpaid claim or denial without the support and representation by a trained expert.

Impact Claim Services is a specialist in roof related damages and can be retained to advocate the interests of the insureds to the insurance carrier. We will coordinate and meet the insurance adjusters to inspect and assess the damage, deploy any experts and professionals needed to build supporting

documentation and hold the insurance company accountable for all money owed under the policy for these damages and restoration of damaged property.

Once all owed money is secured, the property owner can complete the restoration using the contractor of their choice, or retain the actual cash value portion of the settlement for any purpose so desired.

The other option is to leave it as is, and incur the replacement cost at the property owner's expense in the future. This roof will continue to deteriorate given the climate and conditions of Colorado's weather cycles.

The time limit in which to recover owed damages under a standard commercial policy from the date of loss.

About Impact Claim Services

Impact Claim Services, LLC is a claims management firm, specializing in securing fair and accurate property claim settlements for policyholders. It is our commitment to policyholders to help level the playing field in what has become a very lopsided claims adjusting process.

Impact Claim Services, LLC utilizes its Public Insurance Adjusters and network of Engineers, Meteorologists, Contractors, Attorneys and other experts in our commitment to hold insurers accountable to its insured's, our valued clients.

Impact Claim Services will evaluate the loss, and document the extent of damages, and outline the necessary restoration requirements. We will prepare and present your claim presentation and sworn statement in proof of loss to your insurance company.

Most importantly we will be there every step of the way, and when the process gets hard, which it inevitably will, we will remain committed and vigilant in securing the settlement owed to you under the policy.

Impact Claim Services, LLC is a commercial hail and wind claim specialists. Our firm has been responsible for adjusting and settling a few thousand hail and wind claims since 2007. The Impact Claim Services team is roofing claim experts, not only in public adjusting, appraisal and umpire services, but in roof construction, damage assessment, manufacturers installation requirements and prevailing building codes.

Prior to the founding of Impact Claim Services, our founder was a roofing restoration contractor who managed thousands of hail and wind claims. Tired of being manipulated by insurance companies, and seeing thousands of policyholders defrauded on their claims, the choice was made to take action and begin helping policyholders as a public insurance adjuster full time.

This experience as a contractor is the anchor of our services that sets us apart from our competition; Impact Claim Services roofing construction experience makes us the leader in commercial hail and wind claims. Rather than relying on roofing contractors, who may or may not have the technical expertise to accurately assess your loss; we have the construction experience and claim handling experience to get your claim paid fairly. Whether your claim has been denied or underpaid, Impact Claim Services has the technical experience, testing methods and construction experience to find damage, substantiate the loss and settle the claim at the maximum amount owed under the policy.

Conclusion

Conclusion

Upon inspection it is my opinion that the property sustained extensive “direct physical damage” as a result of the hail producing storm on June 7, 2012. The extent of the roof damage is considered severe and warrants a replacement of the roof covering, roof top mechanical systems and exterior walls, in addition to collateral damage items.

Purpose

This report is an initial summary of a limited investigation for the sole purpose of providing an informative notice to the building owner(s). This report is a preliminary report and can not to be used for any claims adjusting, damage substantiation or legal proceedings regarding this property or any claim matters related to this property.

Impact Claim Services reserves the right to supplement or amend this report should additional information become available.

References

The following sources were referenced or utilized.

1. National Oceanic and Atmospheric Conditions “Storm Events Database” June 6, 2012 & June 7, 2012.
2. National Oceanic and Atmospheric Conditions “Severe Weather Data Inventory” June 6, 2012 & June 7, 2012.
3. Weather Fusion Storm Swath Map June 7, 2012.
4. “Hail Damage Thresholds to Common Roofing Products”, Haag Engineering, 2005
5. “Metal Roof Systems Velocity/KE Calculation Formulas”, Grayco Engineering 2011
6. Douglas County Assessor Parcel Search 2233-153-12-002

End of Report

All photographs are appended to this report.

If you have any questions or comments regarding any element of our report, please do not hesitate to contact me at (720) 560-3644.

Respectfully Submitted,



Derek O'Driscoll
Licensed Public Adjuster
Colorado License # 392187

DRAFT
**May not be used in any claim
presentation**

**None of the information contained or implied in this report
may be used to support any claims presentation,
representation or preceding of any kind.**

- 1 IMG_9176
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



- 2 IMG_9177
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll

Note the "oxidized spatter" marks around the windows. This is a effect of hail cleaning the oxidation off the material upon impact.



3 Oxidation Impacts 2

Date Taken: 10/8/2013

Taken By: Derek O'Driscoll

Oxidation Marks are consistent with the reported hail size at the property on the date of loss.



4 Oxidation Impacts 3

Date Taken: 10/8/2013

Taken By: Derek O'Driscoll



5 IMG_9178

Date Taken: 10/8/2013

Taken By: Derek O'Driscoll

This is an overview of the landing area above the employee entrance.



6 IMG_9179

Date Taken: 10/8/2013

Taken By: Derek O'Driscoll

Overview 2



7 IMG_9182

Date Taken: 10/8/2013

Taken By: Derek O'Driscoll

Hail damage to an exhaust fan on the landing above the employee entrance.

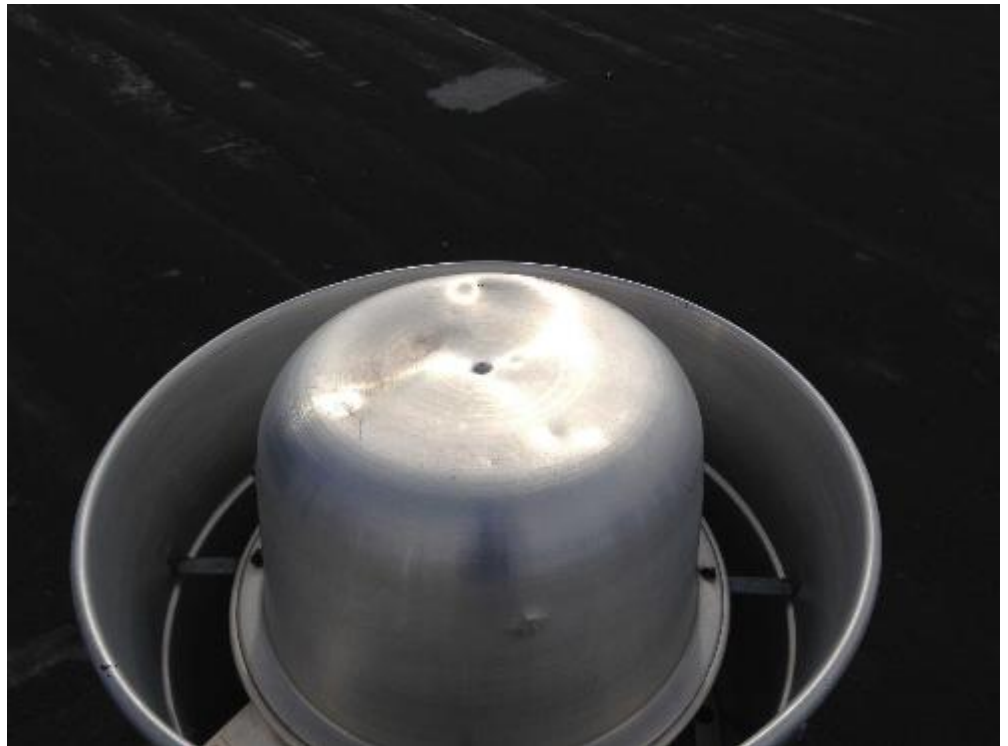


8 IMG_9185

Date Taken: 10/8/2013

Taken By: Derek O'Driscoll

The gravity roof ventilator on this elevation also shows signs of hail damage.



9 IMG_9187 copy

Date Taken: 10/8/2013

Taken By: Derek O'Driscoll

The side wall exhaust grates also show dents as a result of hail stoned impacts. Note the difference in the "mechanical" dent, the size and crease in the dent indicate this was done by a sharp metal object.



10 IMG_9188

Date Taken: 10/8/2013

Taken By: Derek O'Driscoll

The size of the dents are consistent with the reported hail size at the property.



11 IMG_9191

Date Taken: 10/8/2013

Taken By: Derek O'Driscoll

Dents in the gutters caused by hail.



12 IMG_9193

Date Taken: 10/8/2013

Taken By: Derek O'Driscoll



- 13 Mechanical Damage to
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll

Note the sharp creases and scratch,
this is a sign the damage was
mechanically caused.



- 14 Mechanical Damage So
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll

This area of damage is directly off the
ladder to the roof system, a likely
place for technicians and contractors
to place items, which is likely the
caused of this damage.



- 15 NW Overview Photo
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll

This is an overview from the SE corner looking WNW.



- 16 SE Test Square Ident
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll

Identifier and results for the South East test square.



17 SE Test Quare Overvi

Date Taken: 10/8/2013

Taken By: Derek O'Driscoll

Results of the South East test square was 10 hits per square.



18 SE Test Square Impac

Date Taken: 10/8/2013

Taken By: Derek O'Driscoll

Note the round nature of the dent, this size and depth is consistent with the size of hail and construction of the system.



19 SE Test Square Impac
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



20 SE Test Square Impac
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



21 SE Test Square Impac
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll

Note the rust and corrosion showing in the hail depression.



22 SE Test Square Impac
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll

Note the rust and corrosion showing in the hail depression.



23 SE Test Square Impac
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



24 SE Test Square Impac
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



25 SE Test Square Impac
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



26 SE Test Square Impac
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll

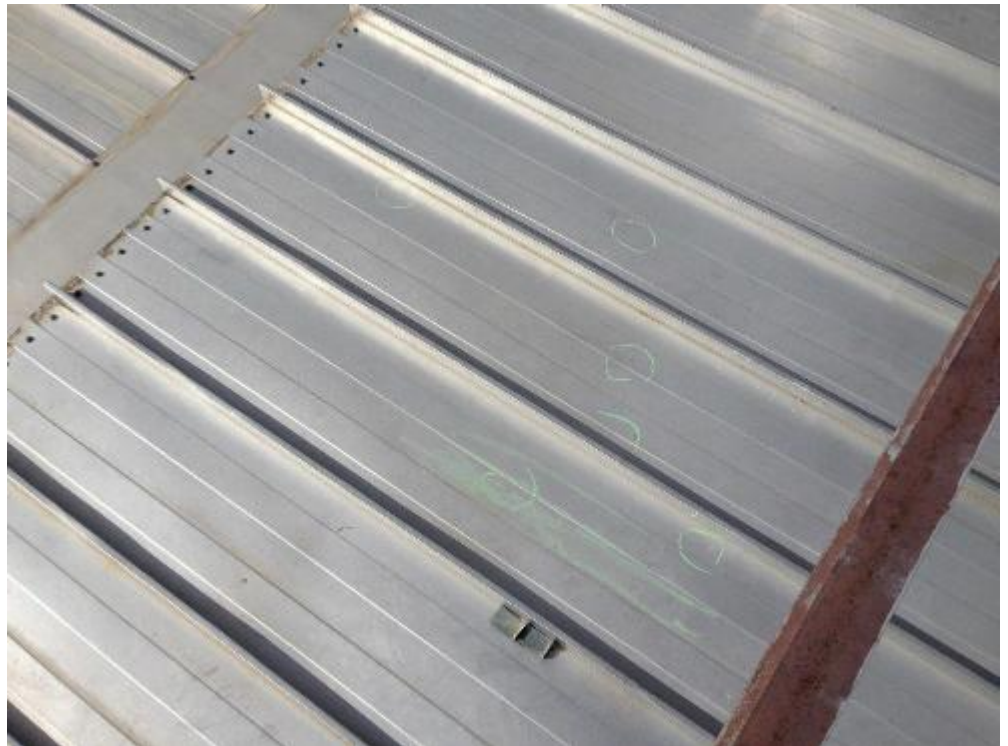


27 South Transition Imp
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll

This is the transition in the elevations on the south slope. Note the dents in the metal consistent with observed hail damage.



28 Middle Impact Verifi
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



29 Middle Hail Impact 1
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



30 Middle Hail Impact 2
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



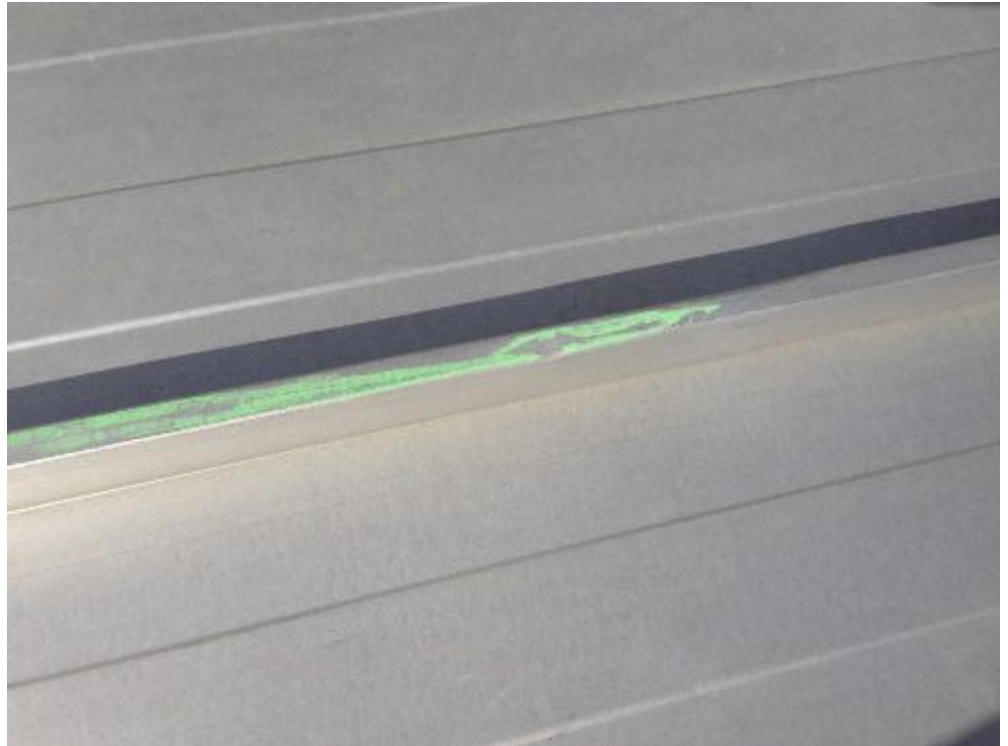
31 Middle Hail Impact 3
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



32 Middle Hail Impact 4
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



33 Middle Impact
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



34 NW Overview Photo
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll
This is the overview from the
Northwest Corner looking South East.



35 NW Test Square Overv

Date Taken: 10/8/2013

Taken By: Derek O'Driscoll

North West Test Square identifier and results.



36 NW Test Square Impac

Date Taken: 10/8/2013

Taken By: Derek O'Driscoll



37 NW Test Square Impac
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



38 NW Test Square Impac
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



39 NW Test Square Impac
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



40 NW Test Square Impac
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



- 41 NW Test Square Impac
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



- 42 Ridge Cap Impacts
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



43 North Overview

Date Taken: 10/8/2013

Taken By: Derek O'Driscoll

This overview is the middle of the roof facing North.



44 NE Test Square Ident

Date Taken: 10/8/2013

Taken By: Derek O'Driscoll

The North East test square identifier.



45 NE Test Square Impac
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



46 NE Test Square Impac
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



47 NE Test Square Impac
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



48 NE Test Square Mecha
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll

Note the difference in this dent than the dent from hail damage. The is sharp and scratched, indicating it was caused by something other than hail.



49 NE Test Square Mecha
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll

Note the damage caused to the ridge by hail stone impact.



50 NE Test Square Overv
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll

North East test square results.



51 Mechanical Damage Sc

Date Taken: 10/8/2013

Taken By: Derek O'Driscoll

Note the amount of rust in this mechanical damage point, it appears to be older than the hail damage due to the amount of corrosion and rust in the depression.



52 Mechanical Damage

Date Taken: 10/8/2013

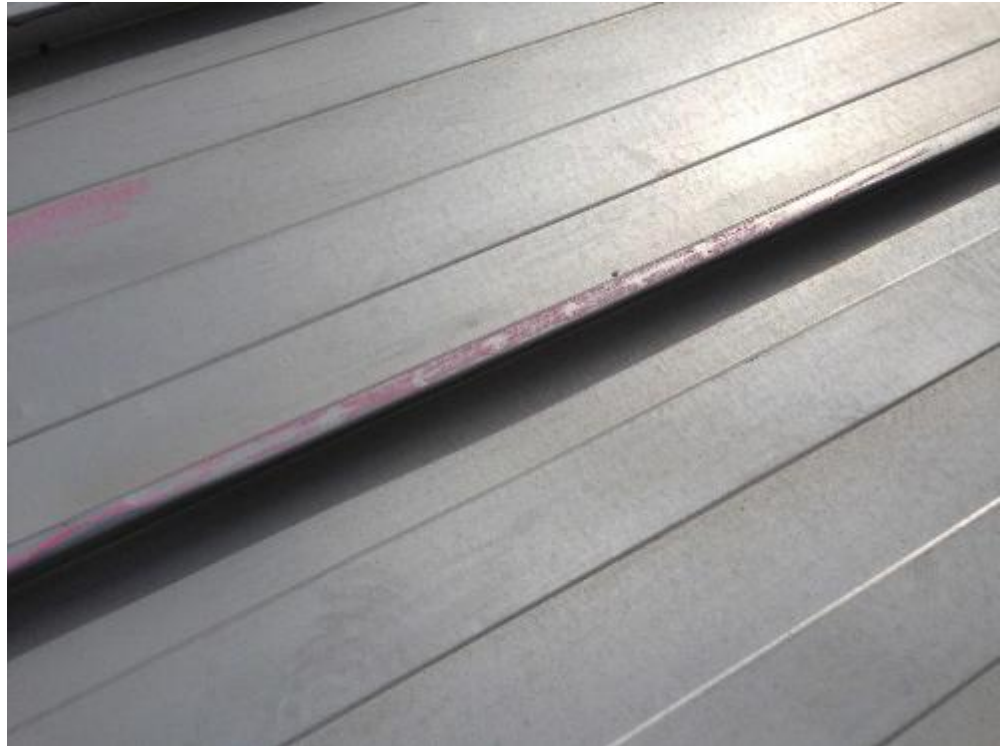
Taken By: Derek O'Driscoll

Note the amount of rust in this mechanical damage point, it appears to be older than the hail damage due to the amount of corrosion and rust in the depression.



53 Damage caused during
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll

Note the uniformity in these dents,
suggesting it was caused during the
installation of the system.



54 IMG_9225
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll

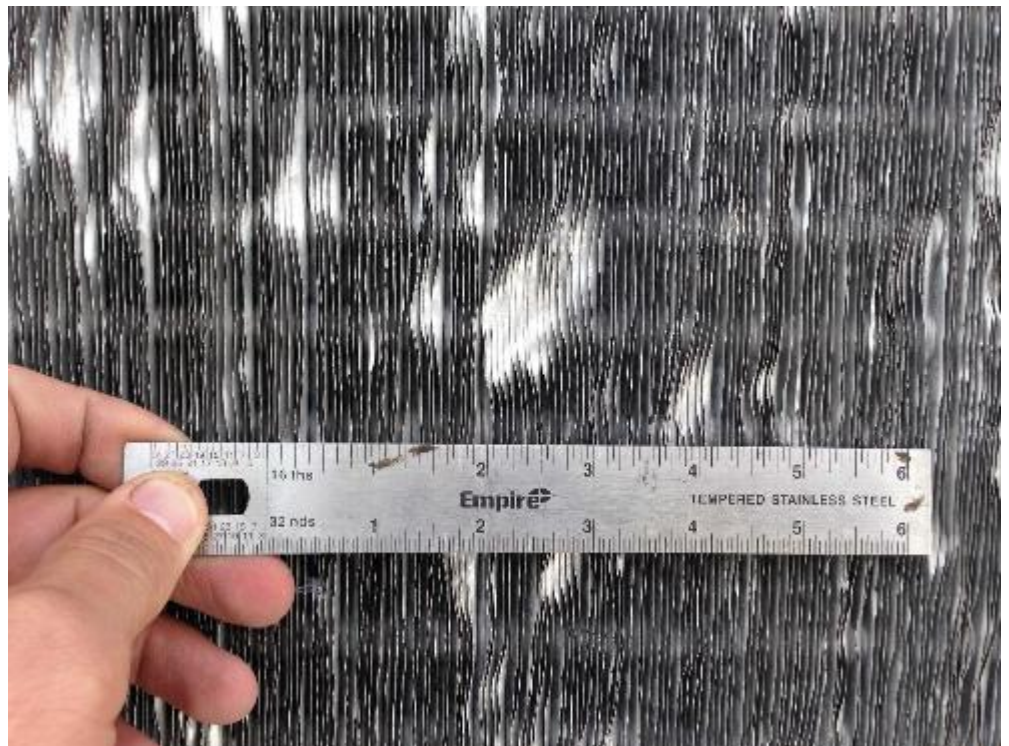
This exposed RTU coil is destroyed,
given the age of the unit it will need
to be replaced as coils are obsolete in
the market place.



- 55 Close up coil damage
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll
Note the torn and twisted coils.



- 56 IMG_9228
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



57 IMG_9229
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



58 IMG_9275
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



59 IMG_9276
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



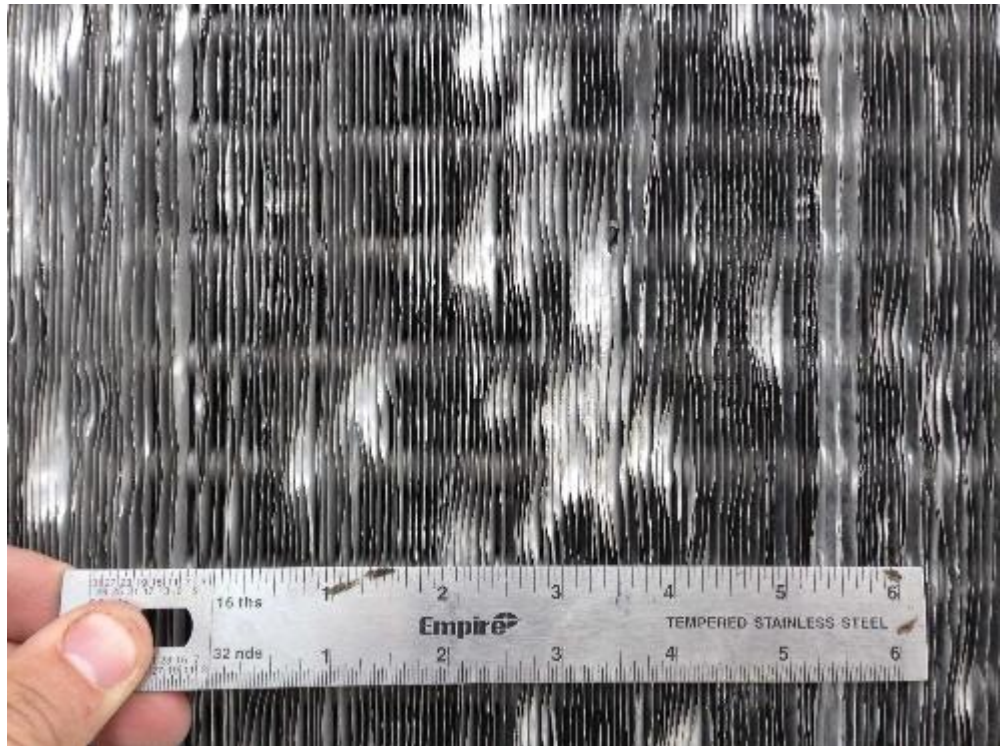
60 IMG_9277
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



61 IMG_9279
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



62 IMG_9280
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



63 IMG_9281
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



64 IMG_9282
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



65 IMG_9284
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



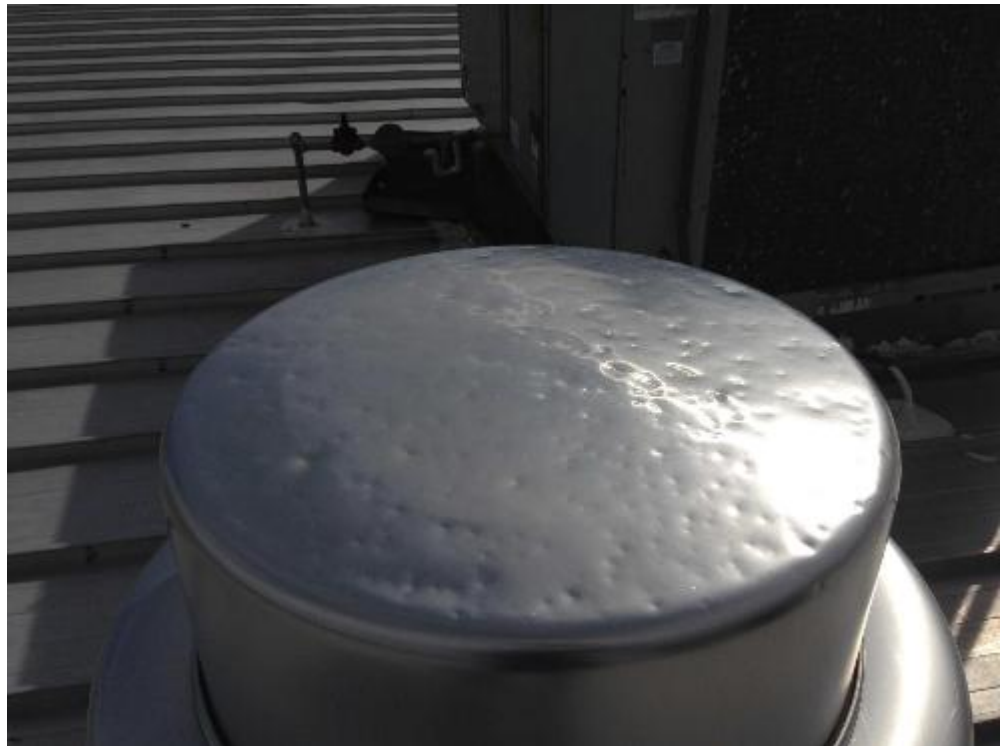
66 IMG_9214
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



67 IMG_9220
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



68 IMG_9232
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



69 IMG_9233
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



70 IMG_9246
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



71 IMG_9248
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



72 IMG_9264
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



73 IMG_9259
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



74 Southern Skylight CI
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll

The damage to the skylight cladding is likely a contributing factor to the water intrusion at these points.



75 Southern Skylight CI
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll

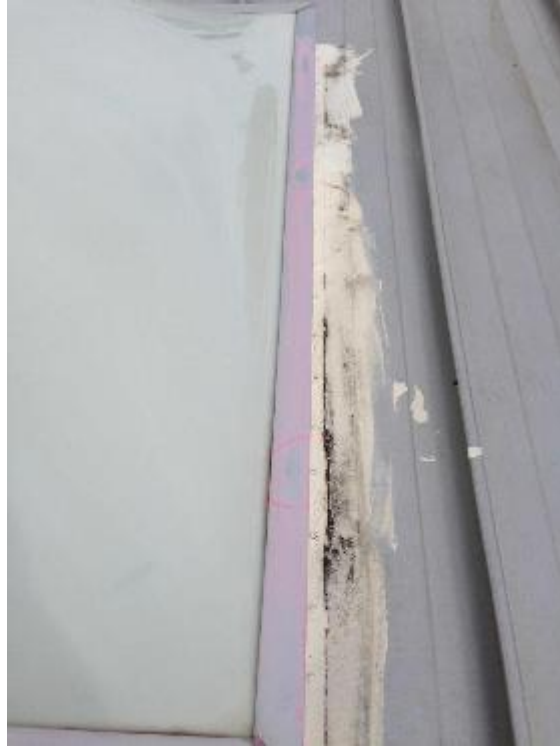


76 Southern Skylight CI
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll

Size and shape consistent with previously observed damage and report hail characteristics.



77 Southern Skylight CI
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll



78 Southern Skylight CI
Date Taken: 10/8/2013
Taken By: Derek O'Driscoll

