

# **RISK Assessment® Report**

January 28, 2010.



## **Industrial Customer**

**Moorpark, CA 93021**

Inspector - Bob Pace & Dick Sullivan  
Confidential and Proprietary

3266 Kirkham Dr., Glendale CA 91206  
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# RISK ASSESSMENT®

## Commercial Real Estate Inspectors

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This is an assessment of the five major systems - Plumbing, Electrical, Heating and Air Conditioning, Structure and Roofing along with an assessment of any other current deferred maintenance issues for the site.

This assessment will cover three aspects of these systems per industry standards, namely:

- 1. Expected useful life left in each system.**
- 2. Maintenance/Repairs that are needed immediately for each system.**
- 3. Total costs that are expected over the next five years for each system.**

Note: The cost estimates are industry standards per the *R.S. Means - 2007 Building Construction Cost Data 20th Annual Western Edition* along with review and consultation with local contractors.

Although care and thought have gone into this assessment there are many variables that can cause the actual prices to differ greatly, such as: local building ordinances, requirements, specifications and details, local demand for labor, materials, etc.

No implied warrantee is given.

No cosmetic concerns have been addressed in these estimates.

No Routine Maintenance concerns have been addressed in these estimates below \$1000.

**ADDRESS: Moorpark, CA**

<i>CLIENT: Industrial Customer</i>	<i>January 28, 2010.</i>
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## PLUMBING:

<p>1. The expected useful life left in the Plumbing System:</p> <p>The Expected Useful Life left in the system is 30 - 50 years</p> <p>2. What Maintenance/Repairs are needed immediately for the Plumbing System:</p> <p>It is advised to have a Camera review of the Waste lines by a qualified plumbing specialist. Due to these being mostly underground this is the only way to determine the true condition.</p> <p>Minor but needed repairs to the water heater.</p> <p>3. What costs are expected over the next five years for the Plumbing System:</p> <p>Other than recommended and routine maintenance no significant repairs or expenses are anticipated over the next five years</p>	<p><b>TOTAL: Routine Maintenance</b></p>
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## ELECTRICAL:

<p>1. What is the expected useful life left in the Electrical System:</p> <p>The expected useful life of the electrical system is: approx. 30 - 50 years</p> <p>2. What Maintenance/Repairs are needed immediately for the Electrical System:</p> <p>The system appeared to be in serviceable condition at the time of the inspection and other than routine maintenance no immediate significant deficiencies or repairs were observed to be needed.</p> <p>3. What costs are expected over the next five years for the Electrical System:</p>	
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The electrical system appears to be Serviceable and no major expenses are anticipated for the next five years other than minor repairs and routine maintenance

**TOTAL: Routine  
Maintenance**

## **HEATING AND COOLING:**

1. What is the expected useful life left in the Heating and Air Conditioning System:

The typical life for roof mounted units such as these is approx. 15-20 years if well maintained.

Due to the amount of use the AC systems are in many (16) of the 20 roof mounted units are approx. 13 years old and are at or nearing the end of their expected useful life.

One unit is approx. 4 years old.  
One unit is approx. 8 years old.  
One unit is approx. 9 years old.  
One unit is approx. 10 years old.

2. What Maintenance/Repairs are needed immediately for the Heating and Air Conditioning system:

It is advised to have each unit fully serviced at this time which will typically cost approx. \$100 - \$150 per individual unit.

There are two cooling units it is advised to have metal caps installed on approved platforms to help prevent moisture intrusion.

3. What costs are expected over the next five years for the Heating and Air Conditioning System:

Within the next five years significant maintenance, repairs and/or replacements will most likely be needed to most of the units per industry standards due to age and usage.

<p>Current costs for existing units on the roof such as these is approx. \$7,000 - \$15,000 depending on the size and type.</p>	
<p>Expect costs to be \$140,000 - \$190,000. The quality of maintenance can prolong the life of most units</p>	<p style="text-align: center;"><b>TOTAL:</b> <b>\$140,000 - \$190,000</b></p>

## ROOF:

<p>1. What is the expected useful life left in the Roofing System:</p>	
<p>The roofing system is at the end of it's expected useful life. Per industry standards this type of roofing material should have approx. 5 - 7 years of expected useful life left in it.</p>	
<p>2. What Maintenance/Repairs are needed immediately for the Roofing System:</p>	
<p>It is advised to have the roof system evaluated by a qualified roofing contractor to determine any needed repairs to ensure a leak free condition. The needed repairs should be performed at this time.</p>	
<p>It is advised to have a Core Sample done of the roofing material. This is the only way to fully understand the number of layers of roofing present and the true condition of the roofing material. This is beyond the scope of this general visual inspection.</p>	
<p>3. What costs are expected over the next five years for the Roofing System:</p>	
<p>It is recommended to consider installing a reflective coating over the roofing surface at this time if after full review by a qualified roofer and a coring sample is done to determine the quality of the system below this is determined to be a viable option. This recommendation is suggested due to the possibility of the costs to cure being approx. 1/2 the cost of a removal of the existing system and a new roofing system being installed. This is recommended to help increase the cost savings due to lowered cooling costs and to prolong the life of the surface and decrease the demands on local land fills.</p>	

Other than the recommended repairs to the bubbles on the roof expect to pay approx. \$45,000 - \$65,000 for a "Cool Roofing" System. For a complete removal and install of a new roofing system expect to pay from \$100,000 - \$130,000.	<b>TOTAL:</b> <b>\$50,000 - \$130,000</b>
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## STRUCTURE:

1. What is the expected useful life left in the Structural System:	
It appears that the expected useful life is, 50+ years	
2. What Maintenance/Repairs are needed immediately for the Structural System:	
No significant repairs at this time other than routine maintenance.	
3. What costs are expected over the next five years for the Structural System:	
No significant costs are anticipated in the next five years to the Structure	<b>TOTAL: Routine Maintenance</b>

## GENERAL MAINTENANCE & REPAIRS:

1. What is the expected useful life left in the Site:	
The expected useful life left in the site is, approx. 20 - 30 years with routine maintenance.	
2. What Maintenance/Repairs are needed immediately currently for the Site:	
It appears that only Routine Maintenance is needed at this time.	

<p>3. What costs are expected over the next five years for the Site:</p> <p>No significant costs are anticipated for the next five years for the site and grounds other than routine maintenance</p>	<p><b>TOTAL: Routine Maintenance</b></p>
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<p><b>TOTAL COMBINED ESTIMATED EXPENSES:</b></p> <p>Further review is advised at this time by qualified specialists to determine the full scope of work. These estimates should be used as guidelines only.</p>	<p><b>TOTAL:</b></p> <p><b>\$190,000 - \$320,000</b></p>
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## SITE PHOTO



# Industrial Customer Moorpark, CA

# INSPECTION CONDITIONS

## **CLIENT & SITE INFORMATION:**

DATE OF INSPECTION: January 28, 2010.  
TIME OF INSPECTION: 10:00 AM.  
CLIENT NAME: Industrial Customer.  
ADDRESS: Moorpark, CA.  
INSPECTOR: Bob Pace & Dick Sullivan.

## **CLIMATIC CONDITIONS:**

WEATHER: Clear.  
TEMPERATURE: 70's.

## **BUILDING CHARACTERISTICS:**

BUILDING TYPE: This is a warehouse with office space.  
STORIES: One main story with a storage and equipment room on a "mezzanine" level over part of the floor plan.

## **UTILITY SERVICES:**

UTILITIES STATUS: The utilities were on.

## **OTHER INFORMATION:**

OCCUPIED: Yes.  
CLIENT PRESENT: The client was unable to attend the inspection. It is important to understand that although the Inspection Agreement may not be signed by the client it is understood that use of this Report implies acceptance of the agreement and all its terms.

# DEFINITIONS AND STANDARDS

## TERMS OF THE INSPECTION:

- SERVICEABLE:** It is the inspectors opinion that this item is doing the job for which it was intended and exhibits normal wear and tear.
- NEEDS ATTENTION:** It is the inspectors opinion that this item is in need of further investigation and/or repairs or appears to be at the end of its expected useful life. The inspector has made the client aware of this situation by calling it "needs attention" in the report. It is then the clients responsibility to take appropriate action concerning the situation with the appropriate professional in a timely manner.
- NOT ACCEPTABLE:** It is the inspectors opinion that this item is either in need of immediate repairs or is a safety hazard due to adverse conditions. Also the item may be in such a state of disrepair that significant repairs or replacement is strongly advised.
- The inspector has made the client aware of this situation by calling it "not acceptable" and it is then the clients responsibility to take appropriate action concerning the situation with the appropriate professional in a timely manner.
- STANDARDS:**
- A. The report conforms to the Commercial Standards of Practice of the California Real Estate Inspection Association and the Business and Professions Code which defines a commercial real estate inspection as: The inspection to be performed consists of non-intrusive visual observations to survey the readily accessible, easily visible material components, systems and equipment of the building. The inspection is designed to identify material physical deficiencies in the buildings components, systems and equipment, as they exist at the time of the inspection. Unless otherwise agreed between the inspector and client, the specific systems, structures and components of a building to be examined are listed in these Commercial Standards of Practice.
- B. A commercial real estate inspection report provides written documentation of material physical deficiencies discovered in the inspected building's systems and components which, in the opinion of the Inspector, are safety hazards, are not functioning properly or appear to be at the end of their expected useful life. The report may include the Inspector's recommendations for correction or further evaluation.
- The term **material physical deficiencies** means the presence of conspicuous patent defects or material deferred maintenance of the buildings material systems, components or building equipment as

observed during the inspection. **This definition specifically excludes deficiencies that may be remedied by routine maintenance.**

C. Inspections performed in accordance with these Standards of Practice are not technically exhaustive and shall apply to the primary building and its associated primary parking structure.

# PLUMBING SYSTEM

While some plumbing observation may be code related, this inspection does not determine if the system complies with code. Supply and waste lines are inspected only where they are accessible and while operating accessible fixtures and drains. Performance of the water flow can vary during different times of the day and performance of the drain during actual usage is undetermined. Drain blockage is common in vacant property. It is advised to have any underground drain lines examined by a specialist with a camera to determine their actual condition. The following are not included: inaccessible supply or waste lines; leaks in inaccessible areas such as walls, underground or the crawl space; the interior of pipes for mineral or corrosive clogging, water hammering, solar equipment or water temperature, and the condition of shower pans or if a shower will leak when used. No water testing of any type is performed. The type of copper is not part of this inspection and will not be determined. The gas system is not tested for leaks and any underground or hidden gas lines are specifically excluded from this report. Determining the operation of sewer ejection systems is excluded from this inspection and it should be examined by a specialist. The shutoff valves under sinks and other plumbing valves, such as the main shut off valve, are not turned or tested.

## **MAIN WATER SUPPLY LINE:**

### **MAIN WATER LINE**

#### **MATERIAL:**

The visible portion of the water main is composed of copper. This is the water supply piping that runs between the city water meter and the building.

#### **MAIN WATER SHUT OFF LOCATION:**

On the left side of the building.



#### **CONDITION:**

Serviceable.

## **WATER SUPPLY PRESSURE REGULATOR:**

CONDITION: There was a pressure regulator observed on the water supply system. It is not known how well or if it is functioning, as this is beyond the scope of a general visual inspection.

## **INTERIOR WATER SUPPLY LINES:**

WATER SUPPLY  
PIPING MATERIAL: The interior piping that supplies the water throughout the building is made of copper where viewed.

CONDITION: Serviceable where viewed.

WATER VOLUME AT  
FIXTURES: Serviceable.

WATER SUPPLY  
PIPING COMMENTS: The drop in water volume is likely due to restriction of the original pipes. This is typical of aging galvanized pipe and can only be remedied through the replumbing of the entire system or replacement of sections of the system.

## **WASTE LINES:**

WASTE LINE  
MATERIAL: The piping that takes the waste water to the sewer system is a combination of different materials where visible.

CONDITION: The visible waste lines appear to be serviceable.

WASTE LINE  
COMMENTS: **The interior of the waste lines are not visible. A detailed investigation can only be performed by the use of an internal camera by a specialty contractor.**

**GAS SYSTEM:**

**SEISMIC GAS SHUT OFF VALVE:**

There is no visible automatic seismic gas shut-off valve on the main gas line. This may not be required in this municipality, though it is advised to have this installed for health and safety purposes.

**GAS METER LOCATION:**

The meter is located on the left side of the building.



**CONDITION:**

Serviceable.

**WATER HEATER:**

LOCATION:

The water heater is located on the second floor.



LOCATION  
CONDITION:

Serviceable overall.

FUEL:

Gas.

SIZE:

This is a tankless on-demand type water heater. It does not store and continually heat water, but instead provides it as needed by the occupants.

AGE:

About 2 years old. Water heaters have an expected life of 8 - 12 years.

CONDITION:

**Not Acceptable:**  
**What appears to be the combustion air line is disconnected.**



TEMPERATURE/  
PRESSURE RELIEF  
VALVE:

Serviceable.

VENTING:

Serviceable.

COMMENTS:

The adequacy or efficiency of any hot water heater cannot be determined in a limited time visual inspection. It is not known how hot water will get or how long it will last and this is many times a matter of personal preference.

**PLUMBING COMMENTS:**

WASTE LINE  
COMMENTS:

**The interior of the waste lines are not visible. A detailed investigation can only be performed by the use of an internal camera by a specialty contractor.**

**GENERAL  
COMMENTS:**

The majority of the water supply pipes, waste lines and gas lines are underground, in walls or installed in concealed parts of the structure and thus are not visible. Their condition cannot be determined and no representation is made as to their status.



There is an interior fire suppression system in the building. This is not tested as part of a general visual property inspection.

**COMMENTS:**

The adequacy or efficiency of any hot water heater cannot be determined in a limited time visual inspection. It is not known how hot water will get or how long it will last and this is many times a matter of personal preference.

# ELECTRICAL SYSTEM

Electrical features are operated with normal controls. The general wiring, switches, outlets and fixtures are randomly checked in accessible areas. While some observations may be code related, this inspection does not determine if the system complies with code. The inspection does not determine electrical capacity, determining over current capacity for any item including appliances, comparing circuit breaker capacity to installed appliance listings; interior or exterior low voltage wiring or fixtures; telephone, security, intercom, stereo, cable or satellite TV, remote controls or timers. The exterior lighting, landscape lighting or any lighting outside the footprint of the building is not inspected. Light bulbs are not removed or changed during an inspection. This inspection does not certify or warrant the system to be free of risk of fire, electrocution or personal injury or death.

## **MAIN ELECTRICAL SUPPLY:**

### PATH OF

ELECTRICAL SUPPLY: The electricity is supplied by an underground line to the building.

### ELECTRICAL SUPPLY

CONDITION: Serviceable.

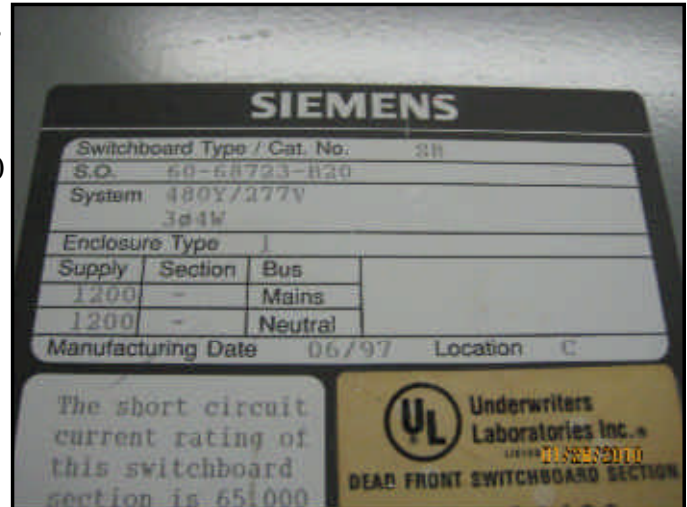
## **MAIN SUPPLY PANEL :**

### PANEL LOCATION:



The main electrical panel is located in the utility area.

**MAIN PANEL SPEC'S:** This is a 3 phase,  
4 wire system.  
  
Service  
Amperage - 1200  
amp stand-up  
panel.  
  
480Y/277 volt.



**MAIN PANEL PROTECTION DEVICE:** The main panel disconnect is a circuit breaker.

**MAIN PANEL CONDITION:** Serviceable.

**MAIN PANEL CIRCUIT BREAKERS:**



Serviceable.

## **ELECTRICAL SUBPANELS:**

**SUBPANEL LOCATION:**



There is an electrical subpanel in each of several areas on the property.

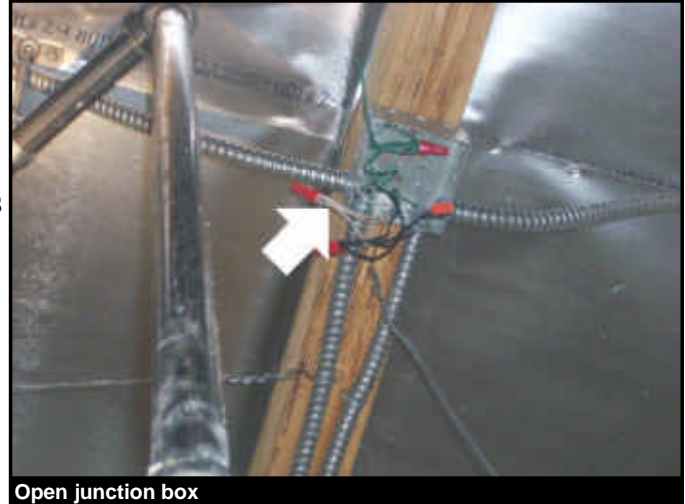
SUBPANEL  
CONDITION: Serviceable.

**INTERIOR ELECTRICAL WIRING:**

TYPE OF WIRING: The wiring in the unit consists of plastic coated wires.

TYPE OF WIRING  
CONDUIT: The conduit that carries the wiring is a combination of different types.

WIRING CONDITION: **Serviceable overall however there are open junction boxes with wires exposed, such as in a small office at the left of reception. These need to have covers installed over them.**



**OUTLETS:**

CONDITION:

A representative sampling of outlets were tested and those that were checked were found to be in working order.



**SWITCHES:**

CONDITION:

A representative sampling of switches were checked and those that were tested were found to be in working order.

**FIXTURES:**

CONDITION:

Serviceable overall.

**EXTERIOR ELECTRICAL:**

CONDITION:

The exterior lighting outside the building and on the grounds is not part of the inspection.

**FIRE SUPPRESSION & SAFETY SYSTEMS**

FIRE SUPPRESSION SYSTEMS:

There is an interior fire suppression system in the unit. This is not tested as part of a general visual property inspection.

FIRE SAFETY SYSTEMS:

**This type of building site is required to have certain fire safety items. These are items such as exit signs and fire extinguishers. It is advised to check with the local Fire Marshall to determine if this building meets current fire safety regulations.**

**ELECTRICAL COMMENTS:**

**ELECTRICAL SYSTEM  
COMMENTS:**

Low voltage lighting and wiring is excluded from a standard property inspection including outdoor lights, phone lines, security systems and speaker systems. Regular voltage exterior lighting is also excluded. The wiring is enclosed within the walls and ceilings and other parts of the structure. It is not visible and its condition cannot be fully determined. No representation is made as to its status.

## HEATING AND COOLING SYSTEM

While some observations may be code related, this inspection does not determine if the system complies with code. Weather permitting a representative sampling of the systems are operated with normal controls. In order not to damage the system, the air conditioners are not activated if the outdoor temperature is below 65 degrees. Gas furnaces are not checked for carbon monoxide leakage or fire risks. There are carbon monoxide and fire detection devices which can be purchased and installed, which we recommend. Air ducts and registers are randomly checked for air flow. Heat exchangers are specifically excluded from the inspection. They are visually obstructed by the design of the system and a complete inspection requires special tools and disassembly, which is beyond the scope of the inspection. The following are additional items that are beyond the scope of the inspection: balance of the air flow, capacity or velocity of the air flow, humidifiers, air duct cleanliness, the ability of the system to heat or cool evenly, the presence of toxic or hazardous material or asbestos, system refrigerant levels, cooling or heating capacity to determine if its sufficient for the building, electronic air filters, solar equipment, programmable thermostats and determining the remaining life of the system. Window A/C's are not built in units and therefore not usually inspected.

### **HEATING AND COOLING SYSTEM:**

There are twenty (20) units of the roof for heating and cooling the interior of the building. The majority (16) of the units are aged and worn and appear to be original from 1997. The typical life for these types of units, roof mounted, is approx. 15 - 20 years meaning 16 of the units are approx. 13 years old and well past half of their expected useful life.

Most of the existing systems (14) are gas furnaces with AC units.

The remaining units are all electric. Two units are cooling only.

Six of the units have the gas off to them that have gas furnaces due to not using the heating part of the system and only using the cooling aspects.

## HEATING AND COOLING SYSTEMS:

LOCATION:



Unit overviews.

The heating and cooling units are located on the roof.

LOCATION  
CONDITION:

Serviceable  
overall.



Typical unit roof mounting.

SYSTEM TYPE:

For fourteen (14) the heating and cooling systems are located on the roof and are the type that the gas heating furnace and electric cooling system are packaged in one container and serve both functions.

For five (5) the systems are a heat pump type system. This is an all electric system that has a condenser that pumps the refrigerant in one direction to cool the building and then reverses it to heat.

One unit is a condenser only that is attached to an air handler/furnace inside the building.

**CONDITION:**

**Needs Attention , for sixteen (16) the units are aged and worn. Though they may be nearing the end of their expected useful life and still functional it is noted that this type of unit has a life expectancy of approx. 15 - 20 years, depending on the quality of maintenance , and these units are nearing this age.**

**Per disclosure by maintenance personnel present at the time of the inspection the temperature inside the building is very important to ensure proper quality of the products produced. Due to the amount of heat generated by the machines inside the building these HVAC units have a very high demand to ensure the building is kept at temperatures cool enough to be acceptable. This means that there is a high demand for the cooling aspect of the machines to the point that six of the units that have gas operated furnaces have the gas shut off due to lack of use of the heating elements. This also means that these machines are run extended periods of time and that due to this these machines appear to be at the end of their expected useful life even though industry standards say there is more life in them. The actual life left in them can only be determined by a detailed specialist inspection which is beyond the scope of this general visual inspection.**

**RETURN AIR AND FILTERS:**



**Needs Attention, four units were opened and the filters examined. Three were found to have filters in need of being changed.**

**GENERAL  
COMMENTS:**



**High volume fans appeared serviceable**

It is noted that there are three high volume fans providing additional air to the air conditioning systems, located on the mezzanine level. These were operating at the time of inspection and appeared to be maintained and generally serviceable.

It is advised to have each of the units serviced and cleaned at this time to ensure safe and properly functioning systems. It is beyond the scope of this general visual inspection to inspect the inner workings of the systems. This can and should be done by a licensed Heating and Cooling specialist at this time.

**HEATING AND COOLING COMMENTS:**

**COMMENTS:**

Per the California Energy Commission, "Beginning October 1, 2005, Title 24 of the Building Energy Efficiency Standards requires that ducts be tested for leaks when a central air conditioner or furnace is installed or replaced. Ducts that leak 15% or more must be repaired"

A property inspection will not be able to determine if this air loss exceeds the maximum allowed of 15%. This test can only be done by a qualified technician and is beyond the scope of this inspection. It is advised to consult with a qualified specialist on this matter as the examination may determine that repairs or replacement of the ducting system is required.

## ROOF SYSTEM

The report is not intended to be conclusive regarding the life span of the roofing system, if it is leak free or how long it will remain leak free in the future. The inspection and report are based on visible and apparent condition at the time of the inspection. The inspection does not address manufacturing defects, fastener appropriateness, if the roof was installed per code, if flashing is present in all locations or the numbers of layers present. Unless a rain has fallen just prior to the inspection, it is not possible to determine if active leakage is occurring. Not all attic areas are readily accessible for inspection. Tile roofs and steeply pitched roofs are not safe to walk on and access is limited on them. Conclusions made by the inspector do not constitute a warranty, guaranty, or policy of insurance. All roofs require periodic maintenance to achieve typical life spans and should be inspected annually. Expect to make minor repairs to any roof.

While it is possible some prior repairs and leaks may be reported, it is not the intention of the inspection to identify and report all prior repairs and conditions. It is recommended to refer to the seller and sellers disclosure about the presence of any roof leaks or prior repairs. Also it should be noted that all gutters have rust and have a limited life span before they need to be replaced.

### **ROOF OVERVIEW:**



Typical roofing areas.

**The roof is showing excessive bubbling and deterioration. Extensive repairs/replacement is needed at this time to ensure a leak free condition.**

**ACCESS TO ROOF:**

Access to the roof is via a ladder that is accessed inside the building.



**ACCESS CONDITION:**

**Needs Attention,  
The roof access is not up to current OSHA standards in regards to safety for such items as proper height and style of Grab Bars.**



**ROOF:**

ROOF STYLE:

The roofing system is a flat roof with a low pitch.

TYPE OF ROOFING

MATERIAL LOW

SLOPE ROOF:

The roofing material on the low sloped roof is multi layered roofing materials.

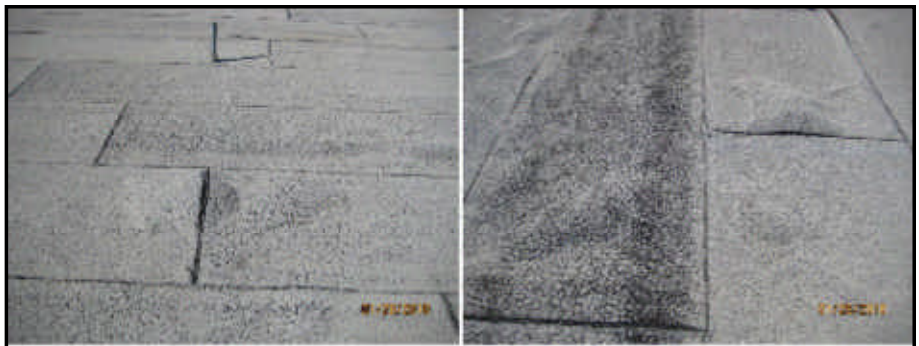
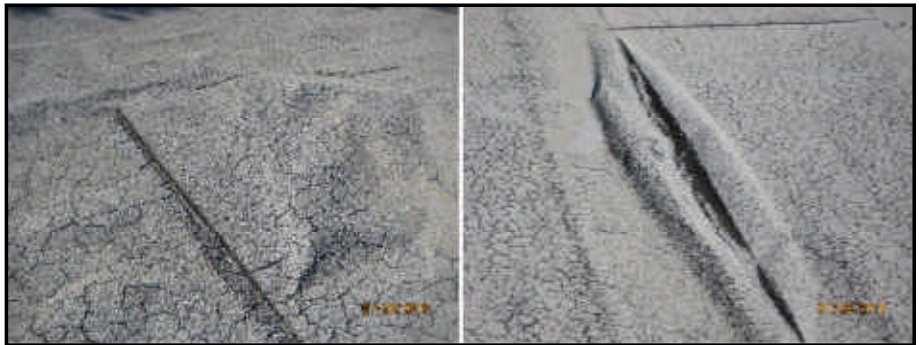
ROOF ACCESS:

The roofing was walked on to inspect it.

ROOF COVERING  
STATUS:



**Not Acceptable, on the low sloped roof, there are excessive bubbled areas of roofing material. This is often an indication that the material was not properly installed or some moisture has gotten under the material.**



**There are sections of the roofing system that are no longer a reliable moisture barrier.**

**ATTIC:**

TYPE OF ROOF  
FRAMING:



View of beams and cross supports

The roof is supported by structural beams and cross supports.

ROOF FRAMING  
CONDITION:

Serviceable, however the view is limited, and there are areas of past stains to the wood members.

**ATTIC INSULATION:**

INSULATION  
CONDITION:

Serviceable however the view is limited.

**EXPOSED FLASHINGS:**

CONDITION:

**Needs Attention, there are penetrations through the roof that are going to require high maintenance and should be closely monitored.**

**SKYLIGHTS:**

CONDITION:



Serviceable.

## **ROOF COMMENTS:**

### COMMENTS:

**A licensed roofing contractor should examine the roof and make all needed repairs (or replacements) to ensure a long lasting leak free condition. The roofing contractor may find more problems with the roof. It is for this reason it is being referred to a specialist, as he can determine all the problems and give an accurate estimate of the costs involved.**

### NOTES:

**The number of layers of roofing material and the exact methods of installation cannot be fully determined without doing a "core" sample by a qualified roofer. (*This is the action of cutting through all the layers of the roofing system in at least one location and removing a small section of the roof down to the base material.*) This is beyond the scope of this inspection. This is advised at this time to help determine what the best course of action is.**

The roofing has been inspected at a time when it was not raining. Since one of the purposes of any roofing system is to repel water this could not be observed and verified as occurring in all cases. Therefore the roofing has not been tested under wet conditions and how it performs in these conditions is unknown. No warranty is made that the roofing will not leak when it is under a wet condition.

**It is important for all roofs to have regular maintenance, including cleaning out any and all drainlines or gutters and ensuring all the penetrations are properly sealed.**

### ROOF SYSTEM:

Due to multiple stains inside the building it is advised to consult the current tennant as to the history of the condition. Full disclosure is advised at this time.

## FOUNDATION SYSTEM

Structural comments are of the conditions observed at the time of the inspection and are the opinion of the inspector and not fact. If further information or facts are needed, they can be obtained through a structural engineer or foundation expert. The inspection does not determine the potential of the structure to experience future problems, geological conditions or the potential of the underlying soils to experience movement or water flow or whether the soil is stable. If any form of prior structural movement is reported you should expect future movements and possible repairs.

The inspection does not calculate crawl space ventilation capacities, deck and balcony capacity, retaining wall conditions, construction material type, quality or capacity. It does not address the existence of prior repairs, the potential of future repairs, failure analysis, documentation of all possible movement or cracks in floor slabs covered by floor furnishings. It is typical for concrete floor slabs to have some hairline cracks as a result of the normal drying process of the concrete plus the stress occurring by settlement and seismic activity. Crawl spaces are observed in a cursory fashion and wood probing is not done and wood damage, dryrot and termites are not part of this inspection but part of the structural pest control operators report.

### **FOUNDATION:**

#### **SLAB ON GRADE:**

The building is on a slab foundation. This is a monolithic, meaning one solid piece, of concrete that is resting directly on the earth.

#### **SLAB ON GRADE COMMENTS:**

There are cracks in the slab that appear to be typical for the age and style of construction. However if you need a more detailed evaluation it is advisable to contact a structural engineer or a foundation specialist.



Typical cracking to slab floor

# EXTERIOR

The exterior is viewed in a cursory fashion. Areas of the exterior that are hidden from view by vegetation or stored items cannot be judged and are not a part of this inspection. Minor cracks are typical in many exterior wall coverings and most do not represent a structural problem. Peeling and cracking exterior paint on windows, doors and trim allow water to enter and cause damage and deterioration. It is important to keep these exterior surfaces properly painted and/or sealed. Many times chimneys have hidden undisclosed cracks that cannot be seen. A chimney specialist inspector should be employed to determine the true condition of the structure of any chimney as it is beyond the scope of this inspection to determine damage to chimneys. All exterior grades should allow for surface and roof water to flow away from the foundation and exterior walls.

## **EXTERIOR OVERVIEW:**



## **EXTERIOR COVERING OF THE BUILDING:**

MATERIAL: Concrete Tilt Up construction.

CONDITION: Serviceable overall.

## **EXTERIOR WINDOW SURFACES:**

MATERIAL: The exterior window surfaces are metal.

CONDITION:



Serviceable overall.

### **EXTERIOR DOOR SURFACES:**

**MATERIAL:** The exterior door surfaces are metal.

**CONDITION:**



Serviceable overall.

### **EXTERIOR COMMENTS:**

**COMMENTS:** This inspection is not a structural pest control inspection, otherwise known as a termite inspection. The "termite" inspection also covers such things as dryrot and wood damage and deterioration as well as wood destroying organisms. Any and all of these items need to be examined and any repairs completed by the "termite" company in a timely manner and they usually have a guarantee on their work. Please refer to the structural pest control report for any information concerning them

This is not a mold or fungus inspection, it is therefore advised to have a mold specialist examine the property and structure and do a complete inspection to determine the presence or not of any mold that may affect the health or safety of the occupants.

# GROUNDS

This inspection is not intended to address or include any geological conditions or site stability information. For information concerning these conditions, a geo-technical engineer should be consulted. Proper grading is important to keep water away from the foundation. If it is not raining during the inspection the course of water flowing toward the structure or off the site cannot be observed. The soil should slope away from the structure to prevent problems caused by excess water not flowing away properly. Gutter discharge should be directed away from the foundation for the same reason. Out buildings, such as storage sheds, on the property are excluded from the inspection. Fire pits, a B.B.Q. and other similar items are not inspected nor is the gas to them tested or lit.

This inspection is visual in nature and does not attempt to determine drainage performance of the site or the condition of any underground piping, including municipal water and sewer service piping or septic systems. Landscape lighting, sprinklers and their timers are not part of a general property inspection. The inspection report does not include the identification of the property boundaries.

## **DRIVEWAY:**

CONDITION: Serviceable, though it is noted that.

## **WALKWAYS:**

CONDITION: Serviceable overall.



**LANDSCAPING:**

CONDITION:

The grounds on the property have generally been maintained.



**DRAINAGE:**

SITE:

Flat site.

DRAINAGE  
CONDITION:

There were no observable defects in the grading and drainage within six feet of the building. though it is noted that there are areas where the water may pond instead of flowing off the site during heavy rains.

COMMENTS:

Determining the adequacy of the grounds to shed water and prevent moisture intrusion into the structure is beyond the scope of the inspection. It is advised to obtain the history of any drainage problems and monitor the site regarding water run-off and drainage in general.

This inspection does not address drainage issues further than 6 feet from the building. Additionally drainage systems that are not visible such as underground systems are not evaluated or inspected. If more information is required it is advised to consult with a drainage specialist.

**PATIO:**

CONDITION: Serviceable.



**PROPERTY WALLS, FENCES & GATES:**

CONDITION: Serviceable.

**GROUNDS COMMENTS:**

Overall the grounds are Serviceable.

# INTERIORS

As a general rule, cosmetic deficiencies are considered normal wear and tear and are not reported. The condition of walls behind wall coverings, paneling and furnishings cannot be judged. Minor cracks are found on interior surfaces in all buildings and are typically cosmetic in nature. The condition of floors underneath carpet, furniture and other coverings cannot be determined and is specifically excluded from the inspection and report. Only the general condition of visible portions of floors is included in this inspection.

## INTERIOR AREAS:

### OVERALL:

The property is a commercial building consisting of an entryway with a security entrance to the main building, reception, conference room and offices around a central hallway. At the left of the



Conference area off hallway

building is another hallway with lab and production facilities along its way to a main warehouse area.

In the warehouse area are stairs leading up to a mezzanine, second story area covering approximately 2/3rds of the overall floor plan of the property.

### MAIN ENTRY DOOR:

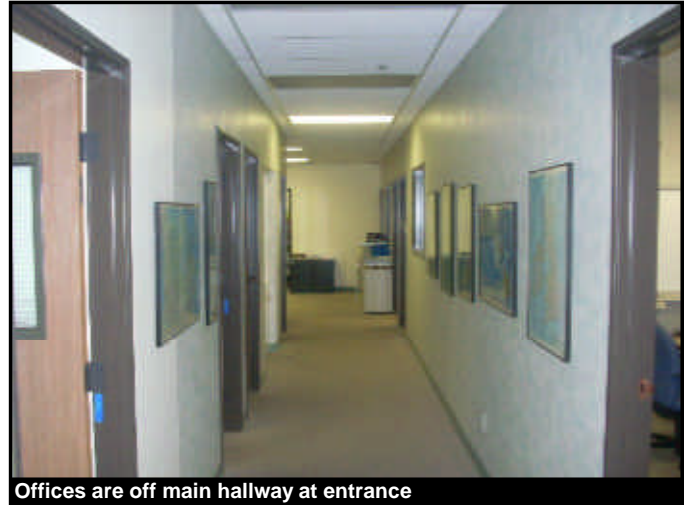
Serviceable, with typical wear.

### ENTRY:

Serviceable.

**HALLWAYS:**

Serviceable overall.



Offices are off main hallway at entrance

**STAIRWELLS:**

This is the stairwell in the open warehouse space leading up to the mezzanine area.

Serviceable overall with typical wear.

**STAIR CONDITION:**

Serviceable, with typical wear.

**RAILING CONDITION:**

Serviceable.

**OFFICE AREAS:**

Needs Attention:  
There are a number of office areas in the building with evidence of moisture intrusion at the ceilings, such as the office on the left side right off the reception area.



Ceiling stains, office near reception

NOTE: According to the building engineer, a number of spaces have leaks occurring during rainy periods but the laminate ceiling tiles do not show moisture stains, such as in one of the "Coating" rooms at the front left side of the hallway leading to the warehouse area.

PICTURES:



MEZZANINE (Second Story):

This area covers about 2/3rds of the floor plan.

Serviceable overall with typical wear. It is noted that this area is largely a functional area for storage, electrical transformers and three high volume fans that provide clean air to the air conditioning systems.

SPECIALTY ROOM:

The spaces off the left and right sides of the hallway leading back to the warehouse include a few small office areas but are largely technical production areas, with equipment and machinery arranged in large rooms.

A number of these areas have laminate ceiling tiles, which mask water intrusion occurring during rainy periods, such as the first "Coating" room on the left side, where according to the building engineer there has been an active leak.

Other areas with acoustic tiles show evidence of significant moisture intrusion, such as on the right side of the hallway, in the "Polishing" and "Super Polishing" Rooms.



**KITCHEN FACILITIES:**



There are kitchen facilities in the lounge area off the warehouse hallway.

Serviceable.

The kitchen surfaces and primary components in this brief test appeared to be in serviceable condition.

**EXTERIOR DOORS**

Serviceable, with typical wear.

**EXTERIOR DOOR SECURITY:**

Serviceable.

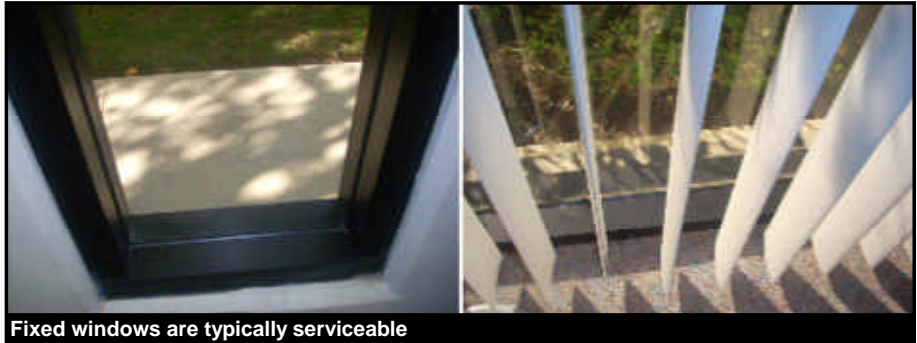
**INTERIOR DOORS:**

Serviceable.

**WINDOW CONDITION:**

A representative sampling was observed of the windows. Windows as a grouping are generally serviceable.

**WINDOW  
COMMENTS:**



**Fixed windows are typically serviceable**

It is noted that all the windows in the building are fixed and unopenable.

**FLOORING  
CONDITION:**

The general condition of the flooring appears serviceable with typical wear.

It is noted that warehouse and lab areas have no finish flooring and these areas show typical signs of cracking and minor wear.



**Cracking typical of warehouse/lab areas**

**CEILINGS:**

Needs Attention: There are areas where the acoustic tiles have been heavily stained and distorted with past moisture intrusion, such as in the production facilities in the back, on the right off the hallway area.

**RESTROOMS -**

**RESTROOM  
FIXTURES:**

These are the bathrooms in the lounge area.

Men's bathroom.

Needs Attention, there is a loose toilet.

Women's bathroom.

Needs Attention, there are faucets that had no hot water.

One of the faucets leaks at the handle when operated.

These are the bathrooms in the front hallway.

Women's restroom.

Serviceable.

Men's restroom.

Serviceable.

## **INTERIOR COMMENTS:**

COMMENTS: This is a general visual inspection, there was no destructive or intrusion testing performed. The intention of this report is to inform the client of the overall condition of the property.

GENERAL COMMENTS: **There are several signs of moisture intrusion in the building. This is viewed as a concern and should be pursued so that all active sources of moisture entry are corrected.**

ADDITIONAL NOTES: It is typical when a building is remodeled or repairs are undertaken that additional problems surface that were not noted on the inspection report. This is to be expected as walls, floors and ceilings are opened up during the work to reveal areas that were not accessible during the inspection. Any remodeling work undertaken on a property should be expected to reveal some of these problems and it is recommended that additional sums be set aside for this purpose.

This is not a mold or fungus inspection, it is advised to have a mold specialist examine the property and structure and do a complete inspection to determine the presence or absence of any mold that may affect the health or safety of the occupants.

# INSPECTION LIMITATIONS

## **SPECIFIC EXCLUSIONS AND LIMITATIONS:**

**OUR GOAL:** Our Goal is to enlighten you as to the condition of the property by identifying material defects that would significantly affect the property and therefore your decisions concerning it. We strive to add significantly to your knowledge of the building. **Thus the goal is not to identify every defect concerning the property but focus upon the material defects and thereby put you in a much better position to make an informed decision.**

## **GENERALIST VS. SPECIALIST**

A property inspector is a generalist and the inspection is conducted along generalist guidelines as listed above. The generalist job is to note material defects in the property he is inspecting. When he observes and finds one or more problems in a system of the property that affects its performance he may then refer the entire system over to a specialist in that field for a further detailed investigation. The specialist is expected to conduct a more detailed examination on that system from his specialist sphere of knowledge and training to determine all the problems with the system and the related costs of repairs. The specialist is inspecting from a depth of knowledge and experience that the generalist does not have.

## **REPRESENTATIVE SAMPLING:**

The building has many identical components such as windows, electrical outlets, etc. We inspect a representative sampling of these only. We do not move any furniture or personal belongings. This means that some deficiencies which were there may go unnoted or there may be items which are impossible to anticipate. We suggest that you plan for unforeseen repairs. This is part of property ownership as all buildings will have some of these repairs as well as normally occurring maintenance.

## **USE OF THE REPORT:**

The inspection report does not constitute a warranty, insurance policy or guarantee of any kind. It is confidential and is given solely for the use and benefit of the client and is not intended to be used for the benefit of or be relied upon by any other buyer or other third party.

## **PRE-INSPECTION AGREEMENT:**

Terms and conditions crucial to interpretation of the report are contained in a separate pre-inspection agreement. Do not use this report without consulting the pre-inspection agreement as use of this report constitutes the acceptance of all the terms, conditions and limitations in that agreement.

**MOLD, MILDEW AND FUNGI:**

Mold, mildew and fungus are specifically excluded from the inspection and the report. The inspector is not qualified to note the presence or absence of mold. Mold can be a serious problem and should not be overlooked. The structure should be inspected for mold during the inspection contingency period by a specialist in this field to ensure that this hazard does not exist.

**WOOD DESTROYING ORGANISMS:**

Termites, dryrot, wood rot and wood destroying organisms are covered by a structural pest control operator's report. These are not part of the inspection and the inspector will not be inspecting for them. The Business and Professions Code prohibits anyone but licensed structural pest control operators from commenting on this subject.

**BUILDING CODES:**

This is not a building code or code compliance inspection. That is a different type of inspection performed by the local municipality, usually during construction. It is advised to obtain all available documentation such as building permits and certificates of occupancy during the inspection contingency period.

**HAZARDOUS SUBSTANCES:**

Identifying hazardous substances is not part of this inspection. Items such as formaldehyde, lead based paint, asbestos, toxic or flammable chemicals and environmental hazards are not tested for and are not within the scope of the inspection.

**INSPECTION LIMITATIONS:**

This is a limited time visual inspection. It excludes any items we cannot directly observe such as chimney interiors, furnace heat exchangers, underground piping, etc. These are specialty inspections and those inspections can be arranged using specialized equipment.

Additionally we do not inspect to see if components are installed properly. We do not have the specialized training, instruction sheets or manuals to determine if they meet manufacture's or building code requirements for installation, which can be quite varied. This is part of the specialist's inspection and any questions concerning installation would best be answered by the specialist.