

RISK Assessment® Report



Venice 90291

Inspector - Mike Howson
Confidential and Proprietary

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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:

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| CLIENT: | |
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PLUMBING:

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| <p>1. The expected useful life left in the Plumbing System:</p> <p>The Expected Useful Life left in the copper portions of the system is: 20 - 30 years- If properly maintained. All original parts of the plumbing system including the original waste lines and the original supply lines are at or past the end of their expected useful life. (rusted cast iron noted)</p> <p>2. What Maintenance/Repairs are needed immediately for the Plumbing System:</p> <p>Some maintenance or repairs are needed to the interior plumbing fixtures. A detailed evaluation by a qualified plumber is advised to determine the true condition of the waste system and what the exact costs for repairs/replacements would be for this location and the conditions present. Cast iron waste pipes are seen to be aged and rusted in the exposed areas of the parking garage. It is noted that a sewer line camera inspection was performed. Please fully review the report before the contingency period is over. Installing or locating an approved pressure regulator for the supply line system is advised for health and safety. Water Heater is 11 years old. Replacement should be anticipated soon (100 gallon water heaters typically cost 3 - 4 thousand)</p> <p>3. What costs are expected over the next five years for the Plumbing System:</p> <p>It is not possible to give an accurate cost estimate at this time until a detailed evaluation of the system is done and an estimate is determined from this evaluation by a qualified professional. It is estimated , however that the above repairs would cost \$20,000 +</p> | <p>TOTAL: Estimated</p> <p>\$20,000 +</p> |
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ELECTRICAL:

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| <p>1. What is the expected useful life left in the Electrical System:</p> <p>The expected useful life left of the electrical system is approximately - 10 - 20 years</p> <p>2. What Maintenance/Repairs are needed immediately for the Electrical System:</p> | |
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A detailed evaluation is advised at this time by a qualified electrical specialist to determine what repairs/replacements are needed to help ensure health and safety for this location and the conditions present.

Federal Pacific panels have been observed on the site. These panels have been reported to not perform as designed and are a potential fire/safety hazard. Further review by a qualified electrician is advised at this time for safety. The Main panel is a Federal Pacific using bus fuses. This may not be the type of Federal Pacific panel that is of safety concern.

Complete and detailed labeling of all electrical panels and circuit breakers is recommended for convenience and safety in the event of emergency and as required by code.

Due to the overall condition of the electrical system it is advised to have all panels fully cleaned and serviced at this time for health and safety. Sub-panels which have been painted over may be damaged or disabled from being able to trip when needed.

Due to age and condition of the electrical panels, upgrade replacement is recommended. Main panels in the exterior cabinet are aged and rusted. Most breakers in the area are illegible but they are assumed to be 70 AMP panels like the one newer one which is legible.

It is advised to have approved smoke detectors installed in all required locations for health and safety.

3. What costs are expected over the next five years for the Electrical System:

A detailed evaluation of the entire system is needed before any cost estimates can be given accurately. This will require a qualified electrical professional at this time. It is estimated , however that the above repairs would cost \$25,000 -\$30,000

TOTAL: Estimated

\$25,000 -\$30,000

HEATING AND COOLING:

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

The expected useful life left in the HVAC units is 10 years old for all newer wall heaters.

Radiant heating in ceilings plus 7 units which have an older wall heater , are all at or near the end of their expected serviceable life.

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

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| <p>It is advised to have each unit fully cleaned and serviced at this time by a qualified Heating and Air Specialist to determine each of the units true condition. Typical cost is approx. \$50 - \$75 per individual unit.</p> <p>While a full inspection by a qualified Heating and Air Conditioning specialist is recommended, replacement of the older or original units appear to be the most likely option.</p> <p>3. What costs are expected over the next five years for the Heating and Air Conditioning System:</p> <p>Replacement of radiant heating , using a electric wall heater , and replacement of 7 old wall heaters , are estimated to cost \$5,000 -\$7,000</p> | <p>TOTAL: Estimated</p> <p>\$5,000 -\$7,000</p> |
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ROOF:

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| <p>1. What is the expected useful life left in the Roofing System:</p> <p>It appears that this roofing system has approx. 5 - 7 years of expected useful life left in it if diligently and properly maintained.</p> <p>2. What Maintenance/Repairs are needed immediately for the Roofing System:</p> <p>A full review by a qualified roofing contractor is advised at this time. Some repairs to flashings at roof to wall connections appear to be needed. Other flashings such as around roof penetrations may also need repair. Cleaning out rain gutters is also advised</p> <p>3. What costs are expected over the next five years for the Roofing System:</p> <p>The above repairs are estimated to cost \$4,000 -\$6,000</p> | <p>TOTAL: Estimated</p> <p>\$4,000 -\$6,000</p> |
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STRUCTURE:

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| <p>1. What is the expected useful life left in the Structural System:</p> <p>It appears that the expected useful life is, from roughly 30 - 50+ years if properly maintained.</p> <p>2. What Maintenance/Repairs are needed immediately for the Structural System:</p> | |
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| <p>No significant repairs at this time other than routine maintenance.</p> <p>The building appears to have a soft story condition over the carport area or garage. This is typically a condition where there is living space over a garage or parking area and the area below may not have sufficient structure to support the upper floor (this is most common over an open parking structure) in case of lateral movement. It is advised to have this examined by a Structural Engineer to determine if this is the case with this structure and what remedial actions would be taken to correct it, if necessary.</p> <p>Due to age a seismic review of the building's structure is recommended to determine feasible, cost-effective upgrades to improve the building's resistance to earthquake movement according to improvements and upgrades to earthquake safety standards since the building's construction. This is advised as a precautionary measure and not due to any significant deficiencies observed.</p> <p>3. What costs are expected over the next five years for the Structural System:</p> <p>No significant costs are anticipated in the next five years to the Structure.</p> | <p>TOTAL: Routine Maintenance.</p> <p>Specialty Evaluation recommended</p> |
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GENERAL MAINTENANCE & REPAIRS:

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| <p>1. What is the expected useful life left in the Site:</p> <p>The expected useful life left in the site is, approx. 40 - 50 + years with routine maintenance</p> <p>2. What Maintenance/Repairs are needed immediately currently for the Site:</p> <p>It is advised to have the exterior of the building fully patched and painted to help ensure longer lasting life and help minimize moisture intrusion.</p> <p>It is advised to install tempered glass or an approved equal for the sliding doors for safety.</p> <p>Due to the overall deteriorated condition of the decking complete resurfacing is advised to help ensure a leak free condition.</p> <p>It is strongly advised to install protective barriers at all exterior railings and stair areas where there are any gaps larger than 4" for safety.</p> <p>Testing of the spray texture ceilings is advised to determine if any asbestos type materials are present. This is advised for health and safety.</p> <p>A structural pest control inspection, typically referred to as a termite inspection, is recommended at this time.</p> | |
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There are areas on the site that do not appear to control the water during rains properly. Uncontrolled or improperly controlled water run off can result in damage and/or settlement. A full review by a qualified drainage specialist is advised at this time.

A Fire & Life Safety review by a qualified professional is needed at this time to ensure items such as emergency signs, lighting access and egress, trip hazards, etc. are addressed immediately for health and safety. A qualified Fire and Life Safety review is typically \$600 - \$800. The costs to implement the findings can't be determined until the review is done and the recommendations are reviewed by a qualified contractor.

3. What costs are expected over the next five years for the Site:

The above repairs are estimated to cost \$130,000 -\$150,000

TOTAL: Estimated

\$130,000 -\$150,000

TOTAL COMBINED ESTIMATED EXPENSES:

It is noted that in this Report a number of Specialty Inspections have been deemed necessary and are recommended.

Costs associated with the findings of Specialist Inspections can add significantly to these Total Combined Estimated Expenses.

Upgrades and renovations to interiors are not included in these costings.

Further review by qualified specialists is advised at this time to determine the full scope of work.

These estimates should be used as guidelines only.

**TOTAL:
\$184,000 -\$213,000**

INSPECTION CONDITIONS

CLIENT & SITE INFORMATION:

DATE OF INSPECTION:

TIME OF INSPECTION:

10:00 AM.

CLIENT NAME:

ADDRESS:

Venice 90291.

INSPECTOR:

Mike Howson.

CLIMATIC CONDITIONS:

WEATHER:

Rain.

TEMPERATURE:

50's.

BUILDING CHARACTERISTICS:

BUILDING TYPE:

Multi Family unit building.

STORIES:

Two.

UTILITY SERVICES:

UTILITIES STATUS:

The utilities were on.

OTHER INFORMATION:

OCCUPIED:

Yes.

APPROX. DATE OF CONSTRUCTION

1970's.

CLIENT PRESENT:

Yes.

GENERAL OVERVIEW:

Old Rusted Electrical panels noted. Cast iron waste pipes also aged and rusted in places.

Heating is provided by electric radiant heating strips in ceilings with some units upgraded to newer electric wall heaters.

Old aluminum windows noted. Exterior walls need some repairs and re-painting.

It appears soft story upgrades were done or partially done , to parking areas under the building.

Roofs were not accessible however they appear generally serviceable with no visible leaks noted in ceilings.

Drainage is a concern in parts of the property where water does not fully divert away from the structure.

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 SHUT OFF

LOCATION:

Right side of building.

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.

CONDITION:

Serviceable overall.



PRESSUURE REGULATOR

CONDITION:

Needs Attention:

No pressure regulator was observed at the main line where it enters the structure. They are sometimes installed in other locations that are not readily discoverable.

COMMENTS:

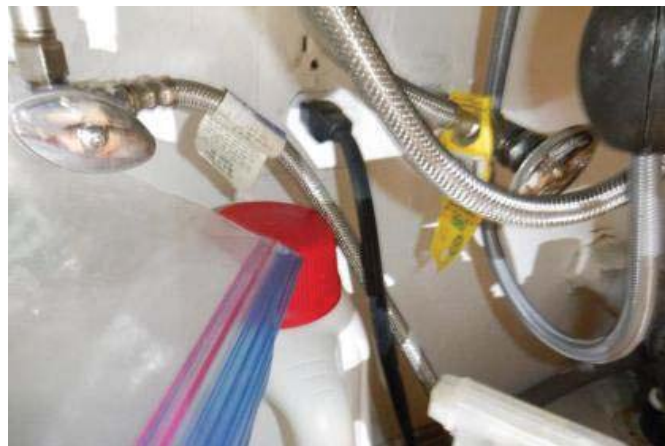
This component has been upgraded from the original construction.

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:

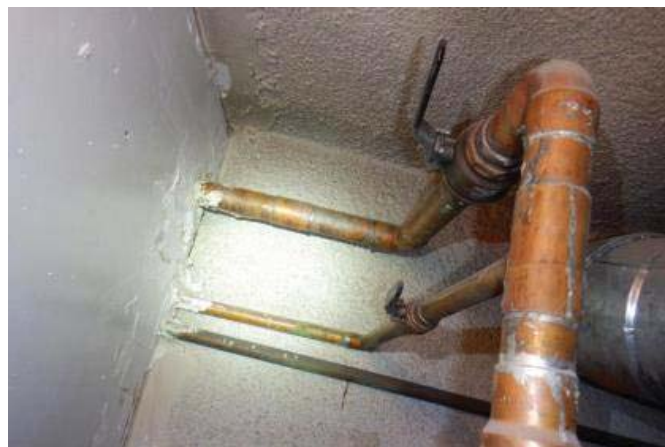
Serviceable overall.

WATER VOLUME AT
FIXTURES:

Serviceable overall.

WATER SUPPLY PIPING
COMMENTS:

It appears that all the interior supply piping has been replaced with copper piping. It is advised to procure any records and warranties for the repiping work that has been performed on the site.



WASTE LINES:

WASTE LINE MATERIAL:

The piping that takes the waste water to the sewer system is a combination of different materials where viewed.

It appears that the majority of the waste lines are made of cast iron where viewed.

CONDITION:

Needs Attention:

There are rusty areas on the exterior of the waste lines. It is not possible to tell when, but they will need replacing in the future as they continue to wear out.



MAIN SEWER CLEANOUT:

Parking garage.



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. Such an inspection is recommended at this time as only by this kind of inspection can the actual condition of the waste lines be determined.

It is noted that this camera inspection was being done at the time of the

general visual inspection. See this detailed report for the overall condition of the underground sewer lines.

GAS SYSTEM:

GAS METER LOCATION:

One meter is seen at the right side of the building.



GAS SYSTEM CONDITION:

Serviceable overall.

SEISMIC GAS SHUT OFF VALVE:

Serviceable.

There is an automatic seismic gas shut-off valve installed on the main gas line.

WATER HEATER:

LOCATION:

Only one water heater seen which is in the parking garage.



LOCATION CONDITION:

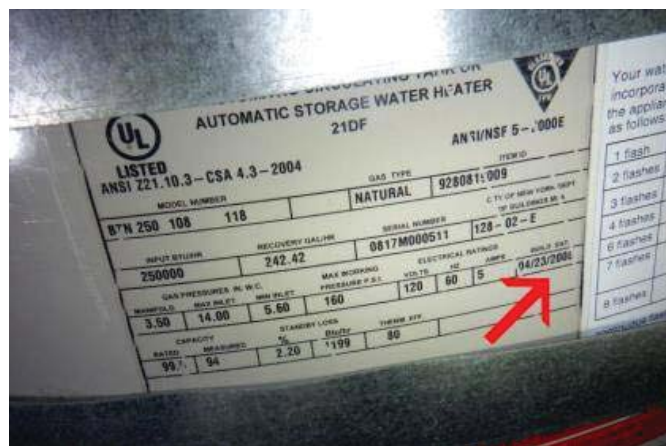
Serviceable overall.

FUEL:

This is a Gas water heater.

SIZE:

100 gallon.



AGE:

12 years old

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

CONDITION:

Needs Attention:

The water heater is older and nearing the end of its expected life span.

Needs Attention:

Corrosion is noted around fittings near the recirculating pump.



COMBUSTION AIR:

Serviceable.

STRAPPING AND SUPPORT:

Serviceable.

RECIRCULATING PUMP:

There is one.



TEMPERATURE/PRESSURE
RELIEF VALVE:

Serviceable.

VENTING:

Serviceable overall.



COMMENTS:



FIRE SUPPRESSION SYSTEMS

FIRE SUPPRESSION
SYSTEMS:

There is no fire suppression system for this site.

EXTERIOR PLUMBING:

SPRINKLER SYSTEM:

Exterior sprinklers and plumbing lines are beyond the scope of a general visual inspection.

PLUMBING COMMENTS AND RECOMMENDATIONS:

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.

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.

WASTE LINE
RECOMMENDATIONS:

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. Such an inspection is recommended at this time.

A detailed Sewer Line Camera Inspection was being done at the time of this General Visual Inspection. It is advised to have the Sewer Line inspection report reviewed in detail to determine the true condition of the sewer lines and what is the best course of action to help ensure a properly functioning sewer line system.

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 overhead line to the building.

ELECTRICAL SUPPLY
CONDITION:

Serviceable overall.



MAIN SUPPLY PANEL :

PANEL LOCATION:

Right side of building in a cabinet.



MAIN PANEL SPEC'S:

Main panel for building appears to be :

This is a single phase, 3 wire system.

120/240 volts.

Service Amperage rating - appears to be 600 AMP.



Individual meters and panels for units are :

This is a single phase, 3 wire system.

120/240 volts.

Service Amperage rating -70 AMPs , though only one is legible and can be read.



MAIN PANEL PROTECTION
DEVICE:

The main panel disconnect is a circuit breaker.

BREAKER SYSTEM:

This panel and circuit breaker system is an old system. It is nearing the end of its expected life span. As with all older systems it will be more prone to failure due to its age and design. Some of these older systems have a reputation for unreliability, failing to trip, jamming, or overheating. Some electricians may recommend the panel be replaced and upgraded for safety.

GROUNDING SYSTEM:

Needs Attention:

Grounding cable appears to be connected to older galvanized iron pipe. This may not be an active system since water pipes have been upgraded to copper. An Electrician should review the grounding and ensure there is proper grounding.



MAIN PANEL CONDITION:

Needs Attention:

The main panel(s) for the building is (are) made by a company known as Federal Pacific. These panels have been known to have breakers that did not trip when overloaded, meaning that the power continued to flow through the wires when the breaker did not cut the power as designed due to an overload.



This information is based upon two sources - 1.

www.inspect-nv.com

by Daniel Friedman or FPE Panels -

Hazard or Hype? by Douglas Hansen as listed on the internet.

There are three issues mentioned regards the Federal Pacific Panels:

- 1. They are old. None are less than approx. 25 years old and may be as old as 50+ years. Electrical equipment does not improve with age.**
- 2. FPE panels and breakers have design problems unique to them.**
- 3. There are detailed**

**reports of
manufacturing defects
and circuit breaker
failures.**

**It is strongly advised
to review the reports
on line and to consult
with an electrician at
this time as to the best
course of action for
this situation.**

**The main panel for
the building appears
to be Federal Pacific.**

**Again replacement of
these panels is the
usual
recommendation for
safety.**

ELECTRICAL SUBPANELS:

SUBPANEL LOCATION:

Units each have a
sub-panel in the hall or
bedroom.



SUBPANEL CONDITION:

Needs Attention:

The subpanels are not properly labeled as is required in all locations.

The circuit breakers of the subpanels of the units, or some of the subpanels, have been coated with paint. This condition can cause the breakers to fail to perform as designed and therefore prevent proper reaction to conditions of overloading or overheating. It is recommended to have an electrician inspect the affected breakers and make

recommendations regarding correcting this condition.



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 where observed.

WIRING CONDITION:

Needs Attention:

Tenant in unit 5 complained of Electrical fixtures in the unit such as kitchen light going dim or the ceiling fan failing to operate in the past.

OUTLETS:

CONDITION:

A representative sampling of outlets were tested and those that were checked were found to be overall serviceable.

OUTLET COMMENTS:

Ground Fault Circuit Interrupter outlets appear to be located in the proper places, such as kitchens, restrooms and the exterior.

SWITCHES:

CONDITION:

Serviceable overall.

FIXTURES:

CONDITION:

The fixtures observed of the property appeared to be serviceable overall.

SMOKE DETECTORS:

CONDITION:

Needs Attention:

**Some removed by
tenants such as unit
11.**



FIRE SUPPRESSION & SAFETY SYSTEMS:

FIRE SAFETY SYSTEMS:

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

EXTERIOR ELECTRICAL:

CONDITION:

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

ELECTRICAL COMMENTS AND RECOMMENDATIONS:

ELECTRICAL SYSTEM

RECOMMENDATION:

It is advisable to have an electrician examine the system and make all needed repairs to ensure a properly installed and correctly operating electrical system.

The electrical specialist should examine the Federal Pacific panels to determine if further testing, repairs or replacements are needed. It is expected that when the electrical specialist checks out the system they will find more problems as this is a general inspection and not designed to list every fault but to isolate areas in need of further detailed inspections.

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 building codes. 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, due to being 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 and programmable thermostats. Determining the remaining life of the system is based on industry standards. Window A/C's are not built in units and therefore not usually inspected.

HVAC OVERVIEW:

EQUIPMENT SUMMARY:

Units have a ceiling Radiant Heat system (original) and in most units also have an electric wall heater.

SYSTEM

LOCATION:

living rooms

bedroom ceilings.

LOCATION CONDITION:

Serviceable overall.

SYSTEM TYPE:

This is an electric wall heater.

This is a radiant heat system. It is an electric heating system embedded in the plaster of the ceilings. It sends electricity through the wires in the plaster and this radiates the heat into the rooms.



SYSTEM AGE:

Radiant Heating are original equipment. Some still work. They were not generally tested by this inspection.

Wall Heaters are a newer style , estimated 10 years old or less. There are however, 7 older electric heaters.

CONDENSER CONDITION:

No central A/C

THERMOSTAT:

Generally not provided in units.

Serviceable overall.

HVAC SYSTEM CONDITION:

Needs Attention:

Radiant Heating units in ceilings are an old system and , though some may still work, they are at or beyond their expected serviceable life.

7 old electric wall heaters are also of the age where they are past their expected serviceable life.



HEATING AND COOLING COMMENTS:

GENERAL COMMENTS:

It is advised to keep all units properly serviced and maintained. Proper service and timely repairs can significantly increase the normal expected, industry standard service life.

RECOMMENDATIONS:

It is advised to have each of the unit(s) 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.

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.

ACCESS TO ROOF:

ACCESS TO ROOF:

The access to the roof is only by a personal ladder. There is no built in roof access.

ACCESS CONDITION:

Steep roof has no built in access.

HOW ROOF ACCESSED:

Viewed from the sides only.

ROOF:

ROOF STYLE:

The roof is a sloped type with a pitch to it.

TYPE OF ROOFING MATERIAL:

The roofing material on the sloped roof is made of composition shingles.



ROOF COVERING STATUS:

Roof has a steep slope and appears generally serviceable

No ceiling stains were seen in any of the units.



EXPOSED FLASHINGS:

CONDITION:

Needs Attention:

The flashings have been covered over with mastic which is a temporary solution and will require regular maintenance to help ensure a leak free condition.



ROOF DRAINAGE:

SCUPPER OR GUTTER CONDITION:

There are rain gutters .
They were not viewed
closely.



DOWNSPOUT CONDITION:

Needs Attention:

**The downspouts do
not all route the water
away from the
building but instead
deposit it next to the
structure which
commonly causes
problems to the
foundation over time.**



SKYLIGHTS:

CONDITION:

One looks partially open at center of building.



ROOF FRAMING:

TYPE OF ROOF FRAMING:

The framing for the building is not readily visible. It is assumed conventional framing methods have been used.

ROOF FRAMING CONDITION:

Due to the type and style of construction the roof framing was not observed at the time of the inspection.

INSULATION CONDITION:

Not viewed.



ATTIC:

AREA OF ATTIC:

There is no visible attic space between the ceiling and the roof.

ATTIC CONDITION:

Needs Attention:

There is reportedly, an attic section or old utility room at the back of the building. This was not accessible and was not inspected.



ROOF COMMENTS AND RECOMMENDATIONS:

COMMENTS:

California usually has seasonal rains which typically occur near the end and the beginning of each calendar year. Occasionally, the rainfall is exceptionally high. This is called an El Nino year. In recent years Southern California has been going through a drought. During drought periods many conditions visible following rains do not appear. The duty of a building inspector is to disclose visible conditions present at the time of the inspection. If a condition is not visible, it cannot be reported. All roofing systems require regular routine maintenance. It is advised to ensure that the roofing system receives regular routine maintenance.

RECOMMENDATIONS:

The roofing is in need of maintenance/repairs at this time. It is advised to have a roofer examine the entire roofing and drainage system and make any needed repairs or do any maintenance functions needed to help ensure a leak free condition at this time.

STRUCTURAL SUPPORT 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.

STRUCTURAL FOUNDATION SYSTEM:

DESCRIPTION:

The building is supported by a slab foundation system.

The building is supported by a below grade concrete system.



RAISED FOUNDATION:

CRAWL SPACE:

NONE seen.

FOUNDATION BOLTING:

By the nature of slab construction the walls of the structure would be bolted to the foundation.

POSTS AND PIERS:

Serviceable.



STRUCTURAL WALL SYSTEM:

This appears to be a Wood Frame building with stucco walls.

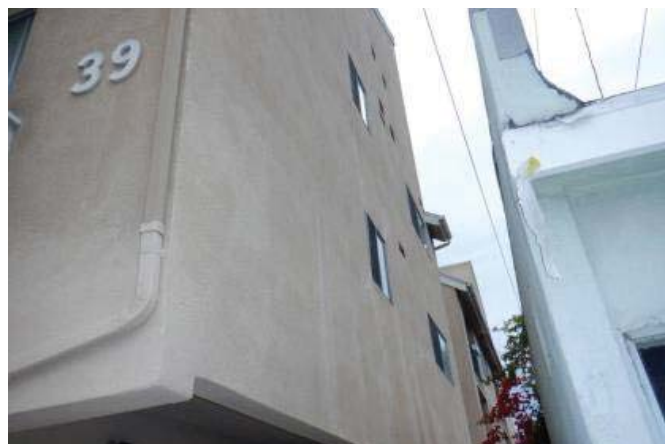


EXTERIOR WALLS
CONDITION:

Needs Attention:

There are cracks and damages noted to stucco

Crack fill lines are seen around the building. These should be painted.



INTERIOR WALL
CONDITION:

Serviceable overall.

PARKING LOT:

PARKING STRUCTURE
BELOW LIVING SPACE

The building appears to have a soft story condition over the carport area or garage. This is typically a condition where there is living space over a garage or parking area and the area below may not have sufficient structure to support the upper floor (this is most common over an open parking structure) in case of lateral movement. It is advised to have this examined by a Structural Engineer to determine if this is the case with this structure and what remedial actions would be taken to correct it, if necessary.



STRUCTURAL COMMENTS AND RECOMMENDATIONS:

GENERAL COMMENTS:

It appears some degree of retro-fit was done in the parking garage to address the Soft Story conditions.

It is advised to have a Structural Engineer fully evaluate the work that was done.

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:

Overall the exteriors are generally serviceable exhibiting typical wear.



EXTERIOR COVERING OF THE BUILDING:

MATERIAL:

The exterior building covering is stucco and wood.



CONDITION:



Needs Attention:

There are areas of cracking, peeling or bubbling paint to the exterior of the building.

Needs Attention:

The wood exterior surface is Aged and Worn overall.



EXTERIOR TRIM:

MATERIAL:

The exterior trim surfaces are wood.

CONDITION:



Needs Attention:

The trim is deteriorated in areas.

EXTERIOR WINDOW SURFACES:

MATERIAL:

The exterior window surfaces are metal.

CONDITION:

Needs Attention:

The windows appear to be the original aluminum windows. They are aged and worn and at the end of their expected useful lives. Maintenance and some repairs are needed at this time if proper function is desired.



EXTERIOR STAIRS:

CONDITION:

Serviceable overall.



EXTERIOR COMMENTS AND RECOMMENDATIONS:

COMMENTS:

This inspection is not a structural pest control inspection, otherwise known as a termite inspection. The "termite" inspection also covers such things as dry rot 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.

GROUNDS OVERVIEW:

Overall the grounds are generally serviceable and exhibit typical wear.



MAIN ENTRY:

CONDITION:

Serviceable.



WALKWAYS:

CONDITION:

Serviceable.



PARKING AREA:

DRIVEWAY:

Serviceable.



PARKING LOT:

The parking is under the living areas.

PROPERTY WALLS, FENCES & GATES:

CONDITION:

Serviceable.



LANDSCAPING:

CONDITION:



Serviceable. The grounds on the property have generally been maintained.

DRAINAGE:

SITE:

Relatively flat site.

DRAINAGE CONDITION:

There were no significant observable defects in the grading and drainage within six feet of the building.

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 qualified general contractor who specializes in drainage systems.

GROUND COMMENTS:

GENERAL COMMENTS:

Low-voltage systems such as phone, cable, internet or grounds lighting on the site are not part of the real estate inspection.

This report does not include identification of property boundaries. If this information is desired, it is advised to consult with a qualified professional.

California usually has seasonal rains which typically occur near the end and the beginning of each calendar year. Occasionally, the rainfall is exceptionally high. In recent years Southern California has been going through a drought. During drought periods many conditions visible following rains do not appear. The duty of a building inspector is to disclose visible conditions present at the time of the inspection. If a condition is not visible, it cannot be reported.

APARTMENT 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. Window and door security bars are not tested or operated. Appliances such as stoves, dishwashers, refrigerators, etc. are not tested or operated. Determining the condition of insulated glass is not always possible due to weather, temperature and lighting conditions. All fireplaces should be cleaned and inspected on a regular basis to make sure that it is a safe and structurally sound system. It is beyond the scope of this inspection to determine any cracking or damage to the chimney or its flue. This can only be determined by a chimney expert.

APARTMENT OVERVIEW



Overall the interiors of the units are serviceable with typical wear and tear noted other than those items listed below.

The information below reports on the condition of interiors, restrooms and kitchens of the individual units. Except where occasional examples of systems conditions are also reported, detailed information on the electrical, plumbing and other system components in units is generally found under the relevant preceding sections in the Report.

UNIT:

DESCRIPTION:

A single (studio) unit was observed

A 1 bedroom, 1 bathroom unit was observed

UTILITY STATUS:

The utilities were on at the time of inspection

INTERIOR LIVING AREAS:

LIVING ROOMS:



The overall interior living areas were found to be serviceable



Needs Attention:

Excessive wear is noted in unit 10



When a unit is in this condition, it cannot be fully inspected and there may be issues that were not seen.



Needs Attention:

Excessive personal items were viewed in unit ; 12

This prevents the unit from being fully inspected.



Needs Attention:

The carpet has areas of wear and/or damage in unit tears and/or damage in unit 8.

BALCONY / PATIO



NEEDS ATTENTION:

Most of the deck / balcony surfaces have areas of wear and/or damage such as in units 14, 8, 12, 4.



BEDROOMS:



The overall bedroom interiors were found to be serviceable.



Some units have lofts.

KITCHENS:



Serviceable.



BATHROOMS:

INTERIOR CONDITION:



Serviceable.

COMMON AREA INTERIORS:

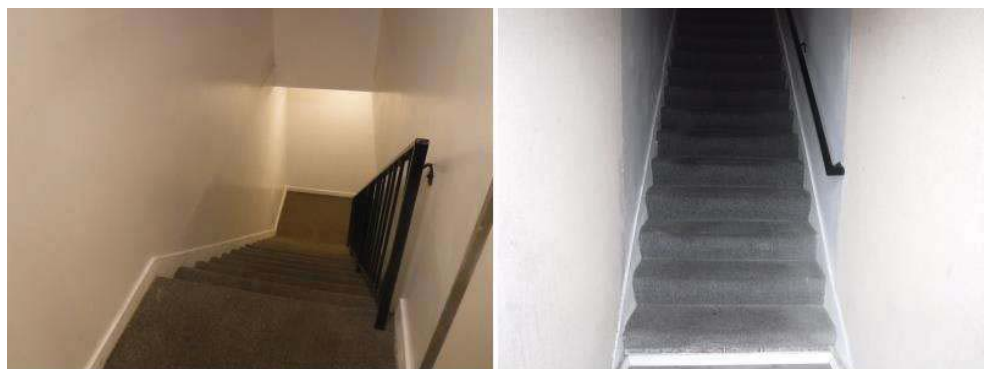
HALLWAYS:

Serviceable overall.

(NOTE: There are exhaust fans in the hallways. This is the only ventilation. Some are noisy. One on the first floor didn't work.)



STAIRWELLS:



Serviceable.

RAILING CONDITION:

Needs Attention:

The handrail is loose and not well secured to the floor in the exit to the car port.



Needs Attention:

The space between the rails is greater than is currently recommended for child safety. The railings should not have any space greater than four inches in any portion of them.

Both in the apartments and in the stairwells.

EXIT SIGNS:

Location and quantity of exit signs for a commercial property are beyond the scope of this inspection and require a specialty inspection to determine if all requirements are being met.

However, from an examination of the property, there are inadequate numbers and type of required exit signs present.

It is recommended to consult with the Fire Marshal's office to determine current standards.

None were observed in any of the stairwells or the hallways.

LAUNDRY:

LOCATION:

CAR PORT.

LAUNDRY AREA:



Serviceable.

However it is quite small and is basically in a closet.

LAUNDRY SINK AND
FAUCETS:

NONE:

WINDOWS:

WINDOW CONDITION:

**The windows and
glass sliding doors
are generally aged
and worn and
hard to operate.**



FLOORS:

FLOORING CONDITION:

The general condition of the carpeting appears serviceable.

with typical wear

WALLS AND CEILINGS:

CEILINGS:

Needs Attention:

The ceilings are spray texture material. If the original construction is before 1978 it is possible that this spray contains asbestos materials.

The only way to determine if this is the case is to have a sample taken and examined by a qualified professional lab.



SYSTEMS

HEATING



The heating system is an electric wall mounted heater in the living spaces.

In the bed rooms there is an electric radiant heat system in the ceilings.

Some of these systems are not operating. Such as in unit # 13, 4.

Some residents have never used it and don't know if it worked. None were tested.



NOTE: No holes should be made in this ceiling as this can damage the heating wires, and cause electric shock.

ELECTRICAL

NEEDS ATTENTION:

**Apartment # 13
has exposed wires
which are for the
radiant ceiling
heat elements .**



SAFETY ALARMS

Serviceable.

All units appeared
to have properly
placed smoke
detectors.



FIREPLACE

Some units have an
electric fireplace.



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.

There are areas of textured ceilings (acoustic) in the building, these may contain asbestos but would have to be tested in a laboratory to determine if this was the case.

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.

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, dry rot, 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 manufacturer'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