RISK Assessment® Report

El Monte, CA 91731

Inspector - Charles Simington and Tim Gavagin

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: **El Monte, CA 91731**

CLIENT:	

PLUMBING:

1. The expected useful life left in the Plumbing System: Those portions of the system that appear to be original or very aged appear to be at or past their expected useful life. For the waste lines the expected useful life can only be determined with an internal camera inspection. Per industry standards the life expectancy of typical waste lines is approx. 40 - 60 years depending on many variables. Only with an internal camera inspection can the conditions and life expectancy be determined for the site. 2. What Maintenance/Repairs are needed immediately for the Plumbing System: A. Though not mandatory it is advised to remove and replace any existing galvanized supply piping in the system. Note: Often plumbing re-piping companies will not guarantee work in a system where pre-existing copper piping is left in place. To obtain a warrantee on any re-piping done may involve replacing all copper already in the building. Consult the re-piping specialist for more information. B. Installing or locating an approved pressure regulator for the supply line system is advised for health and safety. C. It is advised to have a new water heater installed. This will involve items such as A proper emergency overflow pan that is drained properly; Proper earthquake bracing; Proper exhaust gas Venting; Proper combustion air supply; Proper drain termination for the temperature pressure relief valve. 3. What costs are expected over the next five years for the Plumbing System: The cost for the above listed repairs/upgrades is approx. 10,000 - $15,000.	TOTAL: $10,000 - $15,000

ELECTRICAL:

1. What is the expected useful life left in the Electrical System: The electrical system is at or near the end of it's expected useful life. 2. What Maintenance/Repairs are needed immediately for the Electrical System: Zinsco panels have been observed on the site. These panels have been reported to	

not perform as designed in a higher number of cases than is considered typical. Further review by a qualified electrician is advised at this time for safety however replacement is the typical recommendation. 3. What costs are expected over the next five years for the Electrical System: The above repairs/upgrades are considered routine maintenance.	TOTAL: Routine Maintenance - Further Evaluation Recommended

HEATING AND COOLING:

1. What is the expected useful life left in the Heating and Air Conditioning System: The units are at or near the end of their expected useful service life. 2. What Maintenance/Repairs are needed immediately for the Heating and Air Conditioning system: It is advised to have each unit fully cleaned and serviced at this time. Typical cost is approx. $100 - $150 per individual unit. 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 the units per industry standards due to age. Anticipated replacement cost for the units on the medical building on this site is approx. $15,000 - $20,000 at current costs. Estimated replacement cost for the residential building systems is approx. $10,000 - $15,000 at current costs.	TOTAL: $25,000 - $35,000

ROOF:

1. What is the expected useful life left in the Roofing System: It appears that this roofing system has approx. 5 - 7 years of expected useful life left in it if diligently and properly maintained.	

2. What Maintenance/Repairs are needed immediately for the Roofing System: A. The roofing system is in need of maintenance and/or repairs at this time. 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. B. It is strongly advised to remove all areas where the water does not flow off the roof easily. Ponding will accelerate the deterioration of the roof materials greatly and should be removed. Review by a qualified roofing specialist is advised. C. It is advised to Trim Back Trees and remove any debris on the roof. 3. What costs are expected over the next five years for the Roofing System: It appears that Routine Maintenance is all that will be needed for the next 5 years.	TOTAL: Routine Maintenance

STRUCTURE:

1. What is the expected useful life left in the Structural System: It appears that the expected useful life is from roughly 30 - 50+ years if properly maintained. 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.	TOTAL: Routine Maintenance

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. Areas of the site are at the end of it's expected life as it was originally designed. 2. What Maintenance/Repairs are needed immediately currently for the Site: A. 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. Note: due to the age of the building ensuring all peeling paint is properly dealt with due to the possible presence of lead based paint is needed for health and safety. B. The Exterior Doors and Windows to rear structure are in need of some Repairs/Replacements. Full review by a qualified door specialist is advised and all needed repairs/replacements are advised. C. Some repairs to the parking areas are needed then it is advised to have the parking areas fully resealed and restriped at this time. D. A structural pest control inspection, typically referred to as a termite inspection, is recommended at this time. 3. What costs are expected over the next five years for the Site: The cost for the above listed repairs/upgrades is approx. $30,000 - $40,000+ depending on methods and materials. Note: Upgrades to the interiors, such as the restrooms, floor and wall finishes, is not included in these estimates.	TOTAL: $30,000 - $40,000+

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:** **$65,000 - $90,000+**

INSPECTION CONDITIONS

CLIENT & SITE INFORMATION:

DATE OF INSPECTION:

TIME OF INSPECTION:
12:00 PM

CLIENT NAME:

ADDRESS:

El Monte, CA 91731

INSPECTOR:
Charles Simington and Tim Gavagin

CLIMATIC CONDITIONS:

WEATHER:
Clear

TEMPERATURE:
60's

BUILDING CHARACTERISTICS:

BUILDING TYPE:
This is a medical facility

STORIES:
Single

UTILITY SERVICES:

UTILITIES STATUS:
The utilities were on at the Medical building. The utilities were all shut off at the rear vacant buildings.

OTHER INFORMATION:

OCCUPIED:
The building was partially occupied.

CLIENT PRESENT:
No

GENERAL OVERVIEW:

Overall the site is aged with typical wear noted. For the most part the systems exhibit typical wear and tear considering their age. Repairs, replacement or upgrades should be considered.

The rear residential building is in a state of excessive wear and damage. Per disclosures, the building has been vacant for a number of years. Due to this lack of typical and routine maintenance during repairs by appropriate professionals further deficiencies may become apparent that were not during this limited time general visual inspection.

NOTE - The original date of construction is before 1978. Due to this there are two aspects that should be taken into consideration during future upgrades or renovations: 1. The use of lead based paint was common and typical. 2. The use of asbestos materials in items such as insulation and flooring materials was common. Both items are considered hazardous materials and require specialty methods and personnel for mitigation. The ability to determine if these are present require detailed reviews by qualified professionals which is beyond the scope of a general visual inspection such as this.

Equipment, furniture and personal items are not moved during the inspection. Due to the amount of items in portions of the building the views are limited. Limited views can obscure deficiencies.

NOTE: In the Report, building orientation is established by "front, back, left and right" indications, with "Front" of the building determined by the wall containing the building's main entry door.

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 for it's age.

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:

On the back of the medical 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:

Needs Attention:

It appears to be the original plumbing with aged galvanized iron piping which is at or near the end of it's expected useful life.

PRESSURE 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.

MAIN WATER SUPPLY LINE 2:

MAIN WATER SHUT OFF LOCATION:

At the front of the residential building.

MAIN WATER LINE MATERIAL:

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

CONDITION:

Needs Attention:

It appears to be the original plumbing with aged galvanized iron piping which is at or near the end of it's expected useful life.

PRESSURE REGULATOR CONDITION:

Needs Attention:

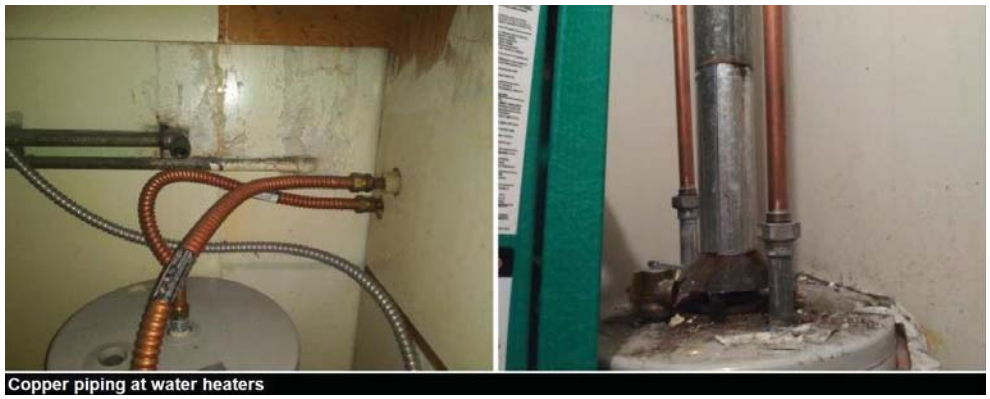
No pressure regulator was observed at the main line where it enters the structure. They are sometimes installed in other locations that are not readily discoverable.

INTERIOR WATER SUPPLY LINES:

WATER SUPPLY PIPING MATERIAL:

The interior piping that supplies the water throughout the building is a combination of copper and galvanized steel piping.

It appears that the majority of the supply lines are galvanized iron piping.



Copper piping at water heaters

CONDITION:

Needs Attention:

The original galvanized steel piping that is left in the system is aged and at the end of its expected useful life. These will need to be replaced as they continue to wear out. While the system appears generally serviceable at this time, it is recommended to upgrade the older galvanized piping to copper piping.

WATER VOLUME AT FIXTURES:

Serviceable

WASTE LINES:

WASTE LINE MATERIAL:

The piping that takes the waste water out to the sewer system has been upgraded with newer piping in some areas where viewed.

CONDITION:

Needs Attention:

The was line vent has fallen through the ceiling in the vacant residence. Further review is advised by a qualified plumbing specialist.

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:

The meters are located on the back of the building.

LOCK ON A METER

GAS SYSTEM CONDITION:

Serviceable.

One of the gas services was not on at the time of inspection. A lock was observed on the gas valve. It is advised to have the gas company turn on the gas and light and test all gas appliances.

SEISMIC GAS SHUT OFF VALVE:

Needs Attention:

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

GAS SYSTEM 2:

GAS METER LOCATION:

The meter is located on the front of the building.


GAS OFF

GAS SYSTEM CONDITION:

Needs Attention:

The gas was not on at the time of inspection. A lock was observed on the gas valve. It is advised to have the gas company turn on the gas and light and test all gas appliances.

SEISMIC GAS SHUT OFF VALVE:

Needs Attention:

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

WATER HEATER:

LOCATION:

Under cabinet.

LOCATION CONDITION:

Needs Attention:

There is no catch pan under the water heater to prevent leaks from damaging the floor or structure, this is required in this location.

FUEL:

This is an Electric water heater.

SIZE:

This is a six gallon unit.

CONDITION:

Serviceable.

TEMPERATURE/PRESSURE
RELIEF VALVE:

Needs Attention:

The temperature pressure relief valve does not have a correctly installed drain line to take the water away to a safe location.

WATER HEATER:

LOCATION:

The water heater is located in the utility room/closet.

LOCATION CONDITION:

Needs Attention:

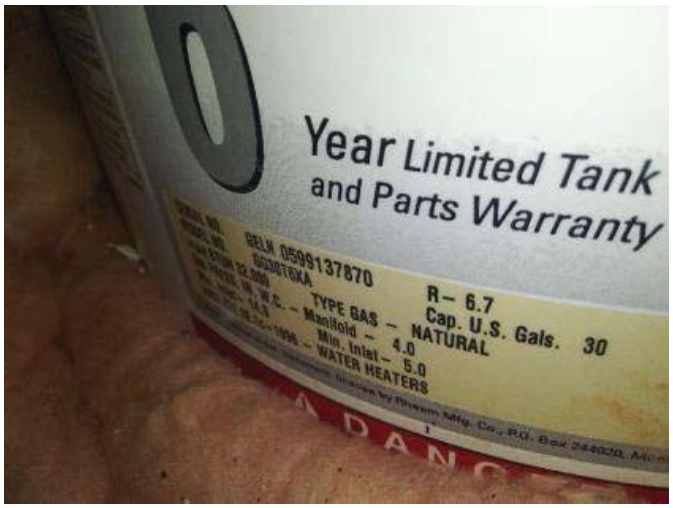
The water heaters are surrounded by many stored items and access is difficult. The presence or absence of an overflow pane was not determined.

FUEL:

This is a Gas water heater.

SIZE:

30 gallons.



AGE:

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

CONDITION:

Needs Attention:

There are no flexible connections at the inlet and outlet piping. This is a requirement.

The water heater is very old and past its expected life span. Industry standards indicate that it will need to be replaced in the near future.

Not Acceptable:

There are stored items too close to the unit. This is a fire hazard.

COMBUSTION AIR:

Needs Attention:

The water heater does not appear to have sufficient air to properly combust the natural gas it is burning.

STRAPPING AND SUPPORT:

Needs Attention:

The water heater bracing is not installed properly which allows for the unit to be easily shaken. This is not per state requirements. Proper bracing is mandatory for earthquake safety.

TEMPERATURE/PRESSURE
RELIEF VALVE:

Needs Attention:

The temperature pressure relief valve does not have a correctly installed drain line to take the water away to a safe location.

VENTING:

Needs Attention:

The vent (flue) is too short. It should extend to above the roof line for proper & safe operation.

EXTERIOR PLUMBING:

SPRINKLER SYSTEM:

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

PLUMBING COMMENTS AND RECOMMENDATIONS:

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. 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.

WATER SUPPLY LINES
RECOMMENDATIONS:

Due to the age and overall condition of the supply piping it is Recommend to Replace all original galvanized iron piping.

It is advised to have all water heaters properly installed per requirements.

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. During the inspection a Representative Sampling of the plumbing is viewed. This is to include any limited view areas such as in a crawl space, attic, etc. This is not a detailed specialty inspection.

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.

ELECTRICAL OVERVIEW

Due to the type of components in the electrical system a detailed review is advised by a qualified electrical professional to determine the best course of action for health and safety.

NOTE: The power was shut off to the rear building at the time of the inspection. Testing of the electrical components was not possible.

MAIN ELECTRICAL SUPPLY:

PATH OF ELECTRICAL SUPPLY:


The electricity is supplied by an overhead line to each building.

ELECTRICAL SUPPLY CONDITION:

Serviceable overall.

MAIN SUPPLY PANEL :

PANEL LOCATION:

The main electrical panel is located on the rear exterior wall of the medical building.

MAIN PANEL SPEC'S:

Service Amperage - The service amperage rating is not clearly marked.

The panel covers were locked with no access by tenant.

MAIN PANEL PROTECTION DEVICE:

MAIN PANEL CONDITION:

Needs Attention:

The main electrical panel for the site was locked and not accessible. Further review is advised.

MAIN SUPPLY PANEL 2:

PANEL LOCATION:

MAIN PANEL SPEC'S:

This is a single phase, 3 wire system.

120/240 volts.

Service Amperage rating - 100.

MAIN PANEL PROTECTION DEVICE:

The main panel disconnect is a circuit breaker.

BREAKER SYSTEM:

Serviceable.

MAIN PANEL CONDITION:

Needs Attention:

The panel cover does not open properly.

ELECTRICAL SUBPANELS:

SUBPANEL LOCATION:

There is an electrical subpanel in the hallway and in the utility closet of the medical building.

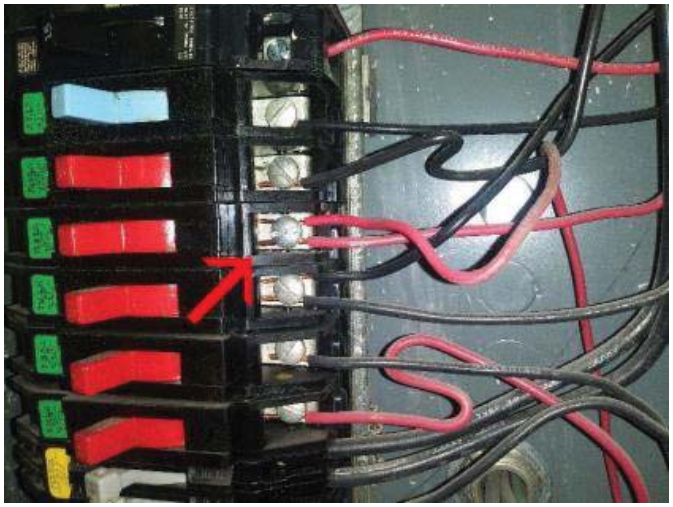
No subpanels were located in the vacant building.

SUBPANEL CONDITION:

Needs Attention:

The subpanels in the units, or some of them, are observed to have been manufactured by Zinsco. These panels are reported to not perform up to current safety standards. For further details please consult with a qualified licensed electrician who is familiar with this type of panel. The only way to fully determine the condition of these panels is to do intrusive testing and examination which is beyond the scope of this inspection but is recommended at this time for health and safety reasons.

Needs Attention:



There is more than one electrical wire connected to a single circuit breaker. Only one wire should be connected to each breaker. This can sometimes cause overloading of the wires or breakers. It also can cause the wires to have improper contact with the breaker and arc between the wire and

breaker connection. One of these was noted.

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 flexible metal conduit where observed.

WIRING CONDITION:

Serviceable however the view is very limited

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:

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

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 Zinsco 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. Units that are shut down with not be tested or operated. 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:

Due to age replacement should be expected in the near future per industry standards due to age.

SYSTEM

LOCATION:

The heating and cooling unit is located on the roof.

SYSTEM TYPE:

The heating and cooling system is known as a "Roof Package". This is the type of system where the gas heating furnace and the electric air conditioning (cooling) components are packaged inside one container and perform both functions from this common location on the roof.

SYSTEM AGE:

The system is approx. 38 years old.

Per industry standards the expected useful life of a unit such as this is approx. 15 - 20 years depending on the frequency and quality of maintenance. Quarterly maintenance is recommended for optimum operation and longest lasting life.

CONDENSATE LINE:

Serviceable. The condensate line appears properly drained to an authorized location for the removal of condensate liquid.

THERMOSTAT:

Serviceable.

DUCTING:

Needs Attention:

There is ducting on the roof that has improper sealing material applied to them. This type of sealer is not designed for exposed roofing ducts.

ELECTRICAL DISCONNECT:

Serviceable.

The unit does have an electrical disconnect within line of sight of a servicing technician.

HVAC SYSTEM CONDITION:

Needs Attention:

The heating and cooling system is very old and aged. While the system may still be functional and working, it is well past its expected life span.

SYSTEM

LOCATION:

The heating and cooling unit is located on the roof.

SYSTEM TYPE:

The heating and cooling system is known as a "Roof Package". This is the type of system where the gas heating furnace and the electric air conditioning (cooling) components are packaged inside one container and perform both functions from this common location on the roof.

SYSTEM AGE:

It is unknown how old the unit is, but it appears older such as early 1990s.

CONDENSATE LINE:

Serviceable. The condensate line appears properly drained to an authorized location for the removal of condensate liquid.

DUCTING:

Needs Attention:

There is ducting on the roof that has improper sealing material applied to them. This type of sealer is not designed for exposed roofing ducts.

ELECTRICAL DISCONNECT:

Serviceable.

The unit does have an electrical disconnect within line of sight of a servicing technician.

HVAC SYSTEM CONDITION:

Needs Attention:

The heating and cooling system is very old and aged. While the system may still be functional and working, it is well past its expected life span.

SYSTEM

LOCATION:

The heating unit is located inside the vacant residential building.

The air conditioning is on the rear exterior of the building.

SYSTEM TYPE:

The heating system is a gas-fired forced air unit.

The cooling unit is an electric air conditioning system.

SYSTEM AGE:

It is unknown how old the unit is, but it appears older such as the 1960s.

DUCTING:

Needs Attention:

The insulation of the ducts is the type of material that is often found to contain asbestos. It would have to be tested in a laboratory to confirm what its composition is.

HVAC SYSTEM CONDITION:

Needs Attention:

The heating and cooling system is very old and aged. While the system may still be functional and working, it is well past its expected life span.

It is noted that the system was not tested at the time of the inspection. There is no power / gas on to the system.

SYSTEM

LOCATION:

The heating unit is located inside the residential building.

SYSTEM TYPE:

Gas wall furnace

HVAC SYSTEM CONDITION:

The Needs Attention:

The heating unit is very old and aged. The heater was not in operation at the time of the inspection and is in a state of disrepair. The unit is well past its expected life span.

HEATING AND COOLING COMMENTS:

RECOMMENDATIONS:

Due to the overall condition, replacement should be anticipated at this time or in the near future.

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.

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 he 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:

Overall the roof is generally serviceable, however there are some areas in need of repairs or maintenance at this time.

ACCESS TO ROOF:

ACCESS TO ROOF:

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

HOW ROOF ACCESSED:

The roofing was walked on to inspect it.

ROOF:

ROOF STYLE:


The roofing system has a Low Slope to it. This means that the slope of the roof appears to be no more than 2" of rise for every 12" of horizontal measurement.

TYPE OF ROOFING MATERIAL:

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

ROOF COVERING STATUS:


Not Acceptable:

There is a 3 inch penetration through the roof material and wood decking. Repairs by a qualified roofing specialist is advised to ensure the roof system is a reliable moisture barrier.

Needs Attention:

Wrinkles were noted on the roofing material on the front Medical Building. This is usually is an indication that the roof was not properly installed. This may be due to installing roofing material over other roofing materials. The only way to fully determine the true condition is to do a roof coring which is beyond the scope of this inspection.

Needs Attention:

It is noted there are areas of the roof that have had patching and or repairs done to them. This is usually an indication that there have been leaks and past issues. It is advised to have full disclosure by the seller as to the history of any roof leaks.

Needs Attention:

There are signs of standing water from the past from discoloration noted over the medical building. Standing water can accelerate the deterioration of roofing areas affected. It is advised to eliminate these areas of ponding by improving the slope of the roof wherever needed, or to reinforce affected areas where slope improvement is impractical.

Needs Attention:

There is debris on the roof. It is advised to have this removed.

Needs Attention:

There is a tree rubbing against the roofing material.

ROOF DRAINAGE:

ROOF DRAINS:

Needs Attention:

The drain screens are rusted and deteriorated. These are makeshift screens made from stucco lathe.

The openings for the drains are smaller than recommended. It appears that during rains these openings could clog with debris.


Needs Attention:

The drains appear to have been added after the original construction and do not appear reliably sealed.

ROOF DRAINAGE COMMENTS:

This drainage system has the drains in the roof surface and the drain piping is internal and not visible for the most part. The inspection of this type of system is very limited, however the drains appear rusted inside. It is advised to obtain the history of the performance of this system from the current tenant. Repairs for this type of system require internal wall damage. Yearly maintenance is strongly advised.

ROOF COMMENTS AND RECOMMENDATIONS:

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.

COMMENTS:

It is advised to obtain the roofing Maintenance History for the site. This is to help determine the quality of maintenance along with this can be a very strong indicator as to how well the site performs during rains. The quality of maintenance can allow a roofing system to perform well past industry standards regarding typical useful life. Industry wisdom is to have all roofing systems inspected every year and for any maintenance or repairs to be done by a qualified professional to help maintain a leak free condition.

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. All roofing systems require regular routine maintenance. It is advised to ensure that the roofing system receives regular routine maintenance.

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 front building is supported by a raised foundation with a crawl space underneath.

The rear building is supported by a slab foundation system.

RAISED FOUNDATION - FRONT BUILDING:

CRAWL SPACE:

Needs Attention:

The crawl space was not tall enough to enter in areas, 18 inches of space is required for safe access and it was less than that.

It is noted that the crawl spaces were viewed from the access openings only.

RAISED FOUNDATION CONDITION:

Serviceable though it is noted that the view is Limited.

FOUNDATION BOLTING:

Due to the age of the structure, after 1935 per disclosure, there should be some anchor bolts per the code requirements at the time of the construction to help secure the structure to the foundation for earthquake safety.

FOUNDATION CRIPPLE WALLS:

This structure does not have cripple walls built between the foundation and the floor framing.

FOUNDATION VENTS:

Needs Attention:

There are not many vents along the exteriors of the foundation for air.

It is noted that this may not be a serious problem since the crawl space appears to be relatively dry at this time but it is not known how it will perform under wet conditions.

SLAB FOUNDATION - REAR BUILDING:

SLAB ON GRADE:

The residential building is on a monolithic slab of concrete.

There were no observable signs of significant settlement or deflection in the slab from observing the finish flooring. It appears to be performing its function of supporting the structure; however, the actual slab itself was not seen and it may appear different once the finish flooring is removed.

By the nature of slab construction the structure would typically be anchored to this concrete slab.

SLAB ON GRADE
COMMENTS:

The concrete slab is not visible due to floor coverings, thus any cracks cannot be seen; however, all concrete has some typical cracking and it is expected that this would have such typical cracking if it were fully exposed to view.

Needs Attention:

There is a tree planted closer to the structure than advised. The tree root systems does not appear to be significantly affecting with the foundation but may interfere with the foundation and plumbing systems in the future as they continue to grow.

Needs Attention:

There are areas of erosion noted next to the foundation footing.

STRUCTURAL WALL SYSTEM:

This appears to be a Wood Frame building with Stucco covering.

EXTERIOR WALLS
CONDITION:

Needs Attention:

There are areas of significant crack and damage of the exterior wall of the rear building. The crack at the rear of the building appears to have been previously repaired and then re-cracked. It is recommended to consult with a structural engineer to determine if repairs are needed to improve the stability of the exterior walls.

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:

Needs Attention: The Exterior is in need of Some Repairs

EXTERIOR COVERING OF THE BUILDING:

MATERIAL:

The exterior building covering is stucco.

The exterior building covering is stone.

CONDITION:


Needs Attention:

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


Needs Attention:

There is cracking Damage to the exterior walls which should be caulked or sealed to prevent moisture intrusion into the building.

EXTERIOR TRIM:

MATERIAL:

The exterior trim surfaces are wood.

CONDITION:


Needs Attention:

The exterior trim has areas of weathering with peeling finishes and deterioration.

EXTERIOR WINDOW SURFACES:

MATERIAL:

The exterior window surfaces are metal and wood.

CONDITION:

Needs Attention:

The windows are aged wooden windows. They have areas that are pulling apart at the seams and showing some areas of excessive deterioration. Some are at the end of their life and replacement is advised at this time.

Needs Attention:

Some of the windows are older steel windows. They are aged and worn and at the end of their expected useful lives. Typically these are not well sealed and can be drafty.

EXTERIOR DOOR SURFACES:

MATERIAL:

The exterior door surfaces are wood.

CONDITION:

Needs Attention:

There are areas of weather beaten wood and peeling paint.

EXTERIOR STAIRS:

CONDITION:

Needs Attention:

There are areas of the stairs that are deteriorated.

RAILINGS:

CONDITION:

Needs Attention:

The railings do not meet current safety standards - it is recommended that there is no space greater than four inches in any portion of the railing for safety.

DECKS AND BALCONIES:

TYPE:

The deck is made of wood with concrete.

DECK CONDITION:

Not Acceptable:

The decking has cracks in the surface and is in need of repairs to ensure a leak free condition.

EXTERIOR COMMENTS AND RECOMMENDATIONS:

EXTERIOR RECOMMENDATIONS:

There are areas of the exteriors of the building in need of maintenance and repairs at this time.

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.

GARAGE - CARPORT-PARKING AREA

Garage doors, starting in 1992, were required to have an electronic beam installed across the garage door opening to automatically reverse the garage door if there was a blockage of the beam. This prevents the door from closing and damaging people or objects that may be in the garage door opening when the door is operated. Prior to the above date, some garage doors had an automatic reverse feature that operated on pressure. If while descending, the door met resistant, it would automatically reverse and not continue to close. The pressure feature of the garage door will not be checked by the inspector as it may damage the garage door to stop it during its operation. It is advised to have all garage doors upgraded with an electronic beam to ensure the safe operation of the door.

GARAGE OVERVIEW:

Overall the garage is generally serviceable and exhibits typical wear.

There are two spaces in the back building

STYLE:

LOCATION:

The parking is under the living areas.

GARAGE EXTERIOR:

MATERIAL:

The exterior garage covering is stucco.

CONDITION:

Serviceable.

GARAGE INTERIOR:

CONDITION:

Serviceable.

GARAGE DOORS:

TYPE:

The garage door is the sectional door type.

CONDITION:

Serviceable.

OPENERS:

Serviceable when tested.

GARAGE FLOOR:

CONDITION:

Serviceable.

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, however there are some areas in need of repairs or maintenance at this time.

MAIN ENTRY:

CONDITION:

Serviceable.

Some areas of typical wear were noted.

WALKWAYS:

CONDITION:

Serviceable.

There are cracked areas of the walkways that are typical for the age and style of construction.

PARKING AREA:

DRIVEWAY:

Needs Attention:

The driveway area surface is worn and aged and in need of maintenance and repairs at this time.

PARKING LOT:

The parking for the site is in an asphalt parking lot. There are striped spaces.

Needs Attention:

There are areas of wear and deterioration. It is advised to have some repairs made to areas exhibiting excessive wear, then reseal and restripe the entire parking lot.

Tree roots have caused damage.

PROPERTY WALLS, FENCES & GATES:

CONDITION:

Needs Attention:

The concrete block walls are cracked in areas and do not have the intended strength they had when they were constructed. They may need repairs.

LANDSCAPING:

CONDITION:

The grounds on the property need general maintenance in areas.

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.

GROUNDS COMMENTS:

GROUNDS RECOMMENDATIONS:

The site is in need of some maintenance at this time.

GENERAL COMMENTS:


There are trees planted close to the structure. Tree roots systems may interfere with the foundation and plumbing systems over time as they continue to grow.

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.

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:

There are 3 buildings.

In the front building the office space is typical for the most part with carpet and tile flooring and drywall/plaster walls.

NOT ACCEPTABLE: In the middle building:
The interiors of the property are in a state of general disrepair and deferred maintenance. This condition often leads to hidden defects and problems that cannot be detected in a general visual inspection. During repairs, hidden defects may become evident.

In the back 2 story building:

There is a garage under the living space. The 2nd story apartment was not inspected due to lack of access. No keys were available.

INTERIOR AREAS:

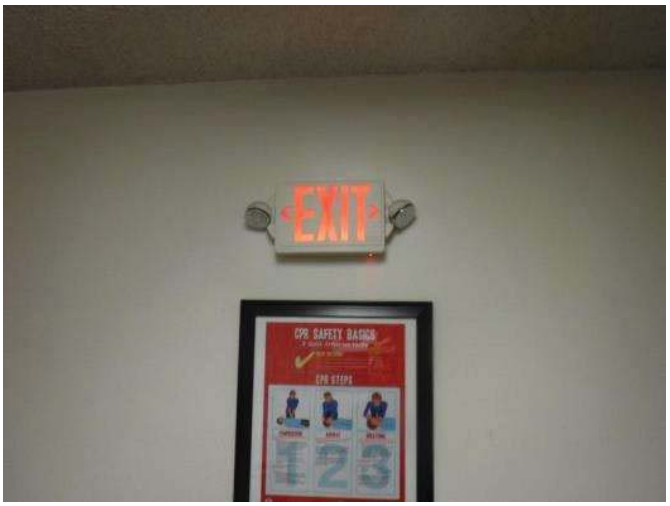

Serviceable overall with typical wear in the front offices.


Not Acceptable in the middle building:

The office areas show excessive wear and tear. Upgrades are advised at this time.


2nd Floor apartment was not inspected

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

Exit signs do appear to be properly located and in adequate quantity.

KITCHENS:

KITCHEN FACILITIES:

Serviceable.

RESTROOMS:

INTERIORS:

The interior surfaces, such as the walls, ceiling and such were found to be serviceable.

RESTROOM FIXTURES:

Needs Attention:

There is no hot water provided to the sink, which is required for sanitary purposes.

RESTROOMS:

INTERIORS:

Not Acceptable:

The interior surfaces, such as the walls, ceiling and cabinets are excessively worn and/or damaged in the middle building.

WINDOWS:

WINDOW CONDITION:

Needs Attention:

There are cracked / missing window panes.

WINDOW COMMENTS:

Needs Attention:

Overall the windows are in need of some maintenance/repairs at this time to function easily.

WALLS AND CEILINGS:

CEILINGS:

Needs Attention:

There is no flashing around this protrusion and the moisture has damaged the ceiling.

FIRE SAFETY SYSTEMS:

FIRE SAFETY COMMENTS:

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 Marshal to determine if this building meets current fire safety regulations.

INTERIOR COMMENTS AND RECOMMENDATIONS:

GENERAL 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.

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