

RISK Assessment® Report



Los Angeles, CA 90043

Inspector - Charles Simington
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:

Los Angeles, CA 90043

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| <i>CLIENT:</i> | |
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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 appears to be approx. 30 - 50+ years - If properly maintained.</p> <p>2. What Maintenance/Repairs are needed immediately for the Plumbing System:</p> <p>A. The system appeared to be in serviceable condition at the time of the inspection and other than routine maintenance no immediate significant deficiencies or repairs were observed to be needed.</p> <p>B. As a precaution it is strongly advised to have a Camera review of the Waste lines by a qualified plumbing specialist. Due to these being mostly underground this is the only way to determine the true condition.</p> <p>C. It is advised to have an approved Earth Quake Shut off valve installed on the gas system for safety.</p> <p>D. It is advised to have the water heater properly installed. This will involve items such as Proper earthquake bracing;</p> <p>3. What costs are expected over the next five years for the Plumbing System:</p> <p>The above repairs/upgrades are considered routine maintenance.</p> | <p>TOTAL:</p> <p>Routine Maintenance</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 electrical system is at or near the end of it's expected useful life.</p> <p>2. What Maintenance/Repairs are needed immediately for the Electrical System:</p> <p>A. The main panel to the front building is a Zinsco panel. 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.</p> <p>B. Federal Pacific sub 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.</p> <p>C. Some Repairs of the electrical system are advised at this time for health and</p> | |
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| <p>safety, such as properly covering the main supply panel: replacing damaged electrical outlets, ensuring that all outlets have covers installed; It is advised to have GFCI outlets installed in all recommended locations.</p> <p>3. What costs are expected over the next five years for the Electrical System:</p> <p>Although review by a qualified electrical specialist is advised, replacement of the older panels is the common recommendation. The typical costs to replace a panel such as this is approximately \$5,000 - \$7,000.</p> | <p>TOTAL:</p> <p>\$5,000 - \$7,000</p> |
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HEATING AND COOLING:

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| <p>1. What is the expected useful life left in the Heating and Air Conditioning System:</p> <p>The expected useful life left in the HVAC units is 5 - 10+ years.</p> <p>2. What Maintenance/Repairs are needed immediately for the Heating and Air Conditioning system:</p> <p>It appears that only Routine Maintenance is needed at this time.</p> <p>It is recommended to have all the units receive full servicing and maintenance at regular intervals. This is typically at least twice per year to maintain optimum performance and the longest lasting life.</p> <p>3. What costs are expected over the next five years for the Heating and Air Conditioning System:</p> <p>It appears that Routine Maintenance is all that will be needed for the next 5 years.</p> | <p>TOTAL:</p> <p>\$7,000 - \$10,000</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> | |
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| <p>2. What Maintenance/Repairs are needed immediately for the Roofing System:</p> <p>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.</p> <p>B. It is advised to have all flashing and drip edge properly installed.</p> <p>C. Within five years replacement or significant repairs of the flat low-slope roof appears likely.</p> <p>3. What costs are expected over the next five years for the Roofing System:</p> <p>The cost for the above listed repairs/upgrades is approx. \$4,000 - \$7,000.</p> | <p>TOTAL:</p> <p>\$4,000 - \$7,000</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> <p>No significant repairs at this time other than routine maintenance.</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:</p> <p>Routine Maintenance</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. 30 - 40 years with routine maintenance.</p> <p>2. What Maintenance/Repairs are needed immediately currently for the Site:</p> <p>A. The parking area is worn and aged and there are sections that are deteriorated</p> | |
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| <p>to the point that resurfacing of the asphalt is advised at this time.</p> <p>B. It is advised to repair or replace deteriorated areas of the exterior wood trim and then have them repainted to help ensure a longer lasting condition.</p> <p>C. A structural pest control inspection, typically referred to as a termite inspection, is recommended at this time.</p> <p>D. Due to modifications to the site since the original construction that would typically require Building Department permits it is advised to have all paperwork reviewed by a qualified general contractor with the local Department of Building and Safety to ensure all proper procedures were taken and approved.</p> <p>3. What costs are expected over the next five years for the Site:</p> <p>The cost for the above listed repairs/upgrades is approx. \$13,000 - \$15,000.</p> | <p>TOTAL:</p> <p>\$8,000 - 15,000</p> |
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| <p>TOTAL COMBINED ESTIMATED EXPENSES:</p> <p>It is noted that in this Report a number of Specialty Inspections have been deemed necessary and are recommended.</p> <p><u>Costs associated with the findings of Specialist Inspections can add significantly to these Total Combined Estimated Expenses.</u></p> <p><u>Upgrades and renovations to interiors are not included in these costings.</u></p> <p>Further review by qualified specialists is advised at this time to determine the full scope of work.</p> <p><u>These estimates should be used as guidelines only.</u></p> | <p>TOTAL:</p> <p>\$24,000 - \$39,000+</p> |
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INSPECTION CONDITIONS

CLIENT & SITE INFORMATION:

DATE OF INSPECTION:

TIME OF INSPECTION:

11:00 AM

CLIENT NAME:

ADDRESS:

Los Angeles, CA 90043

INSPECTOR:

Charles Simingtonk

CLIMATIC CONDITIONS:

WEATHER:

Clear

TEMPERATURE:

60's

BUILDING CHARACTERISTICS:

BUILDING TYPE:

Preschool

STORIES:

Single

UTILITY SERVICES:

UTILITIES STATUS:

The utilities were on

OTHER INFORMATION:

OCCUPIED:

Yes

CLIENT PRESENT:

Yes

GENERAL OVERVIEW:

Overall the building and its systems are Serviceable with the exception of the HVAC and Plumbing systems. Due to age and condition of these system, repairs or upgrades are expected now or in the near future. Areas of the exteriors are in need of repairs and/or maintenance.

Due to alterations and modifications observed to the building a full review at the local department of Building and Safety is strongly

advised to determine if all proper procedures have been addressed. This is advised by a qualified general contractor at this time.

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:

At the front of the building.



A second shut off valve is located in front of the mobile unit.



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.

PRESSURE REGULATOR
CONDITION:

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

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 where viewed.

WATER VOLUME AT
FIXTURES:

Serviceable

WASTE LINES:

WASTE LINE MATERIAL:

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

CONDITION:

The visible waste lines appear to be serviceable, however the view is very limited due to the majority of the piping being either in the wall or under the building.

MAIN SEWER CLEANOUT:

Needs Attention:

A main sewer line cleanout access was not found within 3 feet of the perimeter of the building.

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.

GAS SYSTEM:

GAS METER LOCATION:

The meter is located in an underground vault.



GAS SYSTEM CONDITION:

Serviceable.

SEISMIC GAS SHUT OFF VALVE:

Needs Attention:

There is no automatic seismic gas shut-off valve on the main gas line. It is advised to have this installed for health and safety purposes.

WATER HEATER:

LOCATION:

The water heater is located in an exterior closet in a metal shed.

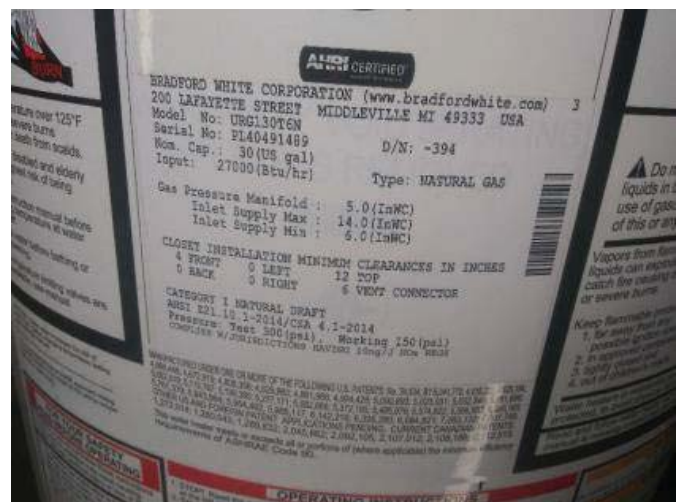


FUEL:

This is a Gas water heater.

SIZE:

30 gallons.



AGE:

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

CONDITION:

Serviceable.

COMBUSTION AIR:

Serviceable.

STRAPPING AND SUPPORT:

Needs Attention:

The water heater has straps but moves when it is tested.

TEMPERATURE/PRESSURE
RELIEF VALVE:

Serviceable.

The temperature pressure relief valve is present and is properly provided with a drain line to take water away to an authorized location.

VENTING:

Serviceable.

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.

WATER SUPPLY LINES
RECOMMENDATIONS:

No repairs are recommended other than regular routine maintenance of the system as needed.

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.

MAIN ELECTRICAL SUPPLY:

PATH OF ELECTRICAL
SUPPLY:



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

ELECTRICAL SUPPLY
CONDITION:

Serviceable.

MAIN SUPPLY PANEL :

PANEL LOCATION:

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



MAIN PANEL SPEC'S:

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

BREAKER SYSTEM:

Needs Attention:

The panel is missing some required labels. This is a safety issue. Each panel and breaker is required clearly visible label as to its size and what area it serves.

GROUNDING SYSTEM:

The connection of the grounding wires to the grounding system is not fully visible. It should be connected to a grounding rod and/or the cold water piping system but in many cases a full view of these connections are not observable and are covered over within the building.

It is noted that the outlets of the building did test as grounded.

MAIN PANEL CONDITION:

Not Acceptable:

The panel cover is missing inside the electrical box and the live wiring and circuits are exposed when the outside cover is opened.



Needs Attention:

Zinsco Panels have been observed on the site. 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.

MAIN SUPPLY PANEL:

PANEL LOCATION:

The main electrical panel is located on the right exterior side of the building.



MAIN PANEL SPEC'S:

This is a single phase, 3 wire system.

120/240 volts.

Service Amperage rating - 200.



MAIN PANEL PROTECTION DEVICE:

The main panel disconnect is a circuit breaker.



BREAKER SYSTEM:

Serviceable.

GROUNDING SYSTEM:

Serviceable.

The visible portion of the grounding system, where the main panel connects to what appears to be a cold water pipe of the plumbing system and grounding rod, appears serviceable. Much of the grounding system wiring is not fully visible.

It is noted that the outlets tested in the interiors of the building did prove to have proper grounding overall.

MAIN PANEL CONDITION:

The main electrical panel for the site is overall Serviceable.

ELECTRICAL SUBPANELS:

SUBPANEL LOCATION:

There is an electrical subpanel in the Kitchen.



SUBPANEL CONDITION:

Needs Attention:

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. Replacements are the typical recommendation and should be anticipated.

SUBPANEL COMMENTS:

A sub panel was not located in the mobile units.

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:

Needs Attention:

A damaged Outlet was found in the mobile unit which needs repairs for health and safety.



Needs Attention:

There are missing covers at some of the electrical outlets.



OUTLET COMMENTS:

It is recommended that Ground Fault Circuit Interrupter (GFCI) safety outlets be installed at the exterior, restrooms, & any kitchen outlets. Not all the outlets may have these at the proper locations. This is advised for health and safety.

SWITCHES:

CONDITION:

Serviceable overall.

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:

No repairs are recommended other than regular routine maintenance of the system as needed.

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.

SYSTEM

LOCATION:

The condenser for the air conditioning is located on the roof.

The air handler and heating unit is located inside the attic. However, this was not observed due to time constraints.



SYSTEM TYPE:

This type of system is referred to as a "split system." This is an HVAC system with a gas forced air furnace that is usually enclosed within the building and a separate but connected AC condenser at the exterior.

SYSTEM AGE:

The system is approx. 19 years old.

Per industry standards the expected useful life of a condenser unit such as this is approx. 15 - 20 years depending on the frequency and quality of maintenance. The expected useful life of the interior furnace unit such as this is approx. 20 - 30 years depending on the frequency and quality of maintenance.

CONDENSER CONDITION:

Needs Attention:

The refrigerant lines have damaged insulation on them. This will cause them to be inefficient and they should have the insulation repaired. This is usually not an expensive item.



THERMOSTAT:

Serviceable.

RETURN AIR AND FILTERS:

Needs Attention:

The air filter is dirty and needs to be replaced.

DUCTING:

Serviceable, however the views are very limited.

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 aged and worn. While the system may still be functional and working, it is noted that this type of system has a life expectancy of approx. 15 - 20 years. Depending on the quality of maintenance, the system is at or near this age.

SYSTEM

LOCATION:

The condenser for the air conditioning is located on the roof with the air handler module inside.



SYSTEM TYPE:

The heating and cooling system is known as a split Air Conditioner which has an interior wall mounted unit and a condenser on the exterior.

HVAC SYSTEM CONDITION:

Serviceable.

SYSTEM

LOCATION:

The heating and cooling unit is located on the rear exterior of the mobile unit.



SYSTEM TYPE:

The system is a heat pump type system. This is an all electric system that has a condenser that pumps the refrigerant in one direction to cool the building and then reverses it to heat.

THERMOSTAT:

Serviceable.



RETURN AIR AND FILTERS:

Needs Attention:

The air filters were missing or not viewed at the time of the inspection.

DUCTING:

Needs Attention:

There are dark stains around the air supply grills in the building. This may indicate that the system needs maintenance and it is advised have it serviced at this time to ensure that it is functioning properly.



HVAC SYSTEM CONDITION:

The heating and cooling system appear generally Serviceable overall.



HEATING AND COOLING COMMENTS:

RECOMMENDATIONS:

No repairs are recommended other than regular routine maintenance of the system as needed. It is advised to keep the heating or cooling units serviced and cleaned on a timely basis to ensure safe and properly functioning systems. It is recommended to have routine maintenance on an exposed system every 6 months as a minimum.

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 the scope of this inspection. It is advised to consult with a qualified specialist on this matter as the examination may determine that repairs or replacement of the ducting system is required.

ROOF SYSTEM

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

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

ROOF OVERVIEW:

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 is a combination of styles.

TYPE OF ROOFING MATERIAL:

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

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

ROOF COVERING STATUS:



The composition roofing of the slope roof appeared generally serviceable.



Needs Attention:

There are areas of wear and deterioration to the low slope roofing material.

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:

The roofing around the chimney is not properly nailed and installed.



EXPOSED FLASHINGS:

CONDITION:

Needs Attention:

The flashing does not appear standard in all areas and may not be a reliable moisture barrier. Review and any needed repairs are advised by a qualified roofing specialist.



ROOF DRAINAGE:

SCUPPER OR GUTTER
CONDITION:

Needs Attention:

There is only a partial gutter system provided for the building. A complete gutter system is a recommended upgrade to the building's roofing system, as the gutter serves to remove water from the base of the building foundation. Over the years, water at the base of the foundation is a chief reason for building settlement.

DOWNSPOUT CONDITION:



ROOF FRAMING:

TYPE OF ROOF FRAMING:

The attic has conventional framing in it.

ROOF FRAMING
CONDITION:

Needs Attention:

Due to time constraints, the attic space was not fully inspected.

It appears that there is smoke stains or damage to the framing of the attic. Further review and full disclosure is advised.

ROOF COMMENTS AND RECOMMENDATIONS:

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 building is supported by a slab foundation system.



SLAB FOUNDATION:

SLAB ON GRADE:

This 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.

STRUCTURAL WALL SYSTEM:

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

EXTERIOR WALLS CONDITION:

Serviceable overall.

INTERIOR WALL CONDITION:

Serviceable overall.

STRUCTURAL COMMENTS AND RECOMMENDATIONS:

RECOMMENDATIONS:

No repairs are recommended other than regular routine maintenance of the system as needed.

The building has had additions or alterations made to it in the past. The full extent of the work that was carried out is not known. It is advised to obtain any plans or permits relating to this or other work on the structure and property.

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 COVERING OF THE BUILDING:

MATERIAL:



The exterior building covering is stucco.

CONDITION:

Serviceable.

EXTERIOR WINDOW SURFACES:

MATERIAL:

The exterior window surfaces are metal.



CONDITION:

Serviceable overall.

There are some areas with typical wear.

EXTERIOR DOOR SURFACES:

MATERIAL:



The exterior door surfaces are wood.

CONDITION:

Serviceable overall.

PATIO COVER/TRELLIS:

CONDITION:



Needs Attention:

There are areas of deterioration to the patio awning.

CHIMNEY:

LOCATION:

This chimney is located at the front of the building.



MATERIAL:

The chimney is made of brick.

CONDITION:

It is beyond the scope of the inspection to determine the condition of the chimney as this can only be done by observing the inside of the flue for cracks. A chimney expert can do a proper examination of this system and it advised to consult with one and get it checked out at this time.

SPARK ARRESTERS:

Needs Attention:

The chimney is not equipped with a proper spark arrester.



FLASHINGS:

Needs Attention:

There is no metal flashing around the chimney where it meets the roof, it is only mastic. This method requires high maintenance if it is to remain leak free.



EXTERIOR COMMENTS AND RECOMMENDATIONS:

**EXTERIOR
RECOMMENDATIONS:**

It appears only typical and routine maintenance will be needed.

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.

AUXILIARY BUILDING

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.

STYLE:

LOCATION:

There is a mobile modular unit.



EXTERIOR:

MATERIAL:

The exterior garage covering is wood paneling.



CONDITION:

Needs Attention:

There are areas of deterioration of the base of the panels.

INTERIORS:

CONDITION:



Serviceable.

GARAGE ROOF:

ROOF STYLE:

The roof is a flat roof with a low pitch.



ROOF COVERING STATUS:

Needs Attention:

There are areas of standing water on the roof during the inspection. Standing water will accelerate the deterioration of roofing materials 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:

The mastic is cracked in areas and is not reliable to ensure a watertight seal.



Needs Attention:

**The wood trim
around the roof is
deteriorated.**



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.

MAIN ENTRY:

CONDITION:

Serviceable.



PARKING AREA:

DRIVEWAY:

Needs Attention:

The driveway area surfaces are deteriorated and in need of being resurfaced at this time.



PARKING LOT:

Needs Attention:

The parking area asphalt has areas of wear, weathering and deterioration to the point that resurfacing should be strongly considered.



It is noted that the parking areas appear to have been recently resealed without proper resurfacing.

DRAINAGE:

SITE:

The site is on a gentle slope.

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.

PATIO:

CONDITION:

Serviceable.



Needs Attention:

The mastic is cracked in areas and is not reliable to ensure a watertight seal.



GROUND'S COMMENTS:

GROUND'S

RECOMMENDATIONS:

The site is in need of maintenance and repairs at this time.

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.

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INTERIORS

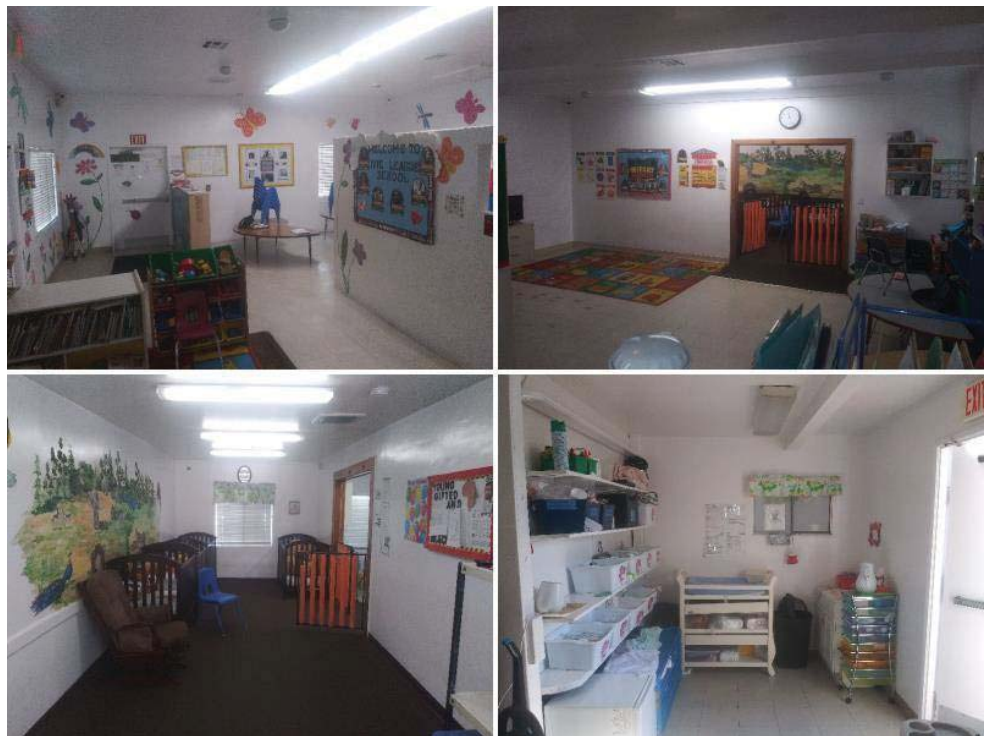
As a general rule, cosmetic deficiencies are considered normal wear and tear and are not reported. The condition of walls behind wall coverings, paneling and furnishings cannot be judged. Minor cracks are found on interior surfaces in all buildings and are typically cosmetic in nature. The condition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

INTERIOR AREAS:

OVERALL:

The interior were found to be generally serviceable with typical wear.

INTERIOR AREAS:



Serviceable overall.

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.

OFFICE AREAS:

OFFICE AREAS:



Serviceable.

KITCHENS:

KITCHEN FACILITIES:





RESTROOMS:

INTERIORS:



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

RESTROOM FIXTURES:

Needs Attention:

**The toilet is not
securely mounted at
the base.**



RESTROOMS:

INTERIORS:



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

RESTROOM FIXTURES:

Needs Attention:

The sink faucet does not appear to provide an adequate flow of water.

DOORS:

EXTERIOR DOORS

Serviceable.

WINDOWS:

WINDOW CONDITION:

FLOORS:

FLOORING CONDITION:

The general condition of the flooring appears serviceable.

WALLS AND CEILINGS:

CEILINGS:

Serviceable.

WALLS:

Serviceable overall.

LAUNDRY:

LOCATION:

The laundry facilities are outside on the exterior of the building.



LAUNDRY AREA:

Serviceable.

LAUNDRY SINK AND
FAUCETS:

Serviceable.

CONDITION OF CLOTHES
WASHER HOOKUPS:

Serviceable.

There are washer facilities present but they were not tested and the washer was not tested.

CONDITION OF CLOTHES
DRYER HOOKUPS:

Serviceable.

There are dryer hooks present but they are not tested and the dryer was not tested.

TYPE OF CLOTHES DRYER
HOOKUPS:

A gas dryer hook up was observed in the laundry area.

MISCELLANEOUS PLUMBING:

SINK:

Needs Attention:

**The surface of the
sink is worn/chipped.**



Serviceable.



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