

RISK Assessment® Report



North Hollywood, CA 91605

Inspector - Stuart Huff
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: 8125 Lankershim Blvd. North Hollywood, CA 91605

<i>CLIENT:</i>	
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PLUMBING:

<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>The system appeared to be in overall 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>It is advised to have an approved Earth Quake Shut off valve installed on the gas system for safety.</p> <p>It is noted that a sewer line camera inspection was performed. Please fully review the report before the contingency period is over.</p> <p>3. What costs are expected over the next five years for the Plumbing System:</p> <p>The above repairs appear to be approx. \$1,000 or less. This is considered routine maintenance.</p>	<p>TOTAL:</p> <p>Routine Maintenance</p>
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ELECTRICAL:

1. What is the expected useful life left in the Electrical System:

For all portions of the electrical system that are original the expected useful life has been exceeded.

2. What Maintenance/Repairs are needed immediately for the Electrical System:

Due to the overall condition of the electrical system it is advised to have all panels fully cleaned and serviced at this time for health and safety.

Some Repairs of the electrical system are advised at this time for health and safety, ensuring all knockouts at the panels are properly covered; ensuring that all outlets are properly wired; ensuring that all outlets have covers installed; installing covers over all junction boxes with exposed wiring; It is advised to have GFCI outlets installed in all recommended locations.

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.

The site does not have light fixtures that are considered as energy efficient as desired by today's standards. Review with an electrical professional if more information is desired.

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

The cost for the above listed repairs/upgrades is approx. \$15,000 - \$18,000+ A detailed evaluation of the entire system is needed before any cost estimates can be given accurately. This will require a qualified electrical professional at this time

TOTAL:

**\$15,000 - \$18,000+
Specialty Evaluation is
needed to determine
costs.**

HEATING AND COOLING:

<p>1. What is the expected useful life left in the Heating and Air Conditioning System:</p> <p>The units are at or near the end of their expected useful service life.</p> <p>2. What Maintenance/Repairs are needed immediately for the Heating and Air Conditioning system:</p> <p>A full evaluation is advised at this time by a qualified HVAC specialist to determine what the best course of action is for this site and the conditions present.</p> <p>Due to the age of the units, approximately 10 years or more since the date of manufacture, the presence of the coolant known as R22 is typical. This coolant is no longer allowed to be used and if repairs are needed that involve installing more coolant for any reason, replacement of the unit is usually warranted.</p> <p>While a full inspection by a qualified Heating and Air Conditioning specialist is recommended, replacement of the units appear to be the most likely option.</p> <p>3. What costs are expected over the next five years for the Heating and Air Conditioning System:</p> <p>Anticipated replacement cost in the next five years for the units on this site is approx. \$60,000 - \$75,000+ at current costs.</p>	<p style="text-align: center;">TOTAL:</p> <p style="text-align: center;">\$60,000 - \$75,000+ Specialty Evaluation is needed to determine the scope of work.</p>
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ROOF:

<p>1. What is the expected useful life left in the Roofing System:</p> <p>The roofing system is nearing the end of its expected useful life. It exhibits weathering and deterioration which are all indications of advanced age.</p> <p>2. What Maintenance/Repairs are needed immediately for the Roofing System:</p> <p>Due to the overall condition of the roofing system, replacement is recommended at this time.</p> <p>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.</p> <p>Its recommended that a new TPO roof be installed in the near future.</p> <p>3. What costs are expected over the next five years for the Roofing System:</p> <p>In five years replacement of the roof appears likely. Estimated costs: Estimated costs: \$95,000 - \$110,000</p>	<p>TOTAL:</p> <p>\$95,000 - \$110,000+ Specialty Evaluation is needed to determine scope of work.</p>
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STRUCTURE:

<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>Due to age a seismic review of the building's structure is recommended to determine feasible, cost-effective upgrades to improve the building's resistance to earthquake movement according to improvements and upgrades to earthquake safety standards since the building's construction. This is advised as a precautionary measure and not due to any significant deficiencies observed.</p> <p>3. What costs are expected over the next five years for the Structural System:</p> <p>Accurate estimates can only be determined after a full evaluation is done by the proper specialist and a detailed recommendation has been completed and reviewed by a qualified contractor.</p>	<p>TOTAL:</p> <p>Routine Maintenance. Specialty Evaluation recommended</p>
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GENERAL MAINTENANCE & REPAIRS:

1. What is the expected useful life left in the Site:

The expected useful life left in the site is approx. 30 - 40+ years with routine maintenance.

2. What Maintenance/Repairs are needed immediately currently for the Site:

It is advised to have all openable windows examined and any maintenance or repairs done at this time for ease of use and proper function.

It is 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.

It is advised to have a Phase 1 Environmental inspection done on the site. This is to help ensure health and safety. This inspection is typically between \$1,500 - \$2,000.

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

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.

Some repairs to the parking areas are needed then it is advised to have the parking areas fully resealed and restriped 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. \$20,000 - \$25,000+ Due to the extent of repairs advised further review is needed at this time to determine the scope of work and the costs involved.

TOTAL:

**\$20,000 - \$25,000+
Specialty Evaluations
needed to determine
scope of work.**

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:

\$190,000 - \$230,000+

INSPECTION CONDITIONS

CLIENT & SITE INFORMATION:

DATE OF INSPECTION:

TIME OF INSPECTION:

10:00 AM

CLIENT NAME:

ADDRESS:

North Hollywood, CA 91605

INSPECTOR:

Stuart Huff

CLIMATIC CONDITIONS:

WEATHER:

Rain / Overcast

TEMPERATURE:

50's

BUILDING CHARACTERISTICS:

BUILDING TYPE:

This is a warehouse with office space.

STORIES:

Single

UTILITY SERVICES:

UTILITIES STATUS:

The utilities were on

OTHER INFORMATION:

OCCUPIED:

No the building is not occupied

APPROX. DATE OF
CONSTRUCTION

1965 Per Disclosure at the time of the inspection.

CLIENT PRESENT:

Yes

GENERAL OVERVIEW:

Overall the site is aged and worn. For the most part the systems exhibit typical wear and tear considering age, type of materials, and quality of installation at the time of construction.

The property appears to have been through a number of alterations, modifications or renovations. However the quality of the renovations, or some of them, is not up to professional standards. This condition often conceals defects that are not easily observed during a general visual inspection such as this.

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.

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.

PLUMBING OVERVIEW



Overall the plumbing system, both supply lines and the waste lines, appear to be serviceable. No significant defects were observed and it appears that typical and routine maintenance is all that will be needed for the near future.

MAIN WATER SUPPLY LINE:

MAIN WATER SHUT OFF
LOCATION:



At the front of the building.

MAIN WATER LINE
MATERIAL:

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

CONDITION:

Serviceable overall.

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.

It is noted that the water service on this site appears is master metered meaning there is one meter for this location.

INTERIOR WATER SUPPLY LINES:

WATER SUPPLY PIPING
MATERIAL:



The interior piping that supplies the water throughout the building is made of copper where viewed.

CONDITION:

Serviceable overall.

WATER VOLUME AT
FIXTURES:

Serviceable

WASTE LINES:

WASTE LINE MATERIAL:



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

MAIN SEWER CLEANOUT:



A main waste line cleanout was located in the Restroom.

WASTE LINE COMMENTS:



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 meter is located on the right side of the building.

SEISMIC GAS SHUT OFF
VALVE:



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 OVERVIEW:

OVERALL:

No Water Heater was located at the time of the inspection however hot water was present at the fixtures. Full review is advised by a qualified professional to determine the true condition.

FIRE SUPPRESSION SYSTEMS

FIRE SUPPRESSION
SYSTEMS:



There is no fire suppression system installed for this site.

PLUMBING COMMENTS AND RECOMMENDATIONS:

WASTE LINE RECOMMENDATIONS:

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.

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



The system is in need of some repairs. These repairs do not appear to be overall significant but are recommended for health and safety.

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 front exterior of the building.



The main electrical supply panel is in an electrical room inside the building.

MAIN PANEL SPEC'S:



120/240 volts.

This is a single phase, 3 wire system & This is a 3 phase, 4 wire system.

Service Amperage rating - 400 / 400 / 200

MAIN PANEL PROTECTION DEVICE:



The main panel disconnect is a lever.



The main panel disconnect is a circuit breaker.

BREAKER SYSTEM:



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

GROUNDING SYSTEM:

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, 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:



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.

COMMENTS:

ELECTRICAL SUBPANELS:

SUBPANEL LOCATION:



There is an electrical subpanel in various areas of the property.

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 are knock-outs missing at the panel leaving open spaces in the cover and there are exposed live electrical items as a result. This is inexpensive to correct but should be repaired for health and safety.

INTERIOR ELECTRICAL WIRING:

TYPE OF WIRING:

The wiring in the unit consists of plastic coated wires.

TYPE OF WIRING CONDUIT:

The conduit that carries the wiring is a combination of different types where observed.

WIRING CONDITION:



Needs Attention:

There is exposed wiring in areas. It may or may not be part of the system anymore and its function is unknown at this time. It should be removed or re-installed properly and not left in this condition.

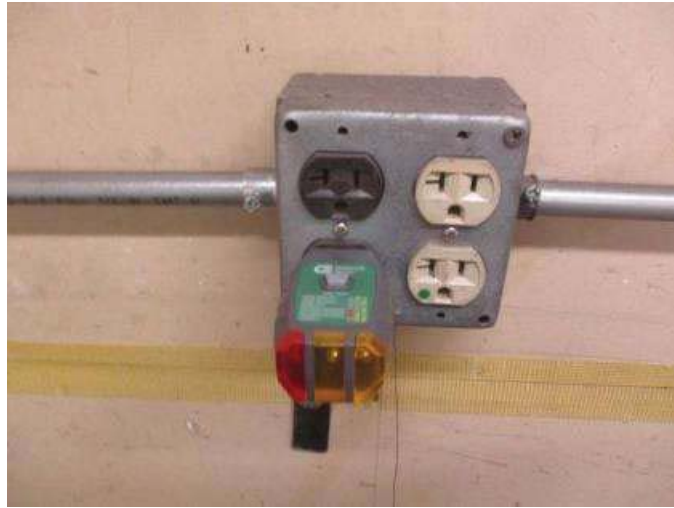


Needs Attention:

There are open junction boxes with wires exposed. Any such junction boxes need to have covers installed.

OUTLETS:

CONDITION:



Needs Attention:

There are outlets that are dead and not working. Repairs are advised for health and safety.



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:



Needs Attention:

There are light fixtures that did not work when tested. This can be burnt out bulbs or deteriorated ballasts in fluorescent lights but it is not known exactly why they are not working.

There are fixtures that have missing covers.

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.

EXIT SIGNS:



Needs Attention:

Although there are signs present, they are not of the type that are required by current standards.

EXTERIOR ELECTRICAL:

CONDITION:



Needs Attention:

Exterior lighting is not part of this inspection but some broken exterior fixtures were noted.

ELECTRICAL COMMENTS AND RECOMMENDATIONS:

ELECTRICAL SYSTEM
RECOMMENDATION:



The lights in the warehouse area are not considered energy efficient by todays standards.



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 the age and/or the overall condition of the HVAC system, immediate Repairs and/or Replacement are advised at this time.

EQUIPMENT SUMMARY:

9 - Roof Package units

SYSTEM

LOCATION:



The heating and cooling units are located on the roof.

SYSTEM TYPE:



The heating and cooling systems for the building are known as "Roof Packages". 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:



- #1 - The system is approx. 30 years old. (1990)
- #2 - The system is approx. 39 years old. (1981)
- #3 - It is unknown how old the unit is, but it appears older.
- #4 - It is unknown how old the unit is, but it appears older.
- #5 - The system is approx. 31 years old. (1989)
- #6 - It is unknown how old the unit is, but it appears older.
- #7 - The system is approx. 39 years old. (1981)
- #8 - It is unknown how old the unit is, but it appears older.
- #9 - It is unknown how old the unit is, but it appears older.

The heating units are aged and worn. Though they may still be functional and working, it is noted that this type of unit has a life expectancy of approx. 15 - 20 years. Depending on the quality of maintenance, these units are at or near this age.

CONDENSER CONDITION:



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

CONDENSATE LINE:



Needs Attention:

Several of the condensate lines are not connected to an approved drain and are draining onto the roof.

THERMOSTAT:



Needs Attention:

The system did not all respond with the thermostat controls at the time of inspection.

The thermostats are aged and worn.

RETURN AIR AND FILTERS:

The air filters were not observed.

ELECTRICAL DISCONNECT:



Serviceable Where Viewed.

HVAC SYSTEM CONDITION:

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 unit is an open warehouse gas furnace that is suspended from the ceiling.

SYSTEM TYPE:

This gas furnace.

SYSTEM AGE:



It is unknown how old the unit is, but it appears older.

THERMOSTAT:

No thermostat was located for this heating system.

HEATING AND COOLING COMMENTS:

GENERAL COMMENTS:

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

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:



Review by a qualified roofing contractor is advised at this time and all needed repairs or maintenance should be done.

ACCESS TO ROOF:

ACCESS TO ROOF:



The access to the roof is via a ladder that is attached to the building.

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 roof has a spray on insulation material that has been covered with a reflective surface. This surface serves as insulation and water proofing.

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.





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



There are penetrations through the roof material. Repairs by a qualified roofing specialist is advised to ensure the roof system is a reliable moisture barrier.



The roofing system is showing signs of general wear and age.



Needs Attention:

There are bubbled areas of roofing material. This is an indication that some moisture has gotten under the material.



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.



ROOF DRAINAGE:

ROOF DRAINS:



The drains appear to be higher than the immediate surrounding area which promotes standing water from rains. It is advised to have the drains lower than the surrounding areas so that water does not stand during and after rains.

ROOF FRAMING:

TYPE OF ROOF FRAMING:

The roof is supported by conventional framing for low-sloped commercial roofs.

ROOF FRAMING CONDITION:

There are areas of stains on the framing lumber as from former roof leaks.

ATTIC:

AREA OF ATTIC:



There is an attic space over part of the floor plan of the building.

ACCESS TO ATTIC:



The attic access is in the bathroom

ROOF COMMENTS AND RECOMMENDATIONS:

RECOMMENDATIONS:

Installing a TPO type roofing system should be considered for a longer lasting life and the lack of need typically of removal of the existing roofing system. It is advised to consult with a roofing specialist knowledgeable in the various materials and techniques and typical concerns for "Cool Roofs" to determine what the best course of action is for this location.

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.

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 OVERVIEW:



Overall the structure appears generally serviceable, however there are some areas in need of further review at this time for health and safety by a qualified structural specialist.

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:



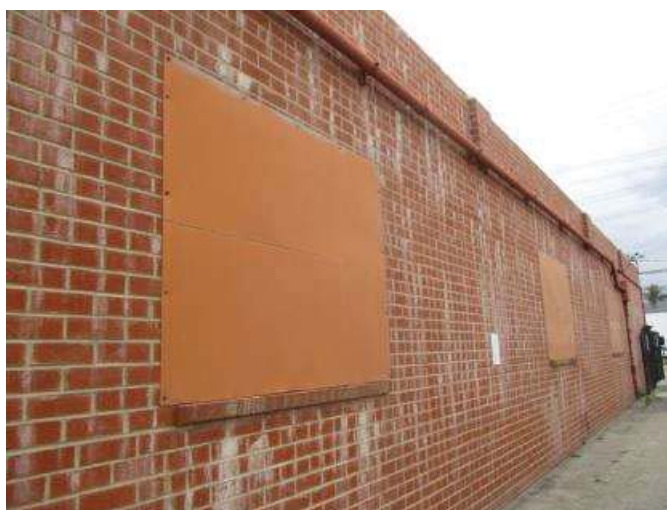
There are cracks in the slab that appear to be typical for the age and style of construction. However if you need a more detailed evaluation it is advisable to contact a structural engineer or a foundation specialist.

RAISED FOUNDATION:

FOUNDATION BOLTING:

The structure has anchor bolts attaching the framing of the building to the concrete foundation to help prevent movement in case of seismic activity.

STRUCTURAL WALL SYSTEM:



The building appears to be a reinforced brick structure.

EXTERIOR WALLS
CONDITION:



Needs Attention:

There is typical damage in the exterior walls.

INTERIOR WALL
CONDITION:

There are areas of damage to some of the interior walls. These do not appear to be structural bearing walls. Repairs are advised by a qualified contractor.

STRUCTURAL COMMENTS AND RECOMMENDATIONS:

RECOMMENDATIONS:

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

EXTERIOR

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

EXTERIOR OVERVIEW:



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

EXTERIOR COVERING OF THE BUILDING:

MATERIAL:

The exterior building covering is brick.

CONDITION:



Needs Attention:

There are areas of damage to the exterior walls.

EXTERIOR TRIM:

MATERIAL:

The exterior trim surfaces are wood.

CONDITION:



The trim has areas of weathering and damage.

EXTERIOR WINDOW SURFACES:

MATERIAL:

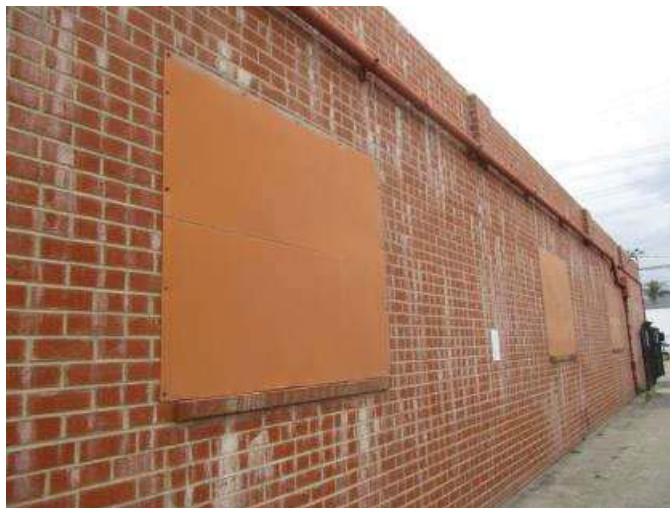


The exterior window surfaces are metal.

CONDITION:

The windows are generally aged and worn.

COMMENTS:



Needs Attention:

There are windows that are boarded up.

EXTERIOR DOOR SURFACES:

MATERIAL:



The exterior door surfaces are metal.

CONDITION:

Serviceable overall, with typical wear noted.

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.

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 exhibit wear, damage or deterioration to the point repairs are advised.

MAIN ENTRY:

CONDITION:

Serviceable.

Some areas of typical wear were noted.

PARKING AREA:

DRIVEWAY:



Needs Attention:

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

PARKING LOT:



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.



PROPERTY WALLS, FENCES & GATES:

CONDITION:



Serviceable.

LANDSCAPING:

CONDITION:

The grounds on the property need minor maintenance in some areas.

DRAINAGE:

SITE:



Relatively flat site.

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:

While no significant evidence of past use and storage of hazardous material was observed, the only way to determine this conclusively is by a current environmental Phase 1 Inspection. Such an inspection is advised at this time for certainty of the health and safety of the site.

GENERAL COMMENTS:

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

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

California usually has seasonal rains which typically occur near the end

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

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 areas are generally aged and worn.

MAIN ENTRY DOOR:



Serviceable overall.

INTERIOR AREAS:



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



Needs Attention:

There are areas of moisture stains and/or damage on the ceiling.



HALLWAYS:



The areas are generally aged, but remain serviceable overall.

OFFICE AREAS:

OFFICE AREAS:



Needs Attention:

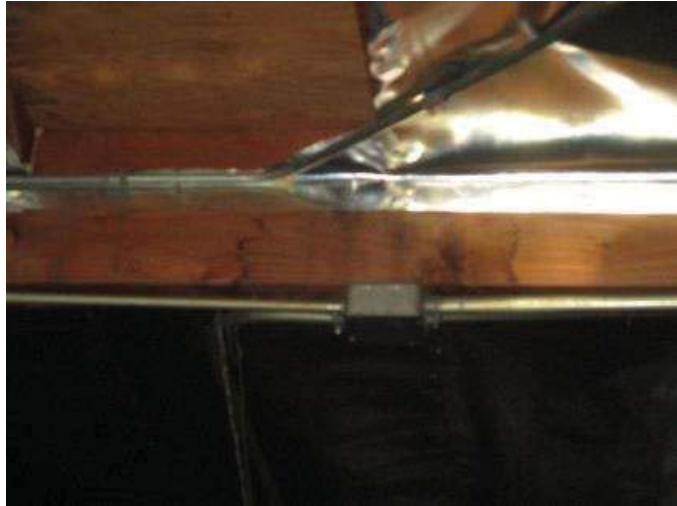
The flooring is worn and stained.

WAREHOUSE

WAREHOUSE AREAS:



This area is generally aged, but remains serviceable overall.



There are areas of moisture stains on the ceiling.

ROLL UP DOORS:



Serviceable.

KITCHENS:

KITCHEN FACILITIES:



This kitchen is showing excessive wear.



Needs Attention:

There are cracked/chipped floor tile.

RESTROOMS:

INTERIORS:



Though outside the scope of a general visual inspection the bathrooms do not appear to be up to current ADA requirements. This is mentioned as a courtesy however further review by a qualified ADA specialist is advised to determine the best course of action for this site.



RESTROOM FIXTURES:



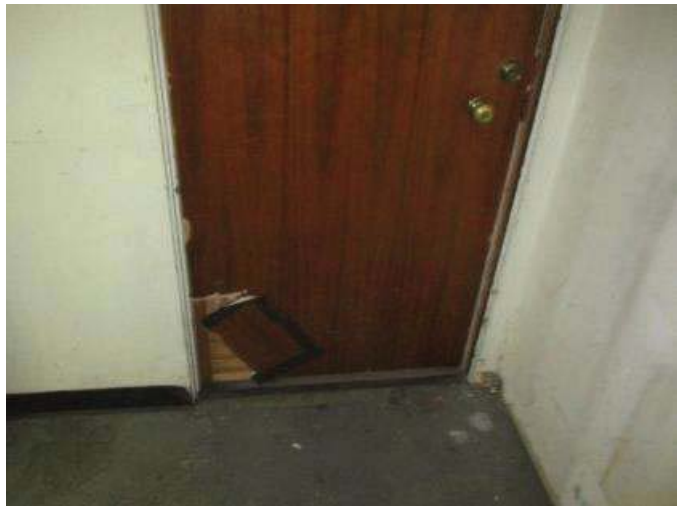
The toilet is worn and/or damaged.



The bathroom cabinet is damaged.

DOORS:

INTERIOR DOORS:



Needs Attention:

The interior doors generally need adjustments and/or repairs to function properly.

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