

Walker Property Evaluation Services

3001 Sneath Lane San Bruno CA 94066
Tel: 650-873-4224 Fax: 650-873-4282
HomeInspection@sanbrunocable.com

INSPECTION OVERVIEW

Client: The Investment Group
Inspection Address: 111 Shop-Till You Drop Drive, Milpitas, CA 94403
Inspection Date: 1/2/2012
Inspected by: Skip Walker

This Overview is intended to provide a cursory preview of the conditions and components identified in the body of the report as requiring further evaluation and or service. The conditions in the Overview are not the only significant findings or issues. This Overview is not intended to be comprehensive, and may never be used as a substitute for reading the entire report, nor is it a tacit endorsement of the condition of components or features that may not appear in the Overview. The reader must establish their own priorities after thoroughly studying all the comments/recommendations in the entire report and consulting with other experts and or specialists as the reader may deem necessary. I recommend that any evaluation/service/repairs, safety upgrades, etc. be completed by licensed/qualified specialists and only with the benefit of any necessary permits. The prospective buyer is specifically cautioned to obtain any further evaluations, information, price quotes, et cetera pertaining to the comments, service and or safety recommendations made in this report before the removal of transaction contingencies. These qualified specialists may well identify additional issues/defects and or recommend additional upgrades, the scope and price of which could affect your evaluation of the property.

NOTICE TO THIRD PARTIES: The inspection report was created for the sole benefit and reliance of the Client named in the original report and is nontransferable. No other intended users are identified. The report is issued subject to the terms, conditions and limitations under which the inspection was performed which are attached hereto and incorporated by reference herein. This report is not a substitute for any disclosures required under California law.

Narrative Color Legend: - Informational or Client Advisory Issues √ Requires Direct Attention
mFunctional/Serviceable qDefect or Safety Related Issue

Components & Conditions Needing Service/Evaluation

Foundation

Slab Foundation

Electrical

1.1 - q There is an under-slab electrical cable that was damaged or cut at Unit 160

Exterior

Wall Covering

Wall Covering Observations

2.1 - q There is water dripping intermittently and indications of prior moisture at the base of the rear soffit

2.2 - - There are one or more mechanically damaged areas in the cladding that should be serviced as needed

Roof/Attic

Thermoplastic Membrane Roof System

Estimated Age and General Evaluation

- 3.1 - ↪ There are various improperly sealed penetrations that should be serviced as needed
- 3.2 - ↪ There are indications of prior moisture-dry stains inside the interior areas - Further Evaluate Roof
- 3.3 - ↪ There are tree or shrub branches overhanging and or in contact with the roof that should be serviced

Gutters and Drainage

- 3.4 - ↪ The roof needs to be cleaned and any foliage trimmed away to facilitate drainage

Plumbing Vents

- 3.5 - ↪ The ABS vent pipes do not have a protective paint coating and should be serviced

Electrical Components

- 3.6 - ↪ Portions of the electrical components-conduits appears inadequately secured-supported
- 3.7 - ↪ There are one or more damaged electrical conduits on the roof - Service Recommended

Front Soffit Areas

Access

- 3.8 - ↪ Several of the roof access doors will require service to function properly

Framing

- 3.9 - [q](#) There is moisture related deterioration visible at several areas on the perimeter framing-sheathing

Plumbing

Waste and Drainage System

Drain Pipes Waste Pipes and Vent Pipes

- 4.1 - ↪ There is an unsealed drain or vent pipe in Unit 110 that should be serviced

Water Heater - Unit 100

Bonding Connection

- 4.2 - ↪ There is no electrical bonding connection visible at the water heater as generally required

Water Heater - Unit 120

Electrical Connections

- 4.3 - [q](#) The circuit protection for the unit appears to be oversized for the electrical load - Service Recommended

Seismic Straps

- 4.4 - [q](#) The water heater seismic straps will require adjustment or service to perform as required

Bonding Connection

- 4.5 - ↪ There is no electrical bonding connection visible at the water heater as generally required

Water Heater - Unit 130

Electrical Connections

- 4.6 - [q](#) There is no service disconnect at the water heater as required

Seismic Straps

- 4.7 - [q](#) The water heater sits away from the wall and no blocking or struts are installed to prevent movement

Bonding Connection

- 4.8 - ↪ There is no electrical bonding connection visible at the water heater as generally required

Water Heater - Unit 160

Seismic Straps

4.9 - **Q** The water heater sits away from the wall and no blocking or struts are installed to prevent movement

Bonding Connection

4.10 - **→** There is no electrical bonding connection visible at the water heater as generally required

Electrical

Sub Panels - Unit 100

Circuit Protection

5.1 - **Q** Several of the 3 Phase circuits appear improperly installed using 3 single pole 120 VAC breakers

Heat-A/C

Heat & AC Systems - Roof Top Units

Package System General Evaluation

6.1 - **→** The Unit 130 system case-enclosure has an unsealed opening on the exterior case

Heat & AC System

Gas Valve and Connector

6.2 - **Q** The gas supply connections do not have the required sediment trap installed at the Unit 150 systems

Return-Air Compartment and Filter

6.3 - **Q** Two return air compartments are improperly sealed and should be serviced - Unit 100A & 120

Condensate Discharge Drain

6.4 - **→** The condensate drain trap is undersized for these units and should be serviced

6.5 - **→** A number of the unit condensate drain lines are improperly terminated on the roof

Air Distribution Ductwork Comments & Conditions

6.6 - **Q** Several of the air distribution ducts are separated in the rear ceiling area above Unit 130

Office Unit Interiors

Unit 100 - Interiors

Walls and Ceiling

9.1 - **Q** There are indications of prior moisture at the front left ceiling that should be further evaluated

Kitchen Area

9.2 - **→** There are one or more improperly sealed electrical junction boxes - Service as Needed

9.3 - **→** Some of the cabinets appears deteriorated and or moisture damaged and should be serviced

Unit 120 - Interiors

Receptacles

9.4 - **→** There are several improperly sealed electrical junction boxes that should be serviced

Unit 130 - Interiors

Walls and Ceiling

9.5 - **Q** There are stains and or indications of prior moisture at the ceiling that should be further evaluated

Laundry - Tenant Trade Fixtures

9.6 - **Q** There are several issues with the dryer vent installation - full evaluation recommended

Unit 140 - Interiors

Walls and Ceiling

9.7 - c There are stains and or evidence of prior moisture at the ceiling area that should be further explained

Restrooms

Restroom - Unit 110 Men

Toilet

11.1 - c The toilet is loose and should be properly secured

Restroom - Unit 110 Women

Sink Faucet Valves & Connectors Trap & Drain

11.2 - → The sink point of use hot water heater appears inoperative - Service Recommended

Restroom - Unit 130 Unisex

Toilet

11.3 - c The toilet is loose and should be properly secured

Restroom - Unit 140 Unisex

Sink Faucet Valves & Connectors Trap & Drain

11.4 - → The sink point of use hot water heater appears inoperative - Service Recommended

Parking

Exterior Parking Area

General Conditions and Observations

16.1 - → There are deteriorated areas visible in the asphalt material - Service Recommended

Life-Safety

Fire Safety Equipment

Fire Safely Equipment

19.1 - → There are one or more fire extinguishers with expired inspection tags - Service Required

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PROPERTY CONDITION ASSESSMENT

Prepared Exclusively For:

The Investment Group

INSPECTION ADDRESS

111 Shop-Till You Drop Drive, Milpitas, CA 94403

INSPECTION DATE

1/2/2012



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GENERAL INFORMATION

Inspection Address: 111 Shop-Till You Drop Drive, Milpitas, CA 94403
Inspection Date: 1/2/2012
Weather: Intermittent Rain
Inspected by: Skip Walker



Client Information: The Investment Group

Structure Type: Concrete Perimter/Metal & Wood Frame
Foundation Type: Slab
Furnished: Yes
Structure Occupied: Yes
Number of Stories: One

Structure Style: Commercial - Retail/Office

Estimated Year Built: 2006
Unofficial Sq.Ft.: 14899

People on Site At Time of Inspection: Tenants

General Property Conditions

The inspection was performed on a one story retail strip mall commercial building. The inspector was on site the afternoon of Nov 3rd and all day Nov 4th. The current use is mixed retail, professional and restaurant. There is approximately 56 standard parking spaces with 2 van/disabled parking spaces. There is no on-street parking at the front street. This is typical for properties this general area.

Units 1, 3 and 6 were not occupied. Tenant improvements were underway in units 3 and 6.

The electric, gas, and water utility services were on to units 2, 3, 4, 5 and 7 the time of inspection. The utilities to units 1 and 6 were off.

Please refer to the enclosed inspection report for a detailed discussion of the conditions observed at the time of inspection. Interested parties are specifically cautioned to obtain any further evaluations, information, price quotes, et cetera pertaining to the service and or safety recommendations made in this report well before the removal of any transaction inspection contingencies. These qualified specialists, may well identify additional defects and or recommend additional upgrades, the scope and price of which could affect your evaluation of the property.

OCCUPIED PROPERTY: Portions of the building were furnished and or had tenant/stored personal property/trade fixtures, because of this, our access to and view of the components, systems and

surfaces/interior finishes in the dwelling are necessarily limited. I make every reasonable effort to inspect occupied areas as thoroughly as is possible. In accordance with CREIA standards, I do not move furniture, lift carpets, move pictures/paintings, move tenant/personal property in closets, etc. Since this is a limited visual inspection, it is possible that conditions, issues and or defects may not be visible at the time of inspection and hence go undetected due to limited access. Interested parties should perform a diligent visual inspection of the dwelling on the final walk-through.

Portions of this property appear to have been remodeled. I recommend that interested parties obtain a full permit history of the property including copies of any permits, certificate of occupancy, etc. for your records. It is also advisable to obtain copies of all equipment appliance and material installation information as these may include information related to applicable warranties and guarantees. This is important because our inspection does not tacitly approve endorse or guarantee the integrity of any work that was done without benefit of a permit and any potential latent defects that may exist.

OVERVIEW IS NOT THE ONLY SIGNIFICANT FINDINGS: There is an overview of this inspection at the front of the report where I list the recommendations I believe may be important to the client. These recommendations should not be considered the only significant findings or issues. The reader must establish your own priorities after thoroughly studying this report, reviewing all the recommendations in this report, and consulting with other experts, and or specialists as you may deem necessary. Please see the full report for an in-depth discussion of all conditions observed/evaluated.

PLEASE NOTE:

NOTICE TO THIRD PARTIES: *This report is a work product and is copyrighted as of the date of this report. The inspection report is for the sole benefit and reliance of the Client named in the original report and is nontransferable. The report is a summary of the inspection and all consultation between Inspector and Client and is issued subject to the terms, conditions and limitations under which the inspection was performed. The terms, conditions and limitations are a part of this report and are attached hereto and incorporated by reference herein. Inspector assumes no liability for third party interpretation and or use of the report. Third parties are encouraged to obtain a property inspection from a qualified inspector of their choice.*

Unauthorized duplication and/or distribution of, use of or reliance on this report by any party other than the clients has the effect of all parties agreeing to hold harmless, individually, jointly, and/or otherwise, the inspector, the Company, their successors and assigns from any third party claims arising out of unauthorized distribution of the inspection report. Any use or reliance, whether authorized or unauthorized, of the information contained herein, constitutes your ascent to the terms of use and scope of work governing this document and to the scope and limitations of the inspection as described in the terms of use, the written agreement and in the CREIA Standards of Practice.

We recommend that any and all repairs, safety issues or upgrades, be completed only by licensed specialists and only with the benefit of permit. The prospective buyer is specifically cautioned to obtain any further evaluations, information, price quotes, et cetera pertaining to the service and or safety recommendations made in this report well before the close of escrow. These licensed and or qualified specialists, may well identify additional defects and or recommend additional upgrades, the scope and price of which could affect your evaluation of the property. We provide an overview of this inspection at the front of the report where we list the recommendations we believe may be important to the client. These recommendations should not be considered the only significant findings or issues. You must establish your own priorities after thoroughly studying this report, reviewing all the recommendations in this report, and consulting with other experts, and or specialists as you may deem necessary.

Report File: Commercial Sample - Strip Mall

SCOPE OF WORK

I have been engaged to conduct a general commercial property evaluation in accordance with CREIA and industry standards of practice. A commercial property evaluation is not intended to be technically exhaustive. It is distinct from a specialist inspection, which can require a person with very specialized knowledge, licensing and/or training. Specialist inspections can be costly, take days to complete, involve the use of specialized instruments, the dismantling of equipment, video-scanning, destructive testing, and laboratory analysis. By contrast, the general home inspection is completed on-site, at a fraction of the cost and within a few hours. Consequently, the general commercial property inspection and its report will not be as comprehensive as that generated by specialists and it is not intended to be. Our purpose is to identify defects or adverse conditions that could result in injury or lead to costs that would significantly affect your evaluation of the property, and to alert you to the need for a specialist evaluation.

We evaluate conditions, systems, or components, and report on their condition, which does not mean that they are ideal but that they are either functional or met a reasonable standard at a given point in time. We do take into consideration when a house was built and allow for the predictable deterioration that would occur through time, such as the cracks that appear in concrete and in the plaster around windows and doors, scuffed walls or woodwork, worn or squeaky floors, stiff or stuck windows, and cabinetry that does not function as it did when new. Therefore, we tend to ignore insignificant and predictable defects, and do not annotate them, and particularly those that would be apparent to the average person or to someone without any construction experience. We are not authorized, or have the expertise, to test for environmental contaminants, or comment on termite, dry rot, fungus or mold, but may alert you to its presence. Similarly, we do not test the quality of the air within a property. Therefore, you should schedule any such specialized inspections with the appropriate specialist before the close of escrow.

A commercial property and its components are complicated, and because of this and the limitations of an on-site report, we offer unlimited follow-up consultation via telephone and e-mail. We encourage you to ask questions. In fact, we encourage candid and forthright communication between all parties, because we believe that it is the only way to avoid stressful disputes and costly litigation. Remember, we only summarized the report on-site and it is essential that you read all of it, and that any recommendations that we make for service or evaluation by specialists should be completed and documented well before the close of escrow, because additional defects could be revealed by specialists, or some upgrades recommended that could affect your evaluation of the property. Our service does not include any form of warranty or guarantee.

This report was produced specifically for the named property in accordance with the scope of work outlined in the CREIA Commercial Pre-Inspection Agreement and was performed with the limitations set forth in the CREIA Commercial Standards of Practice. This report does not include any other portions or features of the site except as agreed to by the inspector and client prior to the inspection. The purpose of this inspection and written report is to provide an unbiased opinion of the material defects and conditions observed at that point in time. Further, it is to describe the general site, utilities and the physical condition of the selected key systems and or components as well as the parking area.

A determination as to the presence of animals, pests, rodents, termites, decay or other wood destroying organisms is beyond the scope of this inspection. A qualified pest control firm should be consulted for any questions or concerns related to the presence or treatment for these organisms. Periodic inspections of the property should be made by a licensed pest control firm as part of the routine property maintenance.

Within this report you will find a set of recommendations for further evaluation and or service that we believe to be important to the proper maintenance and safe operation of the building. These items should not be considered the only significant items. Ultimately, the client should establish their own priorities after thoroughly studying this report, the reports of all other specialists engaged and consulting other experts or specialists as desired.

The general property inspector for this property is also a California Licensed Appraiser Trainee. The inspection of this property was conducted in conformance with the CREIA Standards of Practice and the requirements of the State of California Business and Professions Code 7195-7196. Issues related to property valuation and or developing an opinion of value for the subject property are specifically excluded from the scope of work governing this report.

The general property inspector for this property is also a certified fireplace inspector. The inspection of this property was conducted in conformance with the CREIA Standards of Practice and the requirements of the State of California Business and Professions Code 7195-7196. The evaluation of installed fireplaces and or related systems for the subject property are performed to those standards of practice. An NFPA Level II or other exhaustive evaluation of these systems was not performed and any such issues are excluded from the scope of work governing this report. Interested parties should consult with a qualified fireplace specialist for further information and or evaluation.

For the purpose of clarity, we use the words LEFT, RIGHT, FRONT, BACK and CENTER are used through out to describe locations within or around the dwelling. These directions are all made relative to standing facing the dwelling from the street or in the case of a multi-unit dwelling from the entry door. Interior room designations are as defined by general purpose or at the discretion of the inspector. We use several abbreviations throughout for the purpose of brevity. HVAC stands for Heating Ventilation Air Conditioning. WDO stands for Wood Destroying Organism and is the term used to describe the termite inspector or report.

Narrative Color Legend: ↪ Informational or Client Advisory Issues ▼ Requires Direct Attention
mFunctional/Serviceable qDefect or Safety Related Issue

*This report was produced in accordance with our inspection agreement and is subject to the terms and conditions agreed upon therein.
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Inspection Narratives - Page 4*

Section 1.0 - Foundation

Structures are not uniform, and need only meet the standards of the year in which they were built or renovated. I describe and identify the various foundation types, and the floor, wall, ceiling, and roof structures in accordance with CREIA standards of practice. If the foundation is a slab type, I examine the visible portions on the interior surfaces and the exposed portions between grade and the exterior cladding. If it is a raised foundation, I will either enter the crawlspace to inspect its components, or indicate in what manner it was evaluated. Similarly, I identify the type of wall and roof framing. Per California law, only a registered design professional is considered qualified to comment on the structural adequacy or significance of a system. I am a generalist and am not a qualified specialist. In the absence of any visible areas of concern, I may not recommend that you consult with a registered design professional. This should not deter an interested party from seeking the opinion of a qualified expert.

Slab Foundation

General Comments and Description

Informational Comments & Conditions

- This building has a slab foundation. Such foundations vary considerably from older ones that have no moisture barrier under them and no reinforcing steel within them to newer ones that have both. This inspection conforms to CREIA standards of practice. I am a generalist and am not a specialist. I evaluate the visible portions of the foundation for evidence of distress. Per CREIA standards, I do not move furniture, lift carpeting and padding, etc to look for cracks. I do not use any of the specialized devices to determine level or measure displacement, differential movement, etc. The average person may not become aware of an out-of-level condition until there is a significant difference. Generally accepted construction standards allow a tolerance of around 1" over 180" (17'). Many slabs are found to contain cracks when the carpet and padding are removed. There is no absolute standard for evaluating crack. Most agree that cracks that are less than 1/8" and which exhibit no significant vertical or horizontal displacement are generally not regarded as being an area of concern. In the absence of any major issues, I may not recommend that you consult with a registered design professional, foundation contractor or other appropriate specialist. This should not deter you from seeking the opinion of any such expert. I would be happy to refer one to you.

Portions of the drain pipes and in some cases, water supply pipes, may be routed under the slab. This can make service on these pipes difficult should a problem arise. It is possible that issues with these pipes may exist and go undetected for some time because they may not visually manifest themselves. This inspection is a limited visual inspection and is not intended to be technically exhaustive. Interested parties are encouraged to seek a specialist opinion, particularly on older dwellings where these systems may be nearing or even past what would be considered the typical design life of the materials.

Method of Evaluation

Informational Comments & Conditions

- 1.2 - The foundation was examined by examining the visible portion of the raised portions and or slab at the perimeter of the structure and the interior surfaces for cracks and evidence of displacement. This evaluation is very limited as only the portion from grade to the building cladding are visible and the interior wall/floor covering and wall finishes cover much of the actual foundation.

Slab Foundation Observations

Functional Components & Conditions

- m 1.3 - The foundation appears to be performing as intended. The visible portions of the foundation had no apparent areas of concern. However, interior floor finishes and the exterior wall cladding preclude a complete evaluation of the foundation. No opinions are offered as to the conditions within inaccessible or concealed areas.

Informational Comments & Conditions

- 1.4 - As part of the evaluation of slab foundations, I look for indications of movement at the interior floor finishes - especially stone, tile and or similar hard surfaces. These types of materials are not elastic in nature and are especially susceptible to cracking should movement occur in the underlying slab foundation. Consequently, these materials can be an indicator of the underlying slab condition. There was no visible cracks and or displacement in the interior tile and or stone floor surfaces that would indicate movement in the underlying slab foundation. However, it should be noted that cracks may

exist and go undetected due to location or lack of activity/movement. You may discover crack in the slab should flooring be removed or changed. In general, cracks in concrete that are less than 1/8" would not be considered an area of concern. Cracks that are less than 1/8" and do not exhibit rotation or displacement would usually be the result of shrinkage, older site movement, etc. and would not typically require further evaluation. This inspection is strictly limited to the visible and or accessible portions of the structure. No representations can be made as to the conditions within concealed or inaccessible areas. It is recommended that all interior finishes be monitored for any indication of movement as conditions may change over time. Should you observe indications of movement, a qualified foundation specialist should be consulted for further evaluation.

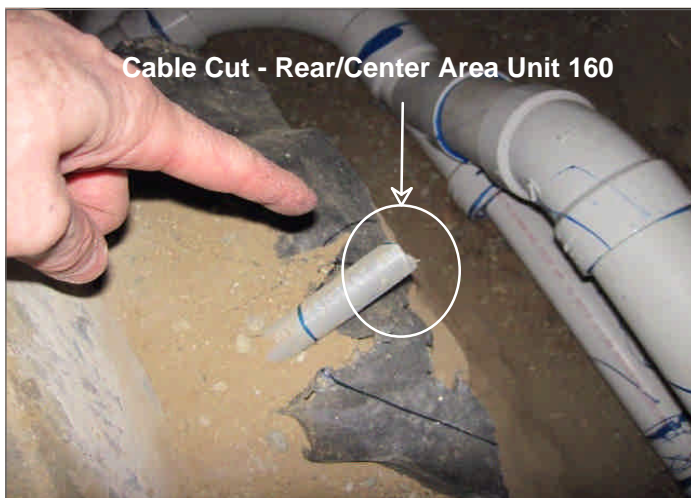
[FE] Further Evaluation Recommended

- 1.5 - CLIENT ADVISORY: Tenant improvements were In-Progress at Unit 160. The slab floor has been cut with sections removed to facilitate the installation of sanitary sewer drains, etc. It is recommended that the tenant permits, approved plans, etc be consulted regarding the work being performed and any potential structural implications that the work may have. Interested parties should consult with a registered design professional for additional information. Any necessary repairs should be performed by a qualified general contractor in accordance with the approved drawings.

Electrical

Components & Conditions Needing Service/Evaluation

- q 1.6 - There is an under-slab electrical cable that was damaged or cut at Unit 160. I recommend that a qualified electrical contractor evaluate and service as needed.



Wall Framing

Informational Comments & Conditions

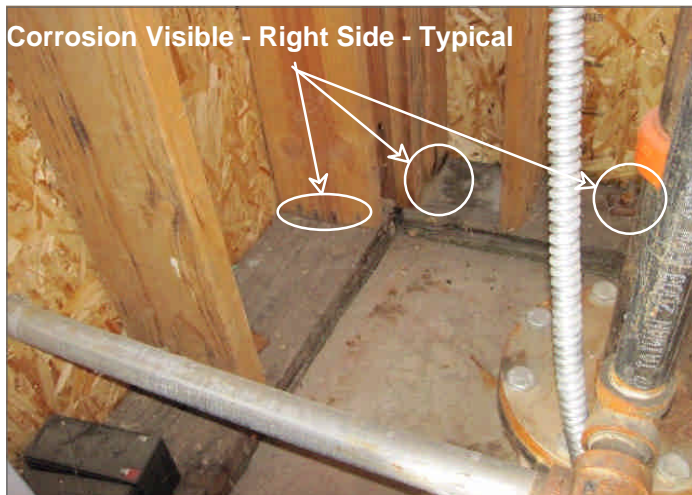
- 1.7 - There are dry stains/indications of prior moisture on the sill, rim joist and or cripple wall areas at various areas around the building perimeter. This may be noted in the WDO report. Please refer to that specialists report for any additional suggestions and or service. I recommend periodic inspection of these areas for any indications of deterioration, etc. and servicing on an as-needed basis. Interested parties should consult with a qualified general contractor for additional information, evaluation and or service.
- 1.8 - The interior finishes prevented a complete evaluation of the intermediate framing system. This evaluation is strictly limited to the visible portions. No representations can be made as to the conditions within inaccessible or concealed areas.

[FE] Further Evaluation Recommended

- 1.9 - Portions of the mudsill's, and or associated framing are constructed using pressure-treated/preseavatively treated wood secured with foundation bolts, structural metal fasteners and hold-downs. This is the generally accepted construction practice for this type of installation. There have been recent changes in the formulation of pressure treated lumber that potentially impacts recently built foundation framing systems and the metal fastening systems used to construct them.

Beginning 2002-2003 the EPA required a shift in the chemicals used to protect pressure treated wood. This change increased the copper levels found in the wood. An unintended consequence of this action was that the increase in copper made the wood far more corrosive to metal fasteners or structural metal components. This formula change in turn has required a change in the type of fastening systems used to ones that are far more corrosion resistant than previous types.

In the course of this inspection, some corrosion was observed at the exposed portions of the metal fasteners and or metal connectors used on the mudsill. I can not positively confirm that the pressure treated lumber is a type that requires the use of these newer highly corrosion resistant fasteners, metal brackets, bolts, washers, screws and or nails. It is beyond the scope of a visual general property inspection to verify that a given installation conforms to the manufacturers installation instructions and or the plans as designed and approved by the local authority having jurisdiction. The installation recommendations will vary widely depending on the specific chemical treatment used on any of the newer pressure treated type lumber, the metal fastener or bolt manufacturers recommendations, the design professionals recommendations and will vary significantly by building departments own local requirements. It will be important to monitor all fasteners for unusually high amounts of and or additional corrosion. If atypical amounts of corrosion are observed, it will be important to contact a qualified general contractor familiar with this issue to fully evaluate the framing and support system. I recommend that the installation be further evaluated both now and on an ongoing basis to ensure proper performance of the installation. Interested parties may also wish to refer to www.strongtie.com and www.osmose.com for additional information.



- 1.10 - There are one or more of the foundation bolts where the nuts are loose and or are missing washers and or nuts. I recommend having a qualified trades specialist install/service as necessary

Structural Elements

Wall Structure

Informational Comments & Conditions

- 1.11 - Wall Framing: Dimensional 2x Wood Framing and Structural Steel Support Posts/Members

Floor Structure

Informational Comments & Conditions

- 1.12 - Floor System: Concrete Slab on Grade

Ceiling Structure

Informational Comments & Conditions

- 1.13 - Ceiling Framing: Prefabricated Truss System with Engineered Wood Beams.

Roof Structure

Informational Comments & Conditions

- 1.14 - Roof Framing: Combination of Prefabricated Truss System, and Engineered Wood Components

Framing System

Roof Framing

Functional Components & Conditions

- 1.15 - Except as may be noted elsewhere, the visible portions of the attic framing system appear to be performing as intended. The methods used appear to conform to the construction standards in affect at the time of apparent construction.

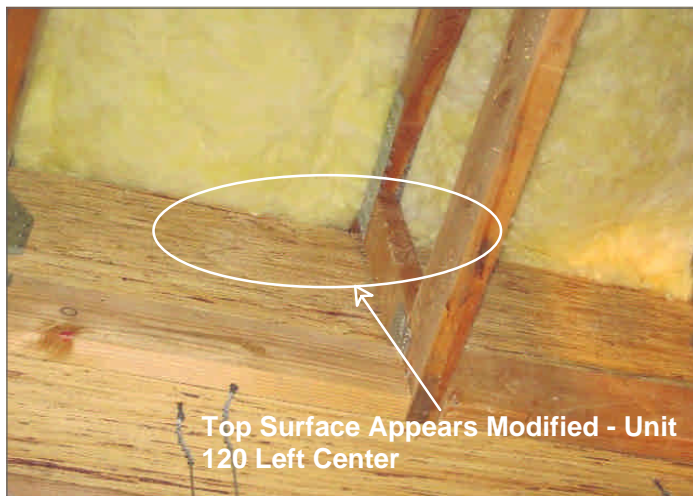
Informational Comments & Conditions

- 1.16 - The visible portions of the roof framing consist of a pre-manufactured wood truss system. Trusses are comprised of components called chords, webs, and struts that are connected by wood or metal gussets nailed or pressed in place. Trusses are engineered systems - each piece of the truss is designed for a specific purpose. Modifications or alterations to the truss components may alter the performance of the truss in unpredictable ways. The bottom component is called the chord may move by thermal expansion and contraction. This movement can cause creaking sounds, which are typically more pronounced in the mornings and evenings when the exterior temperature changes the most. Such movement is generally not an area of concern, but may cause small cracks or divots in the drywall or plaster. Interested parties desiring further information should consult with a registered design professional.
- 1.17 - NOTE: The evaluation of the framing installation was limited due to restricted access and or visibility. No representation can be made as to the condition in concealed and or inaccessible areas.
- 1.18 - Portions of the perimeter and roof framing are supported using engineered/laminated wood beams or support members, sometimes referred to generically by the trade name Glu-Lam or ParaLam. These beams are comprised of a series of smaller wood components glued together to form a larger framing member. There were no visible use and or manufacturers designations on the laminated wood beams installed here. It is beyond the scope of a CREIA complainant inspection to verify the manufacturers installation instructions or use limitations for a product. Interested parties should independently confirm the appropriates of the installation with the design documents.

[FE] Further Evaluation Recommended

- 1.19 - One or more of the ParaLam/PSL/Engineered Wood framing components appear to have been cut modified or altered. These members are engineered components that are manufactured off-site. No modifications, alterations or repairs are permitted to an engineered system unless the modifications are made in accordance with the manufacturers installation instructions or a registered design professional. Any repairs/modifications must also be reviewed and accepted by the local jurisdiction having authority. It is recommended that all modified engineered components be further evaluated by a registered design professional. Any necessary repairs should be completed by a qualified general contractor.

PSL - Cut Modified - *Continued*



Section 2.0 - Exterior

Our evaluation of the exterior of a property conforms to CREIA and industry standards of practice, and includes the identification of wall cladding, and an evaluation of common components, such as driveways, walkways, fences, gates, handrails, guardrails, yard walls, carports, patio covers, decks, fascia and trim, balconies, doors, windows, lights, and outlets. However, we do not evaluate any detached structures, such as storage sheds and stables, and we do not water test or evaluate subterranean drainage systems or any mechanical or remotely controlled components, such as driveway gates. Also, we do not evaluate any landscape components, such as trees, shrubs, fountains, ponds, statuary, pottery, fire pits, patio fans, heat lamps, and ornamental or decorative lighting. Similarly, we do not comment on surface coatings or cosmetic deficiencies and the wear and tear associated with usage or the passage of time that would be readily apparent to the average person.

Wall Covering

Type of Material

Informational Comments & Conditions

- 2.1 - MATERIAL:
- 2.2 - Predominantly Stucco
- 2.3 - With:
- 2.4 - Corrugated Metal Siding
- 2.5 - Decorative Faux Stone Veneer
- 2.6 - Decorative Brick Veneer

Wall Covering Observations

Functional Components & Conditions

- 2.7 - The visible portions of the exterior cladding appears to be generally in acceptable condition except as may be noted elsewhere.

Informational Comments & Conditions

- 2.8 - There are indications of prior repair work at various areas around the building perimeter. This work appears consistent with ongoing property maintenance. This inspection is limited to the visible/accessible areas of the property. No opinions are offered as to the conditions within concealed/inaccessible areas. Interested parties desiring further information should consult with a qualified general contractor.
- 2.9 - Stucco consists of a cement and sand plaster mixture reinforced with wire mesh and is installed over a water resistant membrane. Newer stucco installations are typically pigmented rather than painted. These pigmented installations may show stains from moisture absorption from rains, etc. Stucco cracking is a common finding and may be caused by a variety of issues such as movement of the building framing due to temperature/humidity changes, foundation settling, seismic activity. Smaller cracks would not necessarily need service as they will fill when the stucco is painted. However, all cracks large enough to permit water entry should be properly caulked or patched. In newer construction, the bottom of the stucco has a metal drip edge installed called a "weep screed". It is important that proper soil clearances be maintained below this edge to prevent moisture and unseen wood destroying organism entry behind the stucco cladding.
- 2.10 - There are areas where the clearances between the weep-screed and grade is less than is recommended. The weep-screed is the termination at the base of a stucco wall. It allows the dwelling walls to move independent of the foundation and helps to prevent plate-line cracks that are often seen at the base of stucco walls. The weep screen also allows moisture that penetrates the stucco to drain. It is recommended that the installation be modified as needed to insure conformance with current standards. Interested parties should consult with a qualified general contractor regarding any suggested service.
- 2.11 - There are no visible vent screens installed at the rear exterior soffit areas. Proper ventilation provides important air circulation to the framing in this area and are installed to minimize moisture build-up and damage in these areas. This condition may be noted in the WDO report. I recommend upgrading the installation as repairs and or renovations are undertaken. Interested parties desiring further information should consult with a qualified general contractor.

Components & Conditions Needing Service/Evaluation

- q 2.12 - There is water dripping intermittently and indications of prior moisture at the base of the rear soffit area at Unit 130. It is unclear whether this is due to issues with the adjacent roof drain or from the improperly vented tenant clothes dryer in the hair salon (Noted Elsewhere). I recommend that a

qualified general contractor evaluate and service as necessary. These areas should be made fully accessible when repairs are undertaken. While I make every effort to identify potential problem areas during this limited visual inspection, the nature and full extent of any issues may not be completely understood until the area is made fully accessible. It is possible that damage may exist elsewhere that is not visibly manifested in any way as well. The scope of this inspection is strictly limited to the readily visible portions of the building.



- 2.13 - There are one or more mechanically damaged/improperly sealed penetrations in the exterior cladding that should be caulked, sealed and or serviced as needed to prevent moisture infiltration. I recommend further evaluation and service as needed by a qualified trades specialist.



[FE] Further Evaluation Recommended

- 2.14 - The exterior cladding is closer to grade than recommended at the flatwork, steps and or decks. Proper clearances are necessary to prevent moisture infiltration/damage to the cladding at grade and also help prevent wood destroying organisms from entering the wall cavity. There were no adverse conditions noted at the time of inspection. It is recommended that the interior walls, floors and exterior surfaces be periodically inspected to ensure that no moisture/pest intrusion results. Interested parties desiring further information may wish to consult a qualified general contractor or structural pest operator.

General Maintenance & Periodic Maintenance Item

- 2.15 - It is recommended that the exterior be inspected at least once per year for weathering, wear, tear and or deterioration. Any deteriorated caulking, weathered/deteriorated wood, etc should be properly sealed and or repaired. The intervals at which the dwelling is painted and or sealed should not be extended past the exterior past the manufacturers guidelines. If anything, it would be prudent to service the exterior a little more frequently than the manufactures may recommended, as the cost of maintenance is always less than the cost to repair damage.

Exterior Wall Insulation

Informational Comments & Conditions

- 2.16 - Energy conservation standards in effect at the time of construction would have required insulation on this building. Exterior wall insulation has been required since approximately 1978-1979. Based on the apparent age of this property, it is likely that the exterior walls are insulated. It is beyond the scope of this limited visual inspection to positively conform the presence or absence of insulation within concealed wall cavities. No representations can be made as to the conditions within concealed and or inaccessible areas.

General Site Comments

Pests

Safety Concern

- 2.17 - There are indications of pests, rodents, etc in the tenant/unit areas. I am not qualified to determine whether these are older or recent in nature. Given the location, it is recommended that all potential entry point be sealed and monitored for any new activity. I suggest that licensed pest control operator be engaged to evaluate and service the property. These qualified specialists may suggest additional measures to control the problem.

[FE] Further Evaluation Recommended

- 2.18 - CLIENT ADVISORY: A general property inspector is not qualified to perform a vermin/pest inspection. All such issues are specifically disclaimed/excluded from the scope of this inspection. However, I may comment on the apparent presence of rodents, wildlife and or other pests when observed in the course of this inspection. Any comments are those of a lay person and are made for the convenience of the client only. I recommend that a qualified specialist be engaged to fully evaluate the property and properly clean any affected areas as pest and or rodent droppings may pose a significant health risk.

Please refer to the WDO report for any recommendations regarding tenting for a WDO infestation. Should this property require tenting for WDO treatment, any further evaluation regarding the presence of rodents should be made prior to any WDO tenting of the property. The chemicals used in tenting for WDO will kill any rodents or mammals inside the property as well. It would be prudent to complete any rodent treatments prior to the WDO treatment process. Interested parties desiring further information should consult with a qualified WDO/structural pest control operator and a qualified rodent/pest control operator.

Utility Equipment

Informational Comments & Conditions

- 2.19 - There is a utility pole located at the rear left corner of the property.
- 2.20 - There is a light pole located at the front right sidewalk.
- 2.21 - There is a fire hydrant at the front left corner of the property. The area around this should be left unobstructed and typically the curb areas adjacent to a hydrant is a no parking area.
- 2.22 - There is a utility cabinet at the front right corner of the property.
- 2.23 - There appears to be several man hole covers at the rear right/rear left areas. This would indicate that a utility easement may exist on the property. Please refer to the properties title documents for further information.
- 2.24 - There is a freestanding cell phone antenna tower on the property at the front left parking lot. There is an exterior equipment enclosure located at the left side of the building. Per the signage, this is AT&T equipment. Interested parties should investigate any agreements/land leases, etc for this

installation.

General Site Comments

Informational Comments & Conditions

- There is an apparent easement on the left side of the property. An easement is a legal right of a group and or person to use another person's land for a stated purpose, like a sewer line that may pass underground across a property or a utility to place a power pole. Although an easement lasts in perpetuity, it doesn't give the owner of the easement the right to improve or modify the subservient land. Please refer to the properties title documents for further information.

Grading and Drainage

General Comments and Description

Informational Comments & Conditions

- All structures are dependent on the soil beneath them for support. There are a variety of soil types in this general area. Areas near the bay may be fill that can undergo liquefaction during seismic activity. Expansive soils have high clay content and can expand and contract as they become wet and then dry. The movement from expansive soils accounts for more structural damage than most natural disasters. In all cases, proper site drainage is critical. All sites should have an exterior grade that slopes away from the building and interior floors that are well above the exterior grade. The dwelling should have a roof drainage system that carry storm run-off well away from the building to an appropriate discharge location. Since earthquakes and land movement are part of the geologic make-up of Northern California, no liability can be assumed for the effects on individual properties. Interested parties desiring further information should consult with an appropriate registered design professional and or a qualified grading and drainage contractor.

Flat and Level Pad

Informational Comments & Conditions

- 2.27 - The site is generally flat/level with minor variation in elevation noted. I am a generalist and not a specialist. There were no apparent soil related issues apparent to us at the time of inspection. I recommend consulting with the original soils report for this site/area for a complete discussion of any known site specific soil conditions or issues.

Drainage Mode and Conditions

Informational Comments & Conditions

- 2.28 - Roof and Site drainage is facilitated by roof scuppers and or internal drains with site/storm drains, hard surfaces and soil percolation to carry water away from the building.

Site & Area Drains

Informational Comments & Conditions

- 2.29 - The property is served by subsurface and or area drains. All subsurface drains should be vigorously flushed through to the termination point several time per year. Surface water carries minerals and silt that is deposited inside the pipes. This will impede drainage and eventually require the drain pipes to be cleared by a roofer service. The pipes for these drains are run underground and are not visible. The evaluation of the installation and or verification of proper flow from these drains are excluded from the scope of work for this inspection. Interested parties should independently investigate any such installations.
- 2.30 - There is an apparent storm/sewer drain at the front center parking area.

Exterior Features

General Comments and Description

Informational Comments & Conditions

- Diligent maintenance of the property is critical. Periodic maintenance such as painting/caulking exterior walls and trim, sealing walkways, decks, and other hard surfaces is particularly important. This provides important protection against weathering and or deterioration. Inadequately sealed areas at windows, doors, light fixtures, cable/telephone cables and pipes are a common point of moisture

intrusion. Unfortunately, these issues may not manifest themselves for some time. The cost of properly maintaining a property will always be less expensive than the cost of dealing with deferred maintenance issues.

Fascia and Trim

Informational Comments & Conditions

- 2.32 - Sections of the decorative features and trim are made of molded styrene material. These are sometimes referred to as plant-on's, since they are literally glued onto the exterior before the stucco is applied. This type of material is prone to damage and or moisture infiltration at any areas with mechanical damage. Due to the nature of this material, cracks tend to develop where the material joins the dwelling. Periodic maintenance is required. It is important to keep this material properly caulked and sealed - particularly any penetrations, damaged and or cracked areas. Special care should be taken to areas where the trim is near grade or corners and any point where the trim is penetrated by a light fixture, wires and or other objects.

Exterior Doors

Functional Components & Conditions

- m 2.33 - The exterior doors are serviceable and appear to include safety glass where required. Please refer to the room/area/location in the report for any specific comments.

[FE] Further Evaluation Recommended

- 2.34 - It is beyond the scope of this CREIA compliant property inspection to evaluate the integrity of multi-glazed glass panes for failed hermetic/gas seals. The hermetic seal is designed to contain the inert gas in between the glass panes and prevents fogging from occurring. Fogged and or failed seals is largely an aesthetic issue but may hold different levels of significance to different people. For the convenience of the client, I may comment on failed seals that are obvious at the time of inspection. However, any notations I make should NOT be considered comprehensive. I may not see all failed seals due to lighting and or limited access. I recommend independently confirming the integrity of the gas seals if this is of importance to the reader. Please refer to the room/area/location in the report for any specific comments.

General Maintenance & Periodic Maintenance Item

- 2.35 - One or more exterior door latches may require service, adjustment and or lubrication to function properly. Please refer to the room/area/location in the report for any specific comments.

Windows

Functional Components & Conditions

- m 2.36 - The accessible windows appear in generally serviceable condition and appear to include safety/impact resistant glass where required. However, in accordance with industry standards, we do not test every window in the house, and particularly if the property is furnished. We do attempt to test the unobstructed windows in any sleeping areas to ensure that at least one will facilitate an emergency exit. Please refer to the specific room/area/location section within the report for any further comments.

[FE] Further Evaluation Recommended

- 2.37 - CLIENT ADVISORY: It is beyond the scope of this CREIA compliant property inspection to evaluate the integrity of multi-glazed window panes for failed hermetic/gas seals. The hermetic seal is designed to contain the inert gas in between the glass panes and prevents condensation/fogging from occurring. Fogged and or failed seals is largely an aesthetic issue but may hold different levels of significance to different people. Many times, a failed hermetic seal may only be visible at certain times of the day. For the convenience of the client, I may comment on failed seals that are obvious at the time of inspection. However, any notations made should NOT be considered comprehensive. Failed seals may not be visible due to lighting conditions and or limited access. Interested parties should independently confirm the integrity of the gas seals if this a matter of personal importance. Please refer to the room/area/location in the report for any specific comments.

Lights

Informational Comments & Conditions

- 2.38 - I was unable to test one or more of the exterior light fixtures as they appear controlled by an automatic light and or motion sensors. In general, this type of fixture will not activate in the daytime. Interested parties should independently confirm the proper operation of any such fixtures prior to your final walk-through.

Awnings & Window Appurtenances

Functional Components & Conditions

- m 2.39 - The decorative awnings appear in serviceable condition. I suggest periodic inspection and sealing of the connection points as these may loosen over time from wind/storm induced movement. Interested parties desiring further information and or service should consult with a qualified trades person.

Trellis or Arbor

Functional Components & Conditions

- m 2.40 - The trellis/pergolas/arbors appears to be in generally serviceable condition.

Signage

Informational Comments & Conditions

- 2.41 - The main sign for the complex is located at the front left corner of the site near the street. Significant changes to signage often requires permits from the local authority having jurisdiction and or planning department. Verifying the conformance of the current signage with local requirements/regulations was not performed. Interested parties should independently investigate any such issues.
- 2.42 - The unit signs for the complex are believed to be the responsibility of the tenant. In general, most complexes will have signage guidelines to ensure conformity and compliance with local ordinance. Significant changes to signage generally requires permits from the local authority having jurisdiction and or planning department. Verifying the conformance of the current signage with local requirements/regulations was not performed. Interested parties should independently investigate any such issues.

Irrigation

General Comments and Description

Informational Comments & Conditions

- There are a wide variety of irrigation components, such as pipes that could include old galvanized ones, more dependable copper ones, and modern polyvinyl ones that are commonly referred to as PVC. However, among the latter, the quality can range from a dependable thick-walled type to a less dependable thin-walled type, and it is not uncommon to find a mixture of them. Most of the water pipes are below grade and are not visible. I attempt to identify the system based on the type of pipe that is visible. It is recommended that the occupants/sellers be asked to demonstrate the system operation - including any seasonal changes that they may make to the programming. Interested parties should independently verify the proper operation of the system.

Automatic Polyvinyl Sprinklers

Informational Comments & Conditions

- 2.44 - The system appears piped using PVC/plastic piping material. The type/thickness of the pipe was not verified. The system was operated as part of this inspection.
- 2.45 - Location: Front Left Area
- 2.46 - Location: Rear Right Area

Section 3.0 - Roof/Attic

The evaluation of roof coverings, the components and drainage systems is conducted in accordance with CREIA Commercial standards of practice. I attempt to access the roof in order to examine it or indicate the inability to do so. There are many different roof types, and every roof will wear differently relative to its age, the number of its layers, the quality of its material, the method of its application, its exposure to direct sunlight or to other prevalent weather conditions, and its maintenance. Regardless of the roof's design-life, a roof is only as good as the waterproof membrane beneath it. This membrane is concealed and cannot be examined without removing the roofing material. It is recommended that the installation documentation and permit be obtained as the documentation will indicate the precise age of the roof, any applicable guarantees or warranties that may be transferable.

The evaluation of the roof is a visual inspection. The general condition and installation is evaluated. It is generally not possible to detect leakage except when it is actually occurring or by using specific water tests. A water test is beyond the scope of this service. Water stains on ceilings, or on the framing in the attic do not necessarily confirm an active leak. Only a roofing contractor can credibly guarantee a roof against leakage. I cannot, and do not give any guarantees against the future performance of the roof or against leakage. I examine the accessible/visible portions of the roof, evaluate it. I attempt to approximate the roof's age, but can not predict the remaining life-expectancy of the roof. The sellers and or occupants will generally have the most intimate knowledge of the roof and of its history. I recommend that inquiring of the sellers about history of the roof, and that you either include comprehensive roof coverage in your property insurance policy, or that you obtain a roof certification from an established local roofing company.

Thermoplastic Membrane Roof System

General Comments and Description

Informational Comments & Conditions

- This building uses a one piece reinforced thermoplastic roofing system. These types of roof vary in longevity, but are generally warranted from 15-20 years. The actual life depends on the specific material used, the material thickness, the quality of the manufactured seams, how well the surface was prepared, the actual weather exposure over time and a host of other factors.

These roofing systems are generally installed by first measuring the exact roof size and shape including all penetrations. The roof membrane is then manufactured off-site to exact size, accommodating all rooftop penetrations. The off-site prefabrication of the roof in a controlled factory environment eliminates up to 85% of seaming that would be done on-site in conventional roof installations. Since seams and penetrations are the more frequent points of moisture intrusion and or failure, a properly manufactured membrane will typically improve the long-term performance of the roofing system.

These roofs appear to perform very well over time if they are periodically maintained. While some low slope and or flat roofs are adequately pitched toward drains, many are not, and will allow water to pond. It will only be dispersed by evaporation. The most common cause of leakage results when roofs are not serviced, and foliage and other debris blocks the drainage channels.

What remains true of all roofs is that, whereas their condition can be evaluated, it is virtually impossible for anyone to detect a leak except as it is occurring or by specific water tests, which are beyond the scope of our service. Even water stains on ceilings, or on the framing within attics, will not necessarily confirm an active leak without some corroborative evidence, and such evidence can be deliberately concealed. Consequently, only installers can credibly guarantee that a roof will not leak, and they do. We cannot, and do not give any such guarantees. We will examine every roof, evaluate it, and even attempt to approximate its age, but we will not predict its remaining life-expectancy, nor guarantee that it will not leak. Naturally, the sellers or the occupants of a residence will generally have the most intimate knowledge of the roof and of its history. Therefore, we recommend that you ask the sellers about it, and that you either include comprehensive roof coverage in your home insurance policy, or that you obtain a roof certification from an established local roofing company.

Method of Evaluation

Informational Comments & Conditions

- 3.2 - The roof and its components were evaluated by walking the roof surface.
- 3.3 - ACCESS: Exterior Ladder/Left Rear

NOTE: The ladder access should be kept locked for security reasons. Currently, there is a combo-type padlock on the access. It is suggested that you obtain copies of all keys and combinations prior to

taking possession of the building.

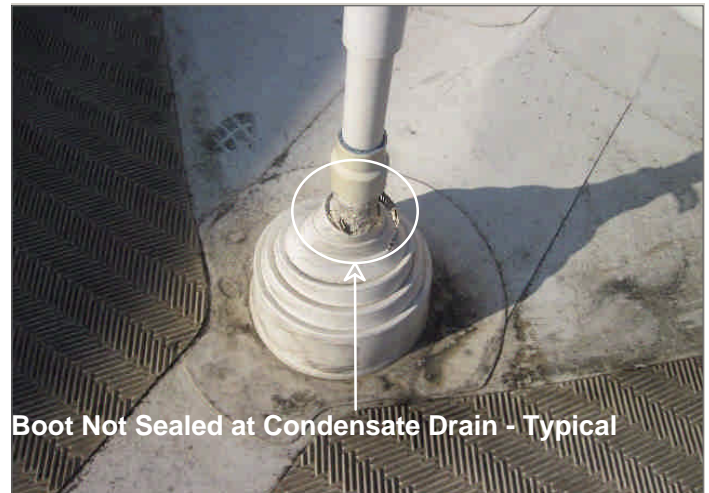
Estimated Age and General Evaluation

Informational Comments & Conditions

- 3.4 - The reinforced thermoplastic roof is believed to be between five and ten years old. However, is just an estimate as this material is very difficult to age. I recommend obtaining a copy of the installation permit and relevant installation documentation that will reveal its exact age and any document any warranty or guarantee that might be applicable and or transferable.
- 3.5 - The roof should be inspected periodically for wind and or storm damage and repaired as needed. It is not uncommon for this type of roof to experience mechanical damage during storms from tree branches, debris, etc. I recommend periodic inspection and timely service of any damage and or deterioration to forestall any moisture intrusion. Please consult a roofing contractor experienced in the installation and repair of this type roof system for further information.
- 3.6 - We noted indications of prior patching and or repairs. We recommend obtaining a copy of the service invoice and any warranty or guaranteed that might be applicable for your records.
- 3.7 - There are areas where water may pond. This is less than ideal. Generally accepted roofing standards require the roof to be sloped to provide positive drainage. Any low spots should be minimal and any trapped water should evaporate off within 48 hours. Interested parties may wish to consult a roofing contractor familiar with this particular type of material comment further on this condition.

Components & Conditions Needing Service/Evaluation

- 3.8 - There are various improperly sealed penetrations that should be serviced. I recommend that a qualified roofing contractor further evaluate the roof and seal/service all penetrations as needed to ensure proper performance.



- 3.9 - As noted elsewhere, there are indications of prior moisture/dry stains visible at the interior areas. This may be the result of roof issues or HVAC system problems. Leaks can be difficult to confirm even when raining. Interested parties should inquire of the sellers/occupants as to the nature of the interior stains and or any known issues with the roof as they often have the most intimate knowledge of the property history and such issues. I recommend that the roof and HVAC systems be further evaluated by an appropriate/qualified contractor prior to the removal of transaction contingencies.

There are indications of prior moisture-dry stains inside the interior areas - Further Evaluate Roof - *Continued*



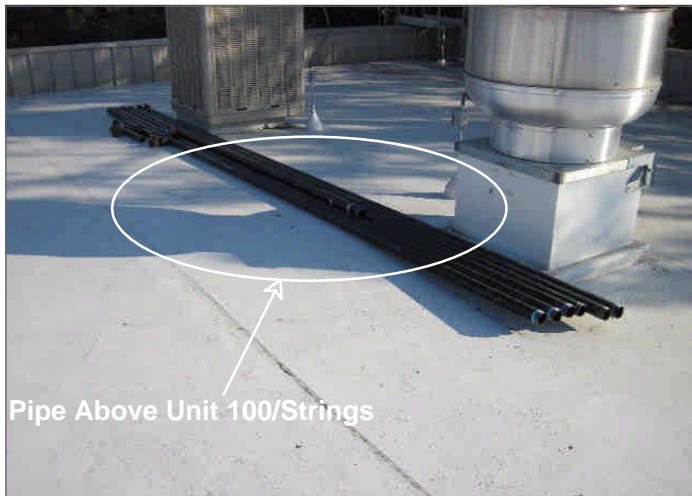
- 3.10 - There are one or more trees or shrub branches overhanging and or in contact with the roof. Tree branches may rub the roof surface during windy or stormy periods. This may result in damage to the roof coating/surface and may negatively impact the roofs service-life. I recommend that a qualified arborist trim the branches. Periodic maintenance will be required as well to maintain proper clearances. Additionally, a qualified roofing contractor should periodically inspect, clean and service the roof to insure trouble-free performance.



General Maintenance & Periodic Maintenance Item

- 3.11 - There is apparently abandoned/unused equipment, piping, etc. that should be removed. I recommend that the roof be cleared of any obstruction, debris etc as this may inhibit proper drainage. Any such areas should be made accessible and further evaluated by a qualified roofing contractor.

Abandoned Pipe Equipment - *Continued*



Gutters and Drainage

Components & Conditions Needing Service/Evaluation

- 3.12 - The roof drainage system/gutters/downspouts should be cleaned and serviced to insure proper drainage and flow. I recommend that a qualified trades person inspect, clean and service the gutters and roof periodically to insure trouble-free performance.

Plumbing Vents

Components & Conditions Needing Service/Evaluation

- 3.13 - The exposed roof area ABS vent pipes do not have a protective coating installed and should be serviced. ABS pipe is not designed for prolonged exposure to sunlight. This will lead to deterioration of the material. Generally speaking, the manufacturer will recommend a minimum of two coats of a latex based paint for UV protection. I recommend evaluation and service as needed by a qualified trades person.



Roof Mounted Accessories

Informational Comments & Conditions

- 3.14 - The evaluation of roof mounted equipment such as TV antennas, satellite dishes, etc is beyond our expertise and the scope of a home inspection. We specifically exclude these items from our inspection. Any comments made regarding these components is strictly for the convenience of the client.

- 3.15 - There are several satellite dishes or mount points on the roof. These components should be periodically inspected to insure that they are properly secured to the roof as the brackets and or cables may loosen or deteriorate over time. The connection points should be inspected as well, since any roof penetration may become a point of leakage.

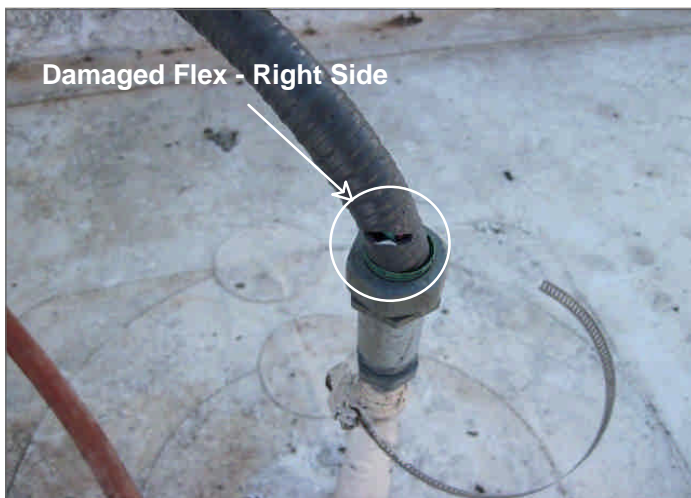
Electrical Components

Informational Comments & Conditions

- 3.16 - Portions of the cable/telephone/satellite low voltage wiring are laying on the on the roof and or appear inadequately secured/supported. All wiring should be properly supported to prevent movement and should be properly spaced off the roof surface to allow proper drainage. This installation may inhibit proper roof drainage and pose a safety/trip hazard. I recommend that a qualified trade specialist evaluate the installation and service as needed.

Components & Conditions Needing Service/Evaluation

- 3.17 - Portions of the electrical components/conduits appears inadequately secured/supported. Conduit should be properly supported to prevent movement. The conduit should be properly spaced off the roof surface to permit proper drainage. This may pose a safety /trip hazard. All electrical conduit should be secured at appropriate intervals using approved/listed fasteners. I recommend that a qualified electrician evaluate the installation and service as needed.
- 3.18 - There are one or more damaged electrical conduits on the roof. All electrical enclosures, cable and or conduits, etc must be free of damage and weather sealed. I recommend that a qualified electrician evaluate and service as necessary.



General Maintenance & Periodic Maintenance Item

- 3.19 - There are one or more damaged/missing receptacle covers. All service receptacles should be properly sealed to prevent moisture infiltration. All replacement covers should be exterior rated/In-Use covers. I recommend that a qualified electrician evaluate the installation and service as needed.

Tenant Roof Mounted Equipment

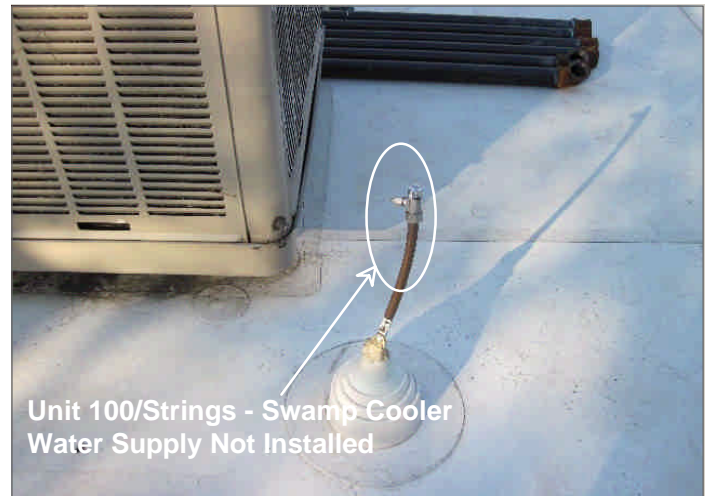
Informational Comments & Conditions

- 3.20 - There are various systems, components on the roof that are believed to be the responsibility of the Tenant(s). No evaluation was made of tenant owned property/trade fixtures. Any comments made are for the convenience of the client. Any issues should be addressed with the appropriate tenant.

Tenant - Disclaimed - *Continued*



Unit 100/Strings Walk-In Refrigerator
Condensing Unit - Cover Not Installed



Unit 100/Strings - Swamp Cooler
Water Supply Not Installed

Front Soffit Areas

Method of Evaluation

Informational Comments & Conditions

- 3.21 - The front soffit areas were evaluated by direct access. Due to obstructions and or clearance issues, not all areas were visible and accessible.

Access

Informational Comments & Conditions

- 3.22 - ACCESS LOCATIONS: Several at Front Parapet/Roof Overhang Ceiling, Roof A Number of Access Doors

Components & Conditions Needing Service/Evaluation

- 3.23 - One of the center roof access door locks are damaged and should be replaced/serviced. One of the roof access doors has been sealed and should be serviced as needed to ensure proper function. None of the roof access doors are weather sealed. Interested parties should consult with a qualified trades person for service.

Framing

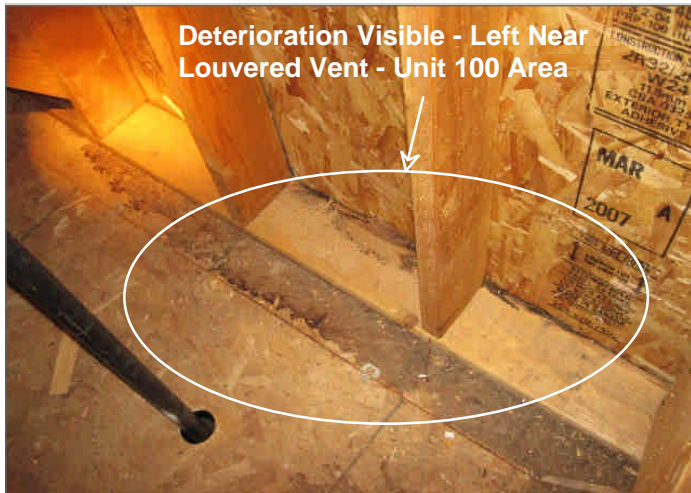
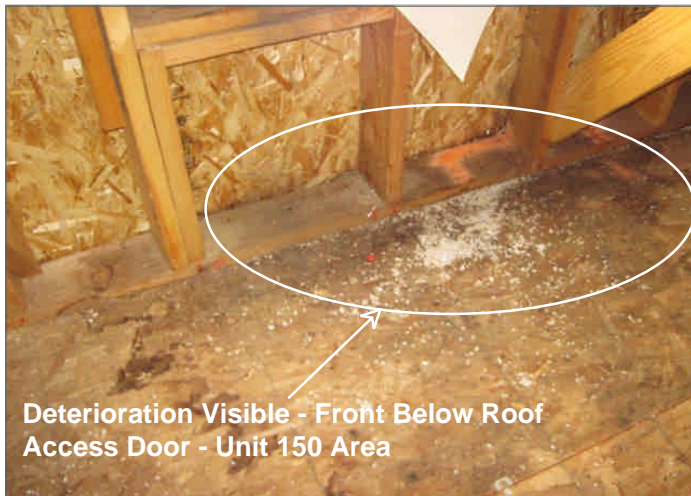
Informational Comments & Conditions

- 3.24 - NOTE: The evaluation of the framing installation was limited due to restricted access and or visibility. No representation can be made as to the condition in concealed and or inaccessible areas.

Components & Conditions Needing Service/Evaluation

- 3.25 - There is moisture related deterioration visible at several areas on the perimeter framing-sheathing. I recommend the exterior be fully evaluated and serviced as necessary by a qualified general and or roofing contractor.

There is moisture related deterioration visible at several areas on the perimeter framing-sheathing - *Continued*



Ventilation

Informational Comments & Conditions

- 3.26 - The ventilation appears limited/marginal at the front parapet/soffit extensions. Improper attic ventilation may contribute to excessive moisture and or other adverse conditions. Generally accepted construction standards require a minimum of 1 square foot of free vent area for each 150 square feet of attic floor area. Vent openings should be evenly distributed to allow cross ventilation. It is recommended that a qualified roofing contractor evaluate and modify the ventilation as needed to insure proper performance.

Pests

Safety Concern

- 3.27 - CLIENT ADVISORY: There are indications of vermin/rodent activity within the area. I am not qualified to determine whether these are older or recent in nature. It would be prudent to check all ventilation covers and all openings to insure that they are properly sealed. I suggest that licensed pest control operator be engaged to evaluate and service the area. These qualified specialists may suggest additional measures to control the problem. Please refer to the general site comments area for any further commentary.

Inspection Address: 111 Shop-Till You Drop Drive, Milpitas, CA 94403
Inspection Date/Time: 1/2/2012

Section 4.0 - Plumbing

The evaluation of the plumbing and fuel gas systems and the related components are made in accordance with CREIA Commercial standards of practice. This includes testing for the functional flow of fixtures and drains. Plumbing systems have common components but they are not uniform. The plumbing system includes fixtures, potable water supply pipes, and drain, waste and vent pipes. I do not test water shut-off valves, pressure regulators, pressure relief valves, etc. Fuel gas piping distribution systems are addressed here as well. This inspection excludes ancillary equipment such as water filtration or softener systems.

Water pressure is often confused with water flow or volume. High water volume is generally good, where excessively high water pressure is not. Whenever the utility water pressure exceeds 80 pounds per square inch (PSI) a pressure regulator should be installed. Regulators are typically factory preset between 45 and 65 PSI. High pressure may stress the fixture supply connections, clothes washers and or diaphragms in various components.

Sanitary waste/drain pipes use a variety of materials. Older pipes may use cast iron, galvanized pipes, clay tiles, or others that are made using a material like cardboard coated with tar. There are also modern plastic pipes, sometimes referred to as ABS. The condition of the drain pipes is generally related to their age. Most of the drain pipes are concealed, so I can only infer the condition of the pipes by observing the draw at the fixtures. Blockages will occur at some point in the life of any system. Blockages in the waste lines, and particularly in a main sewer line, can be costly to service. It is recommended that the main sewer line video scanned. A video scan would also confirm that the system is properly connected to the public sewer system.

Much of the drain, waste and vent and potable water supply pipes are concealed in the walls, floors, etc. In the case of slab foundations, portions are routed under the slab. In all cases, significant portions of the pipes are not visible. It is possible that issues with these pipes may go undetected for some time because they do not visually manifest themselves. While every reasonable effort is made to determine the condition of all systems evaluated, this inspection is a visual inspection and is not technically exhaustive. It would require a specialist with sophisticated equipment to test the hidden portions of these systems. Interested parties are encouraged to obtain a specialist's opinion, particularly in older properties where many of these systems may be nearing or even past what would be considered the typical service life of the materials involved.

Interested parties are advised to obtain the prior water usage records for the property. The water consumption for a dwelling will obviously vary with the occupants usage patterns and types of fixtures or systems installed, but the records may give clues to issues that might otherwise go undetected. For example, a sudden significant rise in water usage might indicate a leak in the underground portion of a pipe or it may simply be the result of installing a lawn sprinkler system. This is why it is important to ask the occupants about such issues as they often have the most intimate knowledge of the property and its unique conditions.

Potable Water Pipes

Water Meter

Informational Comments & Conditions

- 4.1 - UNIT METER LOCATION: Front Left/Center at Curb/Sidewalk.
- 4.2 - NOTE: It is suggested that the water meters and or shut-off valves for each unit be clearly labeled so that a unit may be shut down in an emergency or by service personnel.

Water Main Location

Informational Comments & Conditions

- LOCATION: The main water shut-off valves are located at the front of the building adjacent to the meters.
- LOCATION: There appear to be unit water shut-off valves located at the rear interior ceiling area of each unit.
- NOTE: It is suggested that the unit and main water shut-off valves be clearly labeled so that the dwelling and or a specific unit may be shut down in an emergency and or by service personnel.

Water Main Size and Material

Informational Comments & Conditions

- 4.6 - UNIT WATER SUPPLY: 1 1/2" For Three of the Units
MATERIAL: Copper
- 4.7 - UNIT WATER SUPPLY: 2" For Two of the Units
MATERIAL: Copper
- 4.8 - There is no visible protective wrap where the water pipe penetrates the concrete/flatwork. Pipe wrap is installed to prevent damage to the pipe due to expansion and or movement of the concrete. This area should be monitored for indications of movement and or leakage. Modifying the installation to ensure proper performance is recommended. Please consult with a qualified plumbing contractor for further information, evaluation and any necessary service.

Water Pressure

Functional Components & Conditions

- m 4.9 - The water flow observed at the fixtures tested appears to be adequate and within the range that would be considered acceptable flow in this area.

Informational Comments & Conditions

- 4.10 - I do not measure water flow per se. I use the generally accepted guidelines published by the Housing and Urban Development (HUD) as a rule of thumb. HUD guidelines indicate that the minimum acceptable flow from a faucet should be approximately 3.5 gallons per minute at 40 PSI (Pounds Square Inch) before flow restrictor/water conservation fixtures are installed. Any determination of the adequacy of flow is based on the visual appearance of the flow of water from a given fixture only.

Type of Material

Informational Comments & Conditions

- 4.11 - WATER SUPPLY PIPING MATERIAL: Copper & PEX (Cross-linked Polyethylene)

Water Supply Pipes

Functional Components & Conditions

- 4.12 - Except as may be noted elsewhere, the visible portions of the potable water supply pipes appear in serviceable condition. Please refer to the body of the report for additional observations and or recommendations.

Informational Comments & Conditions

- 4.13 - The interior wall finishes coverings preclude a complete evaluation of the water supply distribution system. No opinions are offered as to the conditions within concealed or inaccessible areas.
- 4.14 - Cross-linked polyethylene (PEX) is a high-temperature, flexible, polymer pipe. Cross-linking technology was first developed in Europe and has since come into use around the world for a variety of applications. PEX has a 30+ year history of successful use in the European market with extensive testing for durability and material performance. It was first introduced in North America in 1984 where it has been primarily used for radiant floor heating, and more recently, for domestic water distribution systems. It is approved for potable hot and cold water supply systems as well as hydronic heating systems in all model plumbing and mechanical codes across the United States and Canada.

The comparison of PEX to Polybutylene piping (PB) appears to be a major obstacle to mainstream acceptance by some code officials, trade contractors, and homeowners. All plastics are not the same, just as all metals are not the same. The fittings for PEX pipe are far more robust and reliable than those used for PB. A result of modern polymer technology, PEX piping performs in ways that provide superior reliability, durability, and safety. Also, current testing requirements for PEX are much more stringent than when PB piping was accepted and installed in residential construction.

PEX water piping materials are engineered systems. This means that all components used must be approved by the manufacturers and the all components must be installed in accordance with the manufacturers installation instructions. Deviations from the manufacturers instructions and or use of non-approved components may result in unpredictable system performance and may void any manufacturers warranties. In accordance with CREIA and generally accepted inspection standards, determining a given installations conformance with the manufacturers is excluded from the scope of work for this general property inspection. Interested parties desiring further evaluation and or information should consult with a qualified plumbing contractor trained in the installation requirements for this particular system.

- 4.15 - There are indications of modifications and or repairs to the water supply system at one or more areas. Interested parties should obtain copies of all relevant documentation, permits, etc related to the property. This documentation should confirm that all work was performed by a qualified trade specialists with appropriate jurisdictional oversight.

[FE] Further Evaluation Recommended

- 4.16 - There is a water hammer or an audible thumping/banging noise when one or more of the plumbing fixtures are operated. The noise is usually caused by a hydraulic phenomena similar to an echo. It may also be the result of improperly secured pipes. While it is generally only annoying, in

some situations it can result in damage to the pipes. Current plumbing standards require the installation of water hammer suppressors where this is an issue. Interested parties desiring further information or service should consult with a qualified plumber. Please refer to the body of the report for specific fixtures/location(s).

- 4.17 - There are no water hammer suppression devices visible at the laundry and or dishwasher water supply areas. Current plumbing standards require water hammer suppressors at appliances with quick-closing valves such as dishwashers, clothes washers, etc. Upgrading the installation to conform to current standards is recommended. Interested parties desiring further information or service should consult with a qualified plumber.
- 4.18 - The water supply was off to a number of plumbing fixtures and or they were being installed/serviced and could not be tested. Interested parties should independently confirm the proper operation of the fixtures. Please consult with a qualified plumbing contractor for additional information and or evaluation.

Waste and Drainage System

General Comments and Description

Informational Comments & Conditions

- The evaluation of the drain, waste and vent system is limited to viewing the visible portions of the piping. The active/accessible fixtures are tested by running water or flushing them and observing the draw and watching for blockages or slow drains. This evaluation is not conclusive. Only a video-scan of the drain system can determine the actual condition. It is recommended that the drain system be video-scanned to verify the condition of the drain lines. As is common, significant portions of the drain and vent system may be concealed inside walls, floors and are buried underground. No opinions are offered as to the conditions within concealed or inaccessible areas. Drain blockages will inevitably occur, usually relative in severity to the age of the system and will range from minor ones in the branch lines or at the fixture traps beneath sinks, tubs, and showers, to more significant blockages in the main line. Please consult with a qualified plumbing contractor should further information and or evaluation be necessary.

Type of Material

Informational Comments & Conditions

- 4.20 - DRAIN & VENT PIPING MATERIAL: ABS/PVC/Plastic

NOTE: Interior wall finishes and or accessibility issues prevent us from verifying the type and condition of the drain/vent system in all areas.

Drain Pipes Waste Pipes and Vent Pipes

Functional Components & Conditions

- 4.21 - Except as may be noted elsewhere, the draw observed at the fixture/drainpipes appeared to be adequate at the time of inspection. Please refer to the body of the report for additional observations and or recommendations. The functional flow of the drains/fixtures is tested using generally accepted property inspection water flow tests/procedures.

Informational Comments & Conditions

- 4.22 - The presence of multiple pipe materials in a property of this age is an indication of repairs or modifications. Interested parties should obtain copies of all relevant documentation, permits, etc related to this work that would confirm that the work was performed by a qualified trade specialist with appropriate jurisdictional oversight.
- 4.23 - CLIENT ADVISORY: Several Units are believed to have been unoccupied for an extended period of time. When properties are unoccupied and the drains are not used, any residual material in the drain pipes hardens. Once the property is occupied, portions of the material will dislodge and move further downstream. This creates potential points for drain blockages. Even though the drains may appear to function normally during an inspection, the possibility of drain blockages is higher than a property that is continuously occupied. As noted elsewhere, a video scan of the sewer drain system is the only proven method of evaluation. Interested parties desiring further information should consult with a qualified plumbing contractor.

- 4.24 - There is no visible back water prevention device installed on the sanitary sewer lines serving the property. This building may pre-date the requirement for this feature. Current standards generally require these devices where the sanitary sewer drains in the dwelling are above the adjacent street sewer line but are below the flood weir of the next upstream city manhole cover. Back water valves are installed in order to prevent a blockage at the city sewer lines from causing a back-up or flood the inside the living areas of the dwelling. Significant repairs/additions/modifications to the sanitary sewer lines may trigger a mandatory upgrade. I recommend upgrading the installation to bring it into conformance with current standards. Interested parties desiring further information should consult with the local authority having jurisdiction or a qualified plumbing contractor.
- 4.25 - Portions of the drain pipes for the dwelling are run under the slab. It is possible that issues may exist with concealed piping and go undetected for some time because they do not visually manifest themselves. Every reasonable effort to determine the condition of the systems evaluated. The evaluation of the property is a limited visual inspection and is not technically exhaustive. It would require specialized equipment and a trained specialist to test the hidden portions of these systems, all of which is beyond my expertise and the scope of this inspection. Interested parties are encouraged to consult with a qualified specialist for additional information, A video scan of the sewer system is recommended. This is particularly important on older properties where many of these components may be nearing or even past what would be considered the typical design life of the materials.
- 4.26 - Some of the floor drains and or other infrequently used drains have no apparent trap maintenance/primer devices installed. The P-trap installed at a plumbing fixtures is designed to hold some discharge water in the trap - this is to prevent sewer gases, etc from entering the habitable spaces. Trap maintenance/primer devices are designed to inject small amounts of water into the traps on seldom used plumbing fixtures - such as floor drains - to prevent them from drying out. Current plumbing standards require these devices on new installations. I suggest upgrading the installations as repairs or renovations are undertaken. Interested parties desiring further information should consult with a qualified plumbing contractor.
- 4.27 - NOTE: There are one or more areas in Unit Six where ABS and PVC drain pipes and or fittings have been directly glued together. Any direct glue connections must be made using special glues. Improper glue joints are subject to leakage/failure. Connections between dissimilar materials should always be made using specifically approved means. It is suggested that a qualified plumbing contractor verify the appropriateness of the connection(s) and service as necessary.

Components & Conditions Needing Service/Evaluation

- 4.28 - There is an unsealed drain or vent pipe in Unit 110 that should be serviced. This will allow noxious odors/airborne bacteria to vent into the garage/living space. I recommend that a qualified plumbing contractor evaluate and service as needed.

[FE] Further Evaluation Recommended

- 4.29 - One or more fixture drains are slow/blocked. It is recommend that a qualified plumbing contractor evaluate and service any drains with flow issues as needed. Please refer to the body of the report for specific locations and or conditions.
- 4.30 - The main drainpipe runs a considerable distance from the building to the point where it would connect to the public sewer. Interested parties should inquire of the occupants/sellers as to any prior blockages/issues with the main sanitary sewer drain system. It is suggested that the sanitary sewer system be video-scanned as that is the only proven method of determining the actual condition of the drain pipes and or system. No opinions can be offered as to the conditions within concealed and or inaccessible areas. Interested parties should consult with a qualified plumbing contractor for further information and or evaluation.
- 4.31 - There is exposed/inadequately protected ABS plastic drain piping visible at the roof area. ABS pipe is not designed for prolonged exposure to sunlight. Exposure to ultra-violet light will lead to accelerated deterioration of any exposed portions of pipe. I suggest properly painting/sealing or service of the exposed sections by a qualified trades person.

Waste Clean-Out Location

Informational Comments & Conditions

- MAIN CLEANOUTS LOCATED AT: Front Parking/Drive Area

MAIN CLEANOUTS LOCATED AT: Restrooms, Unit 100, Unit 120

NOTE: Due to restricted access, exterior flatwork, site grading, etc, I may not have located all the sewer clean-outs in the dwelling. Interested parties should consult with the occupants and or a qualified plumbing contractor for additional information.

Fuel Gas System

Fuel Supply

Informational Comments & Conditions

4.35 - Fuel Gas Type: Utility Metered Natural Gas

Gas Meters

Informational Comments & Conditions

4.36 - The gas service for the units in this building appear to be individually metered.

4.37 - Per the label on the meters, Unit 1 & 7 appear to have a maximum capacity of 800 cubic feet per hour or roughly 800,000 BTU's.

4.38 - Per the label on the meter, Unit 2 appears to have a maximum capacity of 250 cubic feet per hour or roughly 250,000 BTU's.

4.39 - Per the label on the meters, Units 3,4,5 appear to have a maximum capacity of 275 cubic feet per hour or roughly 275,000 BTU's.

Water Heater - Unit 100

General Electric Water Heater Comments

Informational Comments & Conditions

There are a wide variety of electric water heaters that range in capacity from fifteen to one hundred gallons. They can be expected to last at least as long as their warranty, or from five to eight years, but they will generally last longer. However, few of them last longer than fifteen or twenty years and many eventually leak. So it is wise to have them installed over a drain pan, and preferably plumbed to the exterior. Also, they can be dangerous if they are not seismically secured and equipped with a pressure/temperature relief valve and discharge pipe plumbed to the exterior.

Age Capacity Location & General Information

Informational Comments & Conditions

4.41 - MANUFACTURER: AO Smith

4.42 - Fuel Source & Type: Utility Metered Electric Power

4.43 - CAPACITY: 80 Gallons/Per Label

4.44 - LOCATION: Kitchen/Rear Wall

4.45 - ESTIMATED AGE: 4 Year Old

4.46 - The area around the water heater should not be used for storage. Proper clearances should be maintained around all appliances to ensure proper air-flow and allow for adequate service access.

General Maintenance & Periodic Maintenance Item

4.47 - It is recommended that all water heaters be flushed per the manufacturers instructions annually to forestall sediment build-up in the tank. For information on recommended service for your hot water heater please refer to the manufacturers instruction booklet. I have found the information available at www.waterheaterrescue.com to be useful.

Electrical Connections

Informational Comments & Conditions

4.48 - The electrical connection to the water heater appears properly installed for the apparent period of construction.

4.49 - The required electrical disconnect for the water heater appears to be supplied using the sub panel breaker. Generally accepted electrical standards require that the disconnect be within line of sight of the system,.

Water Shut-Off Valve and Connectors

Informational Comments & Conditions

- 4.50 - RECOMMENDED PROPERTY UPGRADE: The water connectors to the water heater are installed using rigid supply pipe material. Rigid connections may be subject to damage/failure during a seismic event. I suggest that the connections be upgraded to flexible connectors as a property upgrade. Interested parties desiring further information and or service should consult with a qualified plumbing contractor.

Pressure Release Valve and Discharge Pipe

Functional Components & Conditions

- m 4.51 - The water heater is equipped with the mandated pressure-temperature relief valve that appears to terminate at the exterior as required.

Safety Concern

- q 4.52 - The discharge drain terminates horizontally. For safety reasons, the discharge drain from the pressure relief valve on the water heater should terminate directing any flow downward and terminate at a point no more than twenty-four inches above grade and no closer than six inches to it. Interested parties should consult with a qualified plumbing contractor for additional information and or service.

Drain Valve

Informational Comments & Conditions

- 4.53 - There is a drain valve installed on the water heater. The operation of the valve was not verified as part of this inspection. The water heater should be flushed per the manufacturers instructions to forestall sediment build-up in the tank. Flushing the water heater usually involves connecting a garden hose from the drain valve to the exterior or a sink. The system would be flushed by opening the valve for a period of time. This flushes sediment build-up out of the tank. For information on any recommended service for this specific hot water heater, please refer to the manufacturers instruction booklet.

Drip Pan and Overflow Pipe

Informational Comments & Conditions

- 4.54 - The water heater is not equipped with a drip pan or overflow pipe, which is designed to minimize water damage from a leak. Current plumbing standards would require the installation of a "smitty" drip pan whenever a water heater is installed inside the living space, over any material subject to moisture deterioration and or may recommend the use of a stand that is not subject to moisture deterioration such as metal. Interested parties are encouraged to upgrade the current installation to conform to current standards as a property upgrade. Please consult with a qualified plumbing contractor for any necessary service.

Water Heater Stand

Functional Components & Conditions

- m 4.55 - The water heater stand is a manufactured metal type and appears functional.

Seismic Straps

Functional Components & Conditions

- m 4.56 - The water heater appears adequately strapped/seismically secured. In accordance with current requirements, all water heaters should be strapped to resist horizontal displacement in a seismic event. In the opinion of the inspector, the installed restraints should perform as intended. Local interpretations of these requirements may vary, please consult the authority having jurisdiction for any specific local requirements.

Bonding Connection

Components & Conditions Needing Service/Evaluation

- 4.57 - There is no electrical bonding connection/jumper visible at the water heater as required. Current safety standards require that the metal piping systems be electrically bonded/interconnected. Please refer to the Electrical section for additional information. I recommend that a qualified electrical contractor verify proper systems bonding or service as needed to ensure the proper/safe operation of the system.

Expansion Tank

Informational Comments & Conditions

- 4.58 - There is a pressure regulator and an expansion tank installed on the water supply piping system, as recommended. Generally speaking, when a pressure regulator is installed on the water supply system, either the pressure regulator should have an integral by-pass valve installed or an expansion tank should be installed. A pressure regulator with no by-pass feature will only allow water to flow into the dwelling system and not out. As the water temperature rises in the water heater, the water expands creating a rise in water pressure. With no expansion tank, the pressure on the interior pipes, supply hoses and fittings, etc will rise. An expansion tank is installed to allow for this to occur without placing undo stress on the system. Interested parties desiring further information should consult with a qualified plumbing contractor.

Water Heater - Unit 120

General Electric Water Heater Comments

Informational Comments & Conditions

- There are a wide variety of electric water heaters that range in capacity from fifteen to one hundred gallons. They can be expected to last at least as long as their warranty, or from five to eight years, but they will generally last longer. However, few of them last longer than fifteen or twenty years and many eventually leak. So it is wise to have them installed over a drain pan, and preferably plumbed to the exterior. Also, they can be dangerous if they are not seismically secured and equipped with a pressure/temperature relief valve and discharge pipe plumbed to the exterior.

Age Capacity Location & General Information

Informational Comments & Conditions

- 4.60 - MANUFACTURER: AO Smith
- 4.61 - Fuel Source &Type: Utility Metered Electric Power
- 4.62 - CAPACITY: 50 Gallons/Per Label
- 4.63 - LOCATION: Rear Left Corner
- 4.64 - ESTIMATED AGE: 4 Year Old
- 4.65 - The area around the water heater should not be used for storage. Proper clearances should be maintained around all appliances to ensure proper air-flow and allow for adequate service access.

General Maintenance & Periodic Maintenance Item

- 4.66 - It is recommended that all water heaters be flushed per the manufacturers instructions annually to forestall sediment build-up in the tank. For information on recommended service for your hot water heater please refer to the manufacturers instruction booklet. I have found the information available at www.waterheaterrescue.com to be useful.

Electrical Connections

Informational Comments & Conditions

- 4.67 - The required electrical disconnect for the water heater appears to be supplied using the sub panel breaker. Generally accepted electrical standards require that the disconnect be within line of sight of the system,.

Components & Conditions Needing Service/Evaluation

- q 4.68 - Per the manufacturers label, the circuit protection for the unit appears to be oversized for the rated electrical load. This may result in damage and or pose a fire-safety hazard in the event of a malfunction. It is important that the circuit protection - be it circuit breakers or fuses - be appropriately sized in order to ensure the safe operation of the system. I recommend that a qualified electrical contractor further evaluate and service the installation as may be necessary.

Water Shut-Off Valve and Connectors

Functional Components & Conditions

- 4.69 - The hot and cold water supply connections at the water heater appear serviceable. No indications of moisture/leakage were apparent. The required cold water supply shut-off valve is installed but was not tested.

Pressure Release Valve and Discharge Pipe

Functional Components & Conditions

- m 4.70 - The water heater is equipped with the mandated pressure-temperature relief valve that appears to terminate at the exterior as required.

Safety Concern

- q 4.71 - The discharge drain terminates horizontally. For safety reasons, the discharge drain from the pressure relief valve on the water heater should terminate directing any flow downward and terminate at a point no more than twenty-four inches above grade and no closer than six inches to it. Interested parties should consult with a qualified plumbing contractor for additional information and or service.

Drip Pan and Overflow Pipe

Informational Comments & Conditions

- 4.72 - The water heater is installed over a "smitty"/drip pan as required. The drain appears to terminate at an exterior or other appropriate location. Pans are intended to limit water damage should a leak occur. Even with a pan installed, the water heater should be monitored for any signs of leakage.

Water Heater Stand

Informational Comments & Conditions

- 4.73 - The water heater stand is a manufactured metal type and appears functional. However, it does not appear to be secured to the floor as generally required to prevent displacement in a seismic event. I suggest that a qualified tradesperson properly secure the stand as necessary.

Seismic Straps

Components & Conditions Needing Service/Evaluation

- q 4.74 - The water heater seismic straps will require adjustment or service to perform as required. The upper strap may damage the electrical connection/box in an earthquake. The water heater is required to be strapped in accordance with current state and local seismic safety standards prior to the close of escrow. I recommend that a qualified plumbing contractor service the seismic restraints as needed to insure proper performance and full compliance with current seismic safety standards.

[FE] Further Evaluation Recommended

- 4.75 - The seismic straps should be tightened to ensure that they function as intended. Interested parties desiring further information and or service should consult with a qualified trades person.

Bonding Connection

Components & Conditions Needing Service/Evaluation

- 4.76 - There is no electrical bonding connection/jumper visible at the water heater as required. Current safety standards require that the metal piping systems be electrically bonded/interconnected. Please refer to the Electrical section for additional information. I recommend that a qualified electrical contractor verify proper systems bonding or service as needed to ensure the proper/safe operation of the system.

Water Heater - Unit 130

General Electric Water Heater Comments

Informational Comments & Conditions

- There are a wide variety of electric water heaters that range in capacity from fifteen to one hundred gallons. They can be expected to last at least as long as their warranty, or from five to eight years, but they will generally last longer. However, few of them last longer than fifteen or twenty years and many eventually leak. So it is wise to have them installed over a drain pan, and preferably plumbed to the exterior. Also, they can be dangerous if they are not seismically secured and equipped with a pressure/temperature relief valve and discharge pipe plumbed to the exterior.

Age Capacity Location & General Information

Informational Comments & Conditions

- 4.78 - MANUFACTURER: State Corporation
→ 4.79 - Fuel Source &Type: Utility Metered Electric Power
→ 4.80 - CAPACITY: 40 Gallons/Per Label
→ 4.81 - LOCATION: Rear Area/Above Ceiling
→ 4.82 - ESTIMATED AGE: 10 Years Old
→ 4.83 - The area around the water heater should not be used for storage. Proper clearances should be maintained around all appliances to ensure proper air-flow and allow for adequate service access.

General Maintenance & Periodic Maintenance Item

- 4.84 - It is recommended that all water heaters be flushed per the manufacturers instructions annually to forestall sediment build-up in the tank. For information on recommended service for your hot water heater please refer to the manufacturers instruction booklet. I have found the information available at www.waterheaterrescue.com to be useful.

Electrical Connections

Components & Conditions Needing Service/Evaluation

- q 4.85 - There is no service disconnect at the water heater. Generally accepted electrical and plumbing standards require that the system have a service disconnect within line of sight of the appliance, but no more than 50 feet away. Certain jurisdictions may allow the use of permanently installed lock-out-type breakers at the electrical panel. This is required to insure the safety of service personal. The current installation appears inconsistent with the standards on effect at the time of apparent installation. I recommend that a qualified plumbing and or electrical contractor evaluate the installation and service as necessary to bring it into full conformance with appropriate standards.

Pressure Release Valve and Discharge Pipe

Informational Comments & Conditions

- 4.86 - The TPR discharge pipe appears to share the drain/discharge connection with the safety pan drain. While this may have been an acceptable practice at one time, current standards would require that the TPR and the safety pan drains be plumbed independently. I suggest that a qualified plumbing contractor modify the installation to bring it into conformance with current standards.

Drain Valve

Informational Comments & Conditions

- 4.87 - There is a drain valve installed on the water heater. The operation of the valve was not verified as part of this inspection. The water heater should be flushed per the manufacturers instructions to forestall sediment build-up in the tank. Flushing the water heater usually involves connecting a garden hose from the drain valve to the exterior or a sink. The system would be flushed by opening the valve for a period of time. This flushes sediment build-up out of the tank. For information on any recommended service for this specific hot water heater, please refer to the manufacturers instruction booklet.
- 4.88 - Any dripping or leakage at the drain valve may result in damage. Due to the location, I recommend capping the drain valve as a precaution. Interested parties desiring further information and or service should consult with a qualified plumbing contractor.

Drip Pan and Overflow Pipe

Informational Comments & Conditions

- 4.89 - The TPR discharge pipe appears to share the drain/discharge connection with the pan drain. While this may have been an acceptable practice at one time, current standards would require that the TPR and the safety pan drains be plumbed independently. I suggest that a qualified plumbing contractor modify the installation to bring it into conformance with current standards.

Seismic Straps

Components & Conditions Needing Service/Evaluation

- q 4.90 - The water heater sits away from the wall and no seismic restraint blocks or struts are installed. This installation may permit the unit to move during a seismic event which creates a potentially unsafe condition. Current requirements call for the water heater restraints installed to be sufficient to resist lateral and horizontal displacement in a seismic event. Please refer to the local authority having jurisdiction and or the California Office of State Architects for approved guidelines for water heater seismic strapping and for examples of acceptable methods. Additionally, the manufacturers listing requirements may call for the use of non-combustible blocking materials. The listing requirements for this unit should be confirmed and adhered to with regards to clearances to combustible materials. I recommend that a qualified plumbing contractor install appropriate blocking materials and or other restraints as needed to bring the installation into compliance with current seismic safety standards prior to the close of escrow.

Bonding Connection

Components & Conditions Needing Service/Evaluation

- 4.91 - There is no electrical bonding connection/jumper visible at the water heater as required. Current safety standards require that the metal piping systems be electrically bonded/interconnected. Please refer to the Electrical section for additional information. I recommend that a qualified electrical contractor verify proper systems bonding or service as needed to ensure the proper/safe operation of the system.

Water Heater - Unit 150

General Gas Water Heater Comments

Informational Comments & Conditions

- CLIENT ADVISORY: There was no water heating system installed at the time of inspection. I recommend that a qualified plumbing contractor verify the appropriateness of the installation once complete.

Water Heater - Unit 160

General Gas Water Heater Comments

Informational Comments & Conditions

- There are a wide variety of gas water heaters that range in capacity from 15 to 150 gallons. Gas water heaters are generally expected to last at least as long as the warranty and as much as 12-15 years. Some may last longer. All water heaters should be seismically secured and equipped with either a temperature-pressure relief valve or a Watts 210 gas shut-off valve. It is beyond the scope of this inspection to verify that the system is installed in conformance with the manufacturers installation requirements and or conforms to code requirements.

Age Capacity Location & General Information

Informational Comments & Conditions

- 4.94 - MANUFACTURER: AO Smith
- 4.95 - Fuel Source &Type: Utility Metered Natural Gas/High Efficiency Gas
- 4.96 - LOCATION: Kitchen/Rear Exterior Wall
- 4.97 - ESTIMATED AGE: Newer - Not Verified
- 4.98 - The area around the water heater should not be used for storage. Proper clearances should be maintained around all appliances to ensure proper air-flow and allow for adequate service access.
- 4.99 - The water heater is a high efficiency type with electronic ignition and a motorized damper system. These water heaters are among the most energy efficient models made. However, they are complex devices. I recommend becoming familiar with the manufacturers operating and or maintenance instructions.
- 4.100 - The area around the water heater was partially obstructed and or blocked by stored personal items, etc at the time of inspection. I recommend keeping the area around the water heater clear and accessible in case of emergency.

Electrical Connections

Informational Comments & Conditions

- 4.101 - The electrical connection to the water heater appears properly installed for the apparent period of construction.

Gas Appliance Vent and Termination

Functional Components & Conditions

- m 4.102 - The ABS/PVC plastic high-efficiency vent pipe appears functional.

Water Shut-Off Valve and Connectors

Functional Components & Conditions

- 4.103 - The hot and cold water supply connections at the water heater appear serviceable. No indications of moisture/leakage were apparent. The required cold water supply shut-off valve is installed but was not tested.

Pressure Release Valve and Discharge Pipe

Functional Components & Conditions

- m 4.104 - The water heater is equipped with the mandated pressure-temperature relief valve that appears to terminate at the exterior as required.

Safety Concern

- q 4.105 - The discharge drain terminates horizontally. For safety reasons, the discharge drain from the pressure relief valve on the water heater should terminate directing any flow downward and terminate at a point no more than twenty-four inches above grade and no closer than six inches to it. Interested parties should consult with a qualified plumbing contractor for additional information and or service.

Gas Shut-Off Valve and Connector

Safety Concern

- q 4.106 - The gas shut-off valve for the appliance is not readily accessible which may make it difficult to access in an emergency. It is suggested that the installation be modified/relocated to insure proper accessibility as a safety upgrade to the property. Interested parties should consult with a qualified plumbing contractor for further information and or service.

Combustion Air Supply

Functional Components & Conditions

- m 4.107 - The high efficiency water heater derives all combustion air from the exterior. The PVC/ABS combustion air supply installation to the furnace appears to provide adequate combustion air to the system.

Combustion Chamber

Informational Comments & Conditions

- 4.108 - The combustion chambers on high efficiency/direct vent water heaters are typically sealed and not accessible. Consequently, the combustion chamber could not be evaluated.

Drain Valve

Informational Comments & Conditions

- 4.109 - There is a drain valve installed on the water heater. The operation of the valve was not verified as part of this inspection. The water heater should be flushed per the manufacturers instructions to forestall sediment build-up in the tank. Flushing the water heater usually involves connecting a garden hose from the drain valve to the exterior or a sink. The system would be flushed by opening the valve for a period of time. This flushes sediment build-up out of the tank. For information on any recommended service for this specific hot water heater, please refer to the manufacturers instruction booklet.

Seismic Straps

Components & Conditions Needing Service/Evaluation

- q 4.110 - The water heater sits away from the wall and no seismic restraint blocks or struts are installed. This installation may permit the unit to move during a seismic event which creates a potentially unsafe condition. Current requirements call for the water heater restraints installed to be sufficient to resist lateral and horizontal displacement in a seismic event. Please refer to the local authority having jurisdiction and or the California Office of State Architects for approved guidelines for water heater seismic strapping and for examples of acceptable methods. Additionally, the manufacturers listing requirements may call for the use of non-combustible blocking materials. The listing requirements for this unit should be confirmed and adhered to with regards to clearances to combustible materials. I recommend that a qualified plumbing contractor install appropriate blocking materials and or other restraints as needed to bring the installation into compliance with current seismic safety standards prior to the close of escrow.

Bonding Connection

Components & Conditions Needing Service/Evaluation

- 4.111 - There is no electrical bonding connection/jumper visible at the water heater as required. Current safety standards require that the metal piping systems be electrically bonded/interconnected. Please refer to the Electrical section for additional information. I recommend that a qualified electrical contractor verify proper systems bonding or service as needed to ensure the proper/safe operation of the system.

Condensate Drain

Informational Comments & Conditions

- 4.112 - I was unable to positively verify termination point for the condensate discharge pipe. Not all areas of the perimeter were accessible and or visible. Interested parties should consult with the occupants and or a qualified plumbing contractor for further information.

Section 5.0 - Electrical

We evaluate electrical systems in accordance with CREIA and industry standards of practice, which includes identifying the type and capacity of the service, and evaluating panels, overload conductors, wires, panel grounds, and a representative number of switches and outlets. However, there are a wide variety of electrical systems with an equally wide variety of components, and any one particular system may not conform to current standards or provide the same degree of service and safety. We are generalists and not specialists. In compliance with industry standards, we do not perform load-calculations to determine if the supply meets the demand of the household. It is essential that any service recommendations or upgrades recommendations that we make should be further evaluated by specialist well before the close of escrow. They may well provide further evaluation, information, price quotes, et cetera and may well identify additional defects and or recommend further upgrades, the scope and price of which could affect your evaluation of the property.

Main Panel

General Comments

Informational Comments & Conditions

- All exterior electrical panels should be weatherproof, readily accessible, and have a minimum of 36 inches of clear space in front of them for service. Main panels should have a service disconnect. Every circuit in the panel should be clearly labeled as to purpose in a way that does not change over time. The accuracy of the circuit labeling was not verified.
- The main electrical service for this dwelling is part of a larger panel/enclosure. This type of panel is sealed by PG&E and is not accessible. The evaluation of the interior portions of this panel are excluded from the scope of this inspection. No opinions are offered as to the conditions within inaccessible or concealed areas.

Electrical Service Entrance

Informational Comments & Conditions

- 5.3 - TYPE: LATERAL/Underground Service
NOTE: The main service conductor lines are run underground, or part of a lateral service entrance. This is typical of a modern electrical service installation. Since the service lines are run underground and are not visible, no evaluation was made.

Meters

Informational Comments & Conditions

- 5.4 - The electrical power to the units appears to be separately metered.
- 5.5 - There appears to be a separate electric meter for the common areas of this dwelling.
- 5.6 - The electric meters/service panels should be clearly and permanently labeled as to the areas and or units that they serve to facilitate an orderly shut-down for service or in an emergency.

Electric Panel Enclosure

Functional Components & Conditions

- m 5.7 - The exterior enclosure and door(s) are serviceable.

Size and Location

Informational Comments & Conditions

- LOCATION: Rear Right Side Exterior
- PANEL SIZE: 2500 Amp, 208 VAC, 3 Phase
- NOTE: The panel capacity is an estimate only based on the apparent rating of the panel. Interested parties desiring further information may wish to consult with a qualified electrician regarding this issue.
- NOTE: Per the manufacturers label, the main panel is designed for a maximum Short Circuit Rating Ampacity of: 100,000 Amps.

It is recommended that the local utility maximum fault current be verified. Panels with short circuit ratings that are less than that available from the utility are subject to damage should a significant fault current event occur. Any under-rated panels may require replacement should electrical work be performed on the property.

The short circuit rating of the breakers installed in the panel could not be verified.

Main Panel

Informational Comments & Conditions

- 5.12 - The electrical circuit labeling does not appear to conform to current standards. Generally accepted electrical safety standards require that ALL circuits be clearly identified so that in an emergency the appropriate circuit can be readily identified. Circuit labeling should clearly identify the system or area served in a manner that will not change over time; i.e. Blue Bedroom versus Rear Left Bedroom. The labels should be permanent. Interested parties should consult with a qualified electrical contractor for service.
- 5.13 - NOTE: There was no visible breaker trip/calibration log at the panel area. In general, the breakers in this type of panel require periodic testing and re-calibration. Interested parties should consult with a qualified electrical contractor for further information and or evaluation.

Grounding

Informational Comments & Conditions

- 5.14 - The main electrical panel appears to be grounded to the foundation steel, also known also as a UFER ground. However, the wall coverings prevented us from positively verifying this.

Unit Service Panels

Size and Location

Informational Comments & Conditions

- LOCATION: Unit Service At Main Service
LAELED: Unit A/Assumed Unit 100
SIZE: 400 Amp, 208 VAC 3 Phase
- LOCATION: Unit Service At Main Service
LAELED: Unit B/Assumed Unit 110
SIZE: 250 Amp, 208 VAC 3 Phase
- LOCATION: Unit Service At Main Service
LAELED: Unit C/Assumed Unit 120
SIZE: 250 Amp, 208 VAC 3 Phase
- LOCATION: Unit Service At Main Service
LAELED: Unit F/Assumed Unit 130
SIZE: Unknown Amp, 208 VAC 3 Phase
- LOCATION: Unit Service At Main Service
LAELED: Unit D/Assumed Unit 140
SIZE: 250 Amp, 208 VAC 3 Phase
- LOCATION: Unit Service At Main Service
LAELED: Unit E/Assumed Unit 150
SIZE: 250 Amp, 208 VAC 3 Phase
- LOCATION: Unit Service At Main Service
LAELED: Unit F/Assumed Unit 150
SIZE: 400 Amp, 208 VAC 3 Phase
- LOCATION: Unit Service At Main Service
LAELED: Unit G/Assumed Unit 160
SIZE: 400 Amp, 208 VAC 3 Phase
- LOCATION: Unit Service At Main Service
LAELED: House
SIZE: 100 Amp, 208 VAC 3 Phase

Sub Panels - Unit 100

Size and Location

Informational Comments & Conditions

- LOCATION: Rear Kitchen/Exterior Wall
- P1 SIZE: 400 Amp, 208 VAC 3 Phase
- P2 SIZE: 200 Amp, 208 VAC 3 Phase/Estimate
- NOTE: The panel capacity is an estimate only based on the apparent rating of the over current protection device that appears to protect this panel. Interested parties desiring further information may wish to consult with a qualified electrician regarding this issue.

Sub Panel

Safety Concern

- 5.27 - The electrical panel is installed with inadequate service clearances. Current electrical safety standards require a minimum of 36 inches of clear space in front of the panel and 30 inches across the panel. This is to facilitate service or an emergency disconnect. I recommend modifying the installation as needed to insure full conformance with current standards. Interested parties desiring further information should consult with a qualified electrical contractor.

[FE] Further Evaluation Recommended

- 5.28 - CLIENT ADVISORY: The electrical circuit labeling does not appear to conform to current standards. Generally accepted electrical safety standards require that ALL circuits be clearly identified so that in an emergency the appropriate circuit can be readily identified. Circuit labeling should clearly identify the system or area served in a manner that will not change over time; i.e. Blue Bedroom versus Rear Left Bedroom. The labels should be permanent. Interested parties should consult with a qualified electrical contractor for service.
- 5.29 - The panel has one or more open knockout holes and or improperly sealed openings at the panel interior. All such openings should be properly sealed to preclude pest entry and prevent the spread of a fire should one occur inside the box. Interested parties should consult with a qualified electrical contractor for any necessary service.

Exterior Cover Panel

Functional Components & Conditions

- 5.30 - The exterior electrical panel covers are in acceptable condition.

Wiring

Informational Comments & Conditions

- 5.31 - There are one or more improperly color coded circuits in the panel enclosure. By convention, black/red/blue wires are conductors. A white wire is always a neutral wire and green/bare copper is the ground. This is done for the safety of service personnel working on the electrical system. I suggest that the installation be modified to conform to electrical safety standards. Interested parties desiring further information should consult with a qualified electrical contractor.
- [FE] Further Evaluation Recommended
- 5.32 - One of the feeder cables/wires do not appear fully engaged at the panel lug. In general, stranded wire should be properly seated under the lug to ensure a proper electrical connection. Interested parties should consult with a qualified electrical contractor for further information and or service.

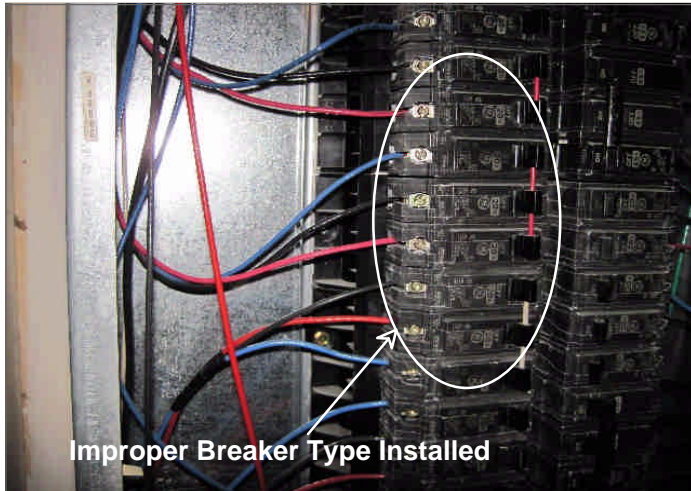
Circuit Protection

Informational Comments & Conditions

- 5.33 - NOTE: There are one or more 208 VAC circuits that appear to be served by two single pole breakers. Generally accepted electrical safety standards require that a 220 VAC over current protection device trip both legs of the circuit if there is a fault in one. The tie bar installed at the breakers does not appear to be a type approved for this application. In general, the use of wire, nails, etc as a tie bar is not allowed. Interested parties should consult with a qualified electrician for further information and or service.

Components & Conditions Needing Service/Evaluation

- q 5.34 - Several of the 3 Phase circuits appear improperly installed using 3 single pole 120 VAC breakers. This installation is improper as it would allow one "leg" of 3 Phase circuit to trip while allowing the remaining "leg" to remain energized. Generally accepted electrical safety standards require that 3 Phase type circuits be protected with listed breakers and that the breakers terminate power to all legs should an overload, fault, etc occur. I recommend that a qualified electrician evaluate and service as necessary.



[FE] Further Evaluation Recommended

- 5.35 - One or more circuit breakers installed in the panel may not listed/approved for use in this enclosure. In general, the panel and the circuit breakers must be listed for use with each other. Generally, this means that installing breakers from one manufacturer in another brand of panel is improper - even though they may appear to "fit". Verifying the conformance of a given installation with the manufacturers installation instructions and or listing is outside the scope of this limited property inspection. I recommend that a qualified electrical contractor evaluate the installation and service the installation as needed.

Grounding

Functional Components & Conditions

- m 5.36 - The main panel ground appears properly installed.

Sub Panel - Unit 110

Size and Location

Informational Comments & Conditions

- LOCATION: Rear Exterior Wall
→ SIZE: 225 Amp, 208 VAC 3 Phase/Estimate Based on Panel Rating

Sub Panel

Informational Comments & Conditions

- 5.39 - CLIENT ADVISORY: The sub panel was live/energized. The panel covers could not be removed without risking power disruption to the tenant occupied unit. No opinions are offered as to the conditions within concealed areas.

Sub Panel - Unit 120

Size and Location

Informational Comments & Conditions

- LOCATION: Rear Exterior Wall
- SIZE: 225 Amp, 208 VAC 3 Phase/Estimate Based on Panel Rating

Sub Panel

Informational Comments & Conditions

- 5.42 - CLIENT ADVISORY: The sub panel was live/energized. The panel covers could not be removed without risking power disruption to the tenant occupied unit. No opinions are offered as to the conditions within concealed areas.

Sub Panel - Unit 130

Size and Location

Informational Comments & Conditions

- LOCATION: Rear Exterior Wall
- SIZE: 225 Amp, 208 VAC 3 Phase/Estimate Based on Panel Rating

Sub Panel

Informational Comments & Conditions

- 5.45 - CLIENT ADVISORY: The sub panel was live/energized. The panel covers could not be removed without risking power disruption to the tenant occupied unit. No opinions are offered as to the conditions within concealed areas.

Sub Panel - Unit 140

Size and Location

Informational Comments & Conditions

- LOCATION: Rear Exterior Wall
- SIZE: 225 Amp, 208 VAC 3 Phase/Estimate Based on Panel Rating

Sub Panel

Informational Comments & Conditions

- 5.48 - CLIENT ADVISORY: The sub panel was live/energized. The panel covers could not be removed without risking power disruption to the tenant occupied unit. No opinions are offered as to the conditions within concealed areas.

Sub Panel - Unit 150

Size and Location

Informational Comments & Conditions

- LOCATION: Rear Exterior Wall
- SIZE: 400 Amp, 208 VAC 3 Phase/Estimate Based on Breaker Rating

Sub Panel

Informational Comments & Conditions

- 5.51 - The electrical panel does not appear to be an original installation. When an electrical panel is replaced/installed a building permit and inspection is required. Interested parties are encouraged to obtain copies of all installation documentation and a full permit history for the property. These documents should confirm that the installation was made with benefit of a permit and installed by a qualified electrical contractor with appropriate jurisdictional oversight.

Exterior Cover Panel

Functional Components & Conditions

- m 5.52 - The exterior electrical panel cover is in acceptable condition.

Wiring

Functional Components & Conditions

- m 5.53 - There are no visible deficiencies with the electrical wiring in the sub panel. The wiring methods appear generally consistent with practices of the apparent time of construction and or installation.

Circuit Protection

Functional Components & Conditions

- 5.54 - Except as noted elsewhere, there are no apparent areas of concern with the circuit breakers/overcurrent protection in the electrical panel.

[FE] Further Evaluation Recommended

- 5.55 - There are panel circuits that appear improperly labeled. This makes it difficult to quickly reset a breaker or to shut power off in an emergency. I recommend that a qualified electrician evaluate the system and service as needed.

Grounding

Functional Components & Conditions

- m 5.56 - The main panel ground appears properly installed.

Sub Panels - Unit 160

Size and Location

Informational Comments & Conditions

- LOCATION: Rear Kitchen/Exterior Wall
- P1 SIZE: 400 Amp, 208 VAC 3 Phase
- P2 SIZE: 200 Amp, 208 VAC 3 Phase/Estimate

Sub Panel

Informational Comments & Conditions

- 5.59 - CLIENT ADVISORY: The sub panel was live/energized. The panel covers could not be removed without risking power disruption to the tenant occupied unit. No opinions are offered as to the conditions within concealed areas.

Safety Concern

- q 5.60 - The electrical panel is installed with inadequate service clearances. Current electrical safety standards require a minimum of 36 inches of clear space in front of the panel and 30 inches across the panel. This is to facilitate service or an emergency disconnect. I recommend modifying the installation as needed to insure full conformance with current standards. Interested parties desiring further information should consult with a qualified electrical contractor.

Sub Panel - Common-House

General Comments

[FE] Further Evaluation Recommended

- CLIENT ADVISORY: There is a breaker installed at the main panel that appears to serve a sub panel. As noted elsewhere, portions of the property were not accessible. I was unable to locate the sub panel elsewhere during the inspection. Some of the unit interiors were furnished and access to any components is necessarily limited, one or more enclosures were locked and inaccessible. Interested parties may wish to inquire of the occupants as to existence of a panel and or its location. I recommend that the panel be further evaluated by a qualified electrician to verify its proper installation and safe operation.

Sub Panel - Miscellaneous Panels

Miscellaneous Panels

Informational Comments & Conditions

- 5.62 - There is an unlabeled panel at the right side area. The enclosure was locked and I was unable to access the interior or determine the area controlled/purpose. Interested parties should inquire of the sellers/occupants as to the purpose.



Sub Panel - A

Sub Panel

[FE] Further Evaluation Recommended

- 5.63 - There are several unit sub panels that are protected by 250 Amp overcurrent protection devices/breakers. Per the manufacturers labels, the panels appear rated for a maximum load of 225 Amps. This is potentially improper and could result in improper/unsafe conditions. I recommend that the panels be further evaluated to verify the appropriateness of the installations or service the panels as needed to insure the proper and safe operation of the system.. Any necessary service should be completed by a qualified electrical contractor.

Electrical Branch Circuits & Wiring Distribution

Type of Wiring

Informational Comments & Conditions

- 5.64 - Wiring Type/Method & Material:
- 5.65 - Rigid & Flexible Metal Conduit
- 5.66 - Wiring Material Visible at Accessible Areas: Copper

GFCI & AFCI Circuit Protection Devices

Informational Comments & Conditions

- 5.67 - RECOMMENDED PROPERTY UPGRADE: There are GFCI receptacles/breakers installed that appear older/original. There have been significant improvements in GFCI technology in the last few years. I suggest replacement of any GFCI device older than 3 years because reliability appears to drop significantly after that point. Given the low cost of these important safety devices, I suggest that consideration be given to upgrading the units for occupant safety reasons. Interested parties desiring further information or service should consult with a qualified electrician.

General Maintenance & Periodic Maintenance Item

- 5.68 - There are ground fault circuit interrupter (GFCI) receptacles and or circuit breakers installed in the dwelling. These are important electrical safety devices and generally installed anywhere that

moisture may be present, i.e. kitchen, baths, laundry, adjacent to sinks, garage, the exterior, etc. The devices contain electronic components and are prone to random failure. I recommend periodic testing of all such devices in keeping with generally accepted electrical safety standards. Please refer to the manufacturers instructions for recommendations on the procedure and frequency of any recommended testing.

Automatic Timers & Controls

Informational Comments & Conditions

- 5.69 - The evaluation of timers and or automation controls is beyond the scope of this inspection. I recommend inquiring of the sellers as to the purpose and use of such systems as they will have the most intimate knowledge of the proper operation.
- 5.70 - There are one or more apparent lighting timers and or controllers in Unit 120 & 150 at the rear wall area

Electrical Bonding

[FE] Further Evaluation Recommended

- 5.71 - There are no electrical bonding connection/jumper visible at the water heaters or elsewhere in the electrical system. This is inconsistent with the electrical safety standards in effect at the time of the water heater installation. The generally accepted safety standards in effect at the time of apparent installation require that hot water, cold water and gas pipes systems be electrically bonded/interconnected. This is done so that any stray electrical currents, short-circuits, etc have a clear path to ground allowing the appropriate circuit protection device to trip safely. For convenience sake, this is generally done at the hot water heater area. Interested parties should consult with a qualified electrical or plumbing contractor to independently confirm that the appropriate bonding connections are installed. I recommend that the system be brought into complete compliance with current standards. Interested parties should consult with a qualified plumbing or electrical contractor for any further information and or service.

Utility Enclosure

General Enclosure Comments

Functional Components & Conditions

- m The visible portions of the enclosure appear generally serviceable.

Section 6.0 - Heat-A/C

We evaluate air-conditioning systems in accordance with CREIA and industry standards of practice, including identifying and testing them and their components. All operational testing is done using normal user controls - no special tools or devices are employed. There are a wide variety of heating and air-conditioning systems, which range from newer high-efficiency ones to older low efficiency ones. Also, there are an equally wide variety of factors besides the climate that can affect their performance, ranging from the size of the dwelling, the number of its stories, its orientation to the sun, the type of its roofing material, its ventilation system, and the thermal value of its insulation and window glazing. This is why we specifically disclaim the responsibility for evaluating the overall efficiency of any system. Only a trained specialist using special tools can credibly do so. We do not evaluate or endorse any un-vented fossil fuels heating device. The presence and use of these within a residence commonly indicates the inadequacy of the primary heating system or its distribution. However, these and every other fuel burning device that in not vented are potentially hazardous. Such appliances include open flames or heated elements, which are capable of igniting any of the myriad flammable materials found in the average home. Also, even the most modern of these units can produce carbon monoxide, which in a sealed or poorly ventilated room can result in sickness, debilitating injuries, and even death.

We attempt to identify and test the accessible component. We do not verify actual cooling capacity/tonnage. We do not dismantle any portion of a system, and we do not evaluate the following concealed components: the heat exchanger, or firebox, the interior of ducts, electronic air-cleaners, humidifiers, and in-line duct motors or dampers. Similarly, we do not check every register, at which the airflow may well be uneven and which will decrease proportionate to its distance from the blower fan on the furnace. However, the airflow and the efficiency of any system can be compromised by poor maintenance, such as by the filters not being changed regularly, which will contaminate components within the systems. Regardless, the sellers or the occupants of a property are often the best judges of how well a system works, and it is always a good idea to ask them about its maintenance history and if they have been satisfied with its performance, or you may wish to have a comprehensive evaluation by a specialist. Most systems have a design life of twenty years, but if any system is more than ten years old, or if poor maintenance is suspected, it would be wise to schedule a comprehensive service that includes cleaning motors, fans, ducts, and coils. Then, change the filters every two to three months, and schedule biannual maintenance service.

We perform a conscientious evaluation of heating and air-conditioning components, but we are not specialists. Therefore, it is imperative that any recommendation that we may make for service or a second opinion be completed before the removal of transaction inspection contingencies. Those qualified specialist may discover additional issues and or recommend further upgrades that could affect your evaluation of the property. Our inspection reflects the conditions observed at the time of inspection and does not constitute any form of warranty or guarantee as to future functionality.

Heat & AC Systems - Roof Top Units

Type of Fuel

Informational Comments & Conditions

- 6.1 - Fuel Type: Gas-Fueled Heating and Electric Powered Cooling

General Split System Information - Unit 100A

Informational Comments & Conditions

- MANUFACTURER: Carrier Corporation
- TYPE: Package Unit/RTU
- FURNACE LOCATION: Roof
- ESTIMATED AGE: 4 years
- INPUT RATING: 125,000 BTU's/Per Label
- MEDIUM EFFICIENCY: This type of system is designed to yield approximately 80 to 85 percent operational efficiency.
- COOLING CAPACITY: 7.5 Tons/ Per Coil Model Number Information - Estimate Only
- NOTE: System was not operational at the time of inspection. No power to unit.

General Split System Information - Unit 100B

Informational Comments & Conditions

- MANUFACTURER: Carrier Corporation
- TYPE: Package Unit/RTU
- FURNACE LOCATION: Roof
- ESTIMATED AGE: 4 years
- INPUT RATING: 125,000 BTU's/Per Label
- MEDIUM EFFICIENCY: This type of system is designed to yield approximately 80 to 85 percent operational efficiency.
- COOLING CAPACITY: 7.5 Tons/ Per Coil Model Number Information - Estimate Only

NOTE: System was not operational at the time of inspection. No power to unit.

General Split System Information - Unit 100C

Informational Comments & Conditions

MANUFACTURER: Carrier Corporation
TYPE: Package Unit/RTU
FURNACE LOCATION: Roof
ESTIMATED AGE: 4 years
INPUT RATING: 125,000 BTU's/Per Label
MEDIUM EFFICIENCY: This type of system is designed to yield approximately 80 to 85 percent operational efficiency.
COOLING CAPACITY: 7.5 Tons/ Per Coil Model Number Information - Estimate Only
NOTE: System was not operational at the time of inspection. No power to unit.

General Split System Information - Unit 110A

Informational Comments & Conditions

MANUFACTURER: Carrier Corporation
TYPE: Package Unit/RTU
FURNACE LOCATION: Roof
ESTIMATED AGE: 4 years
INPUT RATING: 80,000 BTU's/Per Label
INPUT RATING: 72,000 BTU's/Per Label
COOLING CAPACITY: 5 Tons/ Per Model Number Information - Capacity is an estimate only

General Split System Information - Unit 110B

Informational Comments & Conditions

MANUFACTURER: Carrier Corporation
TYPE: Package Unit/RTU
INPUT RATING: 72,000 BTU's/Per Label
MEDIUM EFFICIENCY: This type of system is designed to yield approximately 80 to 85 percent operational efficiency.
COOLING CAPACITY: 5 Tons/ Per Model Number Information - Capacity is an estimate only

General Split System Information - Unit 120

Informational Comments & Conditions

MANUFACTURER: Carrier Corporation
TYPE: Package Unit/RTU
FURNACE LOCATION: Roof
ESTIMATED AGE: 4 years
INPUT RATING: 72,000 BTU's/Per Label
MEDIUM EFFICIENCY: This type of system is designed to yield approximately 80 to 85 percent operational efficiency.
COOLING CAPACITY: 5 Tons/ Per Model Number Information - Capacity is an estimate only

General Split System Information - Unit 130

Informational Comments & Conditions

MANUFACTURER: Bryant Corporation
TYPE: Package Unit/RTU
FURNACE LOCATION: Roof
ESTIMATED AGE: 3 years
INPUT RATING: 72,000 BTU's/Per Label
MEDIUM EFFICIENCY: This type of system is designed to yield approximately 80 to 85 percent operational efficiency.
COOLING CAPACITY: 7.5 Tons/ Per Coil Model Number Information - Estimate Only

General Split System Information - Unit 140

Informational Comments & Conditions

MANUFACTURER: Carrier Corporation

- TYPE: Package Unit/RTU
- FURNACE LOCATION: Roof
- ESTIMATED AGE: 3 years
- INPUT RATING: 72,000 BTU's/Per Label
- MEDIUM EFFICIENCY: This type of system is designed to yield approximately 80 to 85 percent operational efficiency.
- COOLING CAPACITY: 7.5 Tons/ Per Coil Model Number Information - Estimate Only

General Split System Information - Unit 150A

Informational Comments & Conditions

- MANUFACTURER: Bryant Corporation
- TYPE: Package Unit/RTU
- FURNACE LOCATION: Roof
- ESTIMATED AGE: Newer - Less Than 1 year
- INPUT RATING: 125,000 BTU's/Per Label
- MEDIUM EFFICIENCY: This type of system is designed to yield approximately 80 to 85 percent operational efficiency.
- COOLING CAPACITY: 9 Tons/ Per Coil Model Number Information - Estimate Only

General Split System Information - Unit 150B

Informational Comments & Conditions

- MANUFACTURER: Bryant Corporation
- TYPE: Package Unit/RTU
- FURNACE LOCATION: Roof
- ESTIMATED AGE: Newer - Less Than 1 year
- INPUT RATING: 180,000 BTU's/Per Label
- MEDIUM EFFICIENCY: This type of system is designed to yield approximately 80 to 85 percent operational efficiency.
- COOLING CAPACITY: 10 Tons/ Per Coil Model Number Information - Estimate Only

General Split System Information - Unit 160A

Informational Comments & Conditions

- MANUFACTURER: Carrier Corporation
- TYPE: Package Unit/RTU
- FURNACE LOCATION: Roof
- ESTIMATED AGE: 4 years
- INPUT RATING: 125,000 BTU's/Per Label
- COOLING CAPACITY: 7.5 Tons/ Per Coil Model Number Information - Estimate Only
- NOTE: Unit was not fully installed/operational at the time of inspection

General Split System Information - Unit 160B

Informational Comments & Conditions

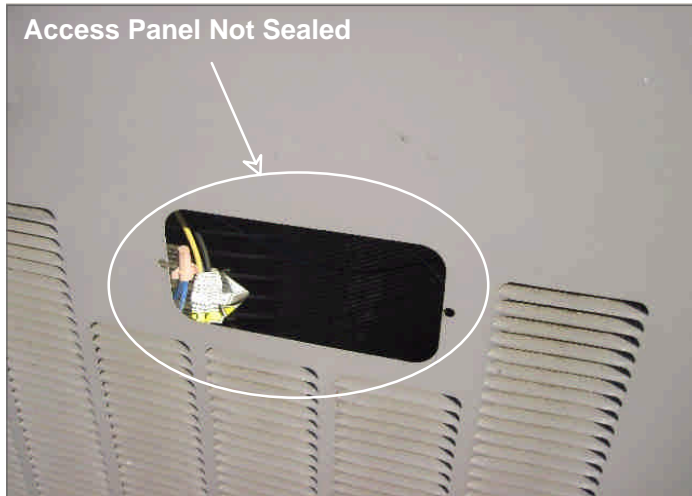
- MANUFACTURER: Carrier Corporation
- TYPE: Package Unit/RTU
- FURNACE LOCATION: Roof
- ESTIMATED AGE: 4 years
- INPUT RATING: 72,000 BTU's/Per Label
- MEDIUM EFFICIENCY: This type of system is designed to yield approximately 80 to 85 percent operational efficiency.
- COOLING CAPACITY: 5 Tons/ Per Model Number Information - Capacity is an estimate only
- NOTE: Unit was not fully installed/operational at the time of inspection

Package System General Evaluation

Informational Comments & Conditions

- 6.77 - Per manufacturers recommendations, the system should be cleaned and serviced at least annually to insure efficient operation. I suggest that the systems be cleaned and evaluated by a qualified HVAC contractor on an annual basis.

- 6.78 - NOTE: I suggest that the systems be clearly labeled as to the unit or area served so that the appropriate unit may be shut down in an emergency or by service personnel.
- Components & Conditions Needing Service/Evaluation*
- 6.79 - The Unit 130 system case/enclosure has an unsealed opening on the exterior case. It is recommended that a qualified HVAC contractor for further evaluate and service as needed.



Heat & AC System

Gas Valve and Connector

Informational Comments & Conditions

- 6.80 - The older appliance gas supply connection do not have a sediment trap installed at the unit. The installation of a sediment trap is recommended. Please refer to the Plumbing/Fuel Gas section for additional information and or recommendations.

Components & Conditions Needing Service/Evaluation

- 6.81 - The gas supply connections do not have the required sediment trap installed at the systems for Unit 150 . The installation of a sediment trap at the appliance appears to be required as part of the manufacturers installation instructions and or by the local jurisdiction. The the gas connection is a small vertical pipe that is installed to catch any debris in the gas stream before it can reach the appliance gas control. Debris that reaches a gas control may damage the control module and or cause it to operate unsafely. Interested parties should consult the manufacturers installation instruction and the local jurisdiction for the specific requirements for this area and type of appliance. I recommend that a qualified HVAC or plumbing contractor service as needed.

Return-Air Compartment and Filter

Components & Conditions Needing Service/Evaluation

- 6.82 - Two return air compartments are improperly sealed systems Unit 100A & Unit 120. This condition reduces system efficiency. I recommend that a qualified HVAC contractor evaluate the system and service as necessary to ensure the proper and efficient operation of the installation.

Two return air compartments are improperly sealed and should be serviced - Unit 100A & 120 - *Continued*



Evaporator Coil

Informational Comments & Conditions

- 6.83 - The evaporator coil was not visible and could not be evaluated. The evaporator coils in newer units are installed in sealed cases that are only accessible to trained service technicians. No opinions are offered as to the conditions within concealed or inaccessible areas.

Service Disconnect at the Condensing Coil

Functional Components & Conditions

- m 6.84 - The roof top electrical disconnects at the units appear functional.

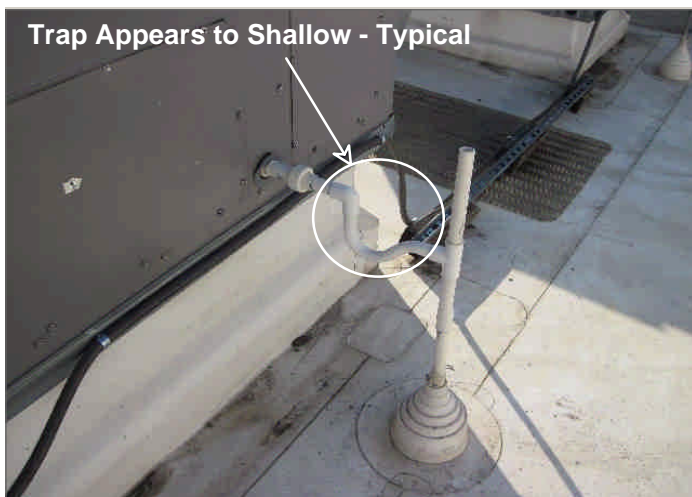
Informational Comments & Conditions

- 6.85 - The service disconnect is a fused type. I suggest that spare fuses be kept on-site for an emergency.

Condensate Discharge Drain

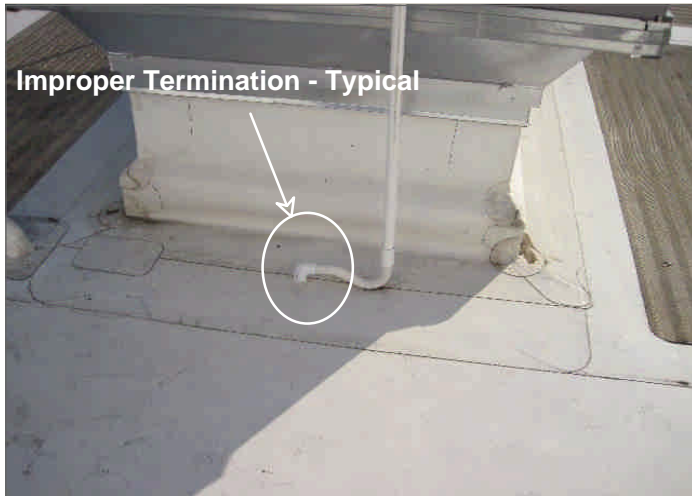
Components & Conditions Needing Service/Evaluation

- 6.86 - The condensate drain trap is undersized for these units. In general, the trap should be at least 4" deep to prevent a loss of the trap/water seal due to air pressure. I recommend that this be evaluated and serviced as necessary by a qualified HVAC contractor.



- 6.87 - A number of the unit condensate drain lines are improperly terminated on the roof - Units 130, 150, 160A 160B. It is recommended that a qualified HVAC contractor evaluate and service extend the

drain termination point to an approved location.



Thermostat

Informational Comments & Conditions

- 6.88 - The thermostats were not tested as part of this inspection. Interested parties should independently confirm the proper operation of the device prior to the removal of transaction inspection contingencies.

Type of Air Distribution Ductwork

Informational Comments & Conditions

- 6.89 - TYPE:
- 6.90 - Flexible, Plastic
- 6.91 - I was unable to positively determine the type and or condition of air supply/return distribution ducts at all units due to lack of access and or interior finishes. No representations can be made as to the conditions within concealed or inaccessible areas.

Air Distribution Ductwork Comments & Conditions

Components & Conditions Needing Service/Evaluation

- q 6.92 - Several of the air distribution ducts are improperly connected and or separated in the rear ceiling area above Unit 130. I recommend that a qualified HVAC contractor evaluate and service/reconnect/secure as necessary.



Inspection Address: 111 Shop-Till You Drop Drive, Milpitas, CA 94403
Inspection Date/Time: 1/2/2012

Section 7.0 - Office Unit Interiors

In accordance with CREIA Commercial Standards of Practice, our inspection of the building interior areas includes the visually accessible areas of walls, floors, cabinets and closets, and includes the testing of a representative number of windows and doors, switches and receptacles. I do not evaluate tenant property, trade fixtures, window treatments, move furniture, lift carpets or rugs, empty closets or cabinets. Any tenant property/trade fixtures are excluded from the scope of this inspection. I may not comment on issues that appear cosmetic in nature. We may comment on the cracks that appear around windows and doors, or which follow the lines of framing members and the seams of drywall and plasterboard. These cracks are a consequence of movement, such as wood shrinkage, settling and or seismic activity. These cracks may reappear, particularly if they are not properly repaired.

General Interior Conditions and Comments

Suspended Acoustical Ceilings

Informational Comments & Conditions

- 7.1 - CLIENT ADVISORY: The interstitial space between the roof and the suspended acoustical ceiling system was largely inaccessible due to height, etc. The areas at the left center of Unit 130, the rear of Unit 140 and most of Unit 150 were visible. No opinions are offered as to the conditions within concealed or inaccessible areas.

Unit 100 - Interiors

Unit Designation

Informational Comments & Conditions

- 7.2 - TENANT NAME: Strings

General Comments

Informational Comments & Conditions

- OCCUPIED: No
- TENANT TYPE: Restaurant
- SUB PANEL LOCATION: Rear Kitchen Exterior Wall

[FE] Further Evaluation Recommended

- CLIENT ADVISORY: There are indications of vermin/rodent activity in or around the kitchen area that should be addressed. This represents a potential health hazard and should be properly cleaned by a qualified specialist. I am not qualified to determine whether these are older or recent in nature. I suggest that licensed pest control operator be engaged to evaluate and service the area. These qualified specialists may suggest additional measures to control the problem.
- The electrical power was OFF to this Unit at the time of inspection. This limits the scope of the inspection. It is recommended that a qualified electrical contractor evaluate the installation to ensure the proper and safe operation of the system.

Exterior Doors

Functional Components & Conditions

- 7.8 - The exterior doors appear serviceable and appear to use safety glass as required.

Informational Comments & Conditions

- 7.9 - The exterior door latch or latches will require service, lubrication and or adjustment to function properly. I suggest service as needed by a qualified trades person.

Doors

Functional Components & Conditions

- 7.10 - The interior doors have cosmetic wear and tear commensurate with age and use but appear generally serviceable.

Floor

Functional Components & Conditions

- 7.11 - The front area flooring is carpet and appears in serviceable condition. There are no apparent/visible significant issues.
- 7.12 - The service area flooring appears to be a ceramic tile material. The visible portions appear to be in generally serviceable condition with wear and tear commensurate with both age and use. All types of tile flooring require periodic cleaning, re-sealing and re-grouting to maintain its appearance and water seal. This should be considered part of normal property maintenance.

Walls and Ceiling

Components & Conditions Needing Service/Evaluation

- q 7.13 - There are stains and or indications of prior moisture at the front left ceiling that should be further explained or the condition should be further evaluated by a qualified general contractor. I recommend consulting with the occupants/sellers as they generally have the most intimate knowledge of the property history and such issues. Interested parties should consult with a qualified general/roofing contractor for further information and or evaluation.



Multi-Glazed Windows

Functional Components & Conditions

- m 7.14 - The multi-glazed windows are functional and appear to be safety/tempered where required.

Lights

[FE] Further Evaluation Recommended

- 7.15 - The electric power was off to the unit at the time of inspection. The lighting fixtures/controls in this area could not be tested. Interested parties should independently confirm the proper operations of all impacted systems/fixtures. Please refer to the electrical section for additional commentary/recommendations.

Receptacles

[FE] Further Evaluation Recommended

- 7.16 - The electric power was off to the unit at the time of inspection. The receptacles, fixtures/controls in this area could not be tested. Interested parties should independently confirm the proper operations of all impacted systems/fixtures. Please refer to the electrical section for additional commentary/recommendations.

Registers

Informational Comments & Conditions

- 7.17 - Ventilation registers are present. Air flow from the register was not verified. It is beyond the scope of a general property inspection to verify adequacy, evenness, etc of airflow from the heating system.

Appliances Not Evaluated

Informational Comments & Conditions

- 7.18 - I do not evaluate trade fixtures, ranges, refrigerators, wine storage coolers, etc as part of our inspections. Interested parties should confirm operation of any such devices and or appliances independently.
- 7.19 - There was no dishwasher installed at the time of inspection.

Kitchen Area

Informational Comments & Conditions

- 7.20 - NOTE: Tenant trade fixtures are not included in the scope of this inspection. This includes

appliances/systems such as ranges, fryers, hoods, fire suppression equipment, dishwashers, etc. No opinions are offered as to any such systems.

7.21 - NOTE: The kitchen area appears in general disrepair. Interested parties should investigate this area personally should this be an area of concern.

7.22 - There are one or more improperly terminated electrical connections in the kitchen. In general, all electrical wiring should terminate inside a rated enclosure. I recommend that a qualified electrician evaluate and repair as required.

Components & Conditions Needing Service/Evaluation

7.23 - There are one or more improperly sealed electrical junction boxes that should be sealed/serviced for safety reasons. I suggest that a qualified electrical contractor service as needed.

7.24 - Some of the cabinets appears deteriorated and or moisture damaged, and should be serviced/replaced. This should be noted in the WDO report. Please refer to that specialists report for specific recommendations.

Unit 110 - Interiors

Unit Designation

Informational Comments & Conditions

7.25 - TENANT NAME: Metro/PCS

General Comments

Informational Comments & Conditions

TENANT TYPE: Retail

OCCUPIED: Yes

SUB PANEL LOCATION: Rear Exterior Wall

Exterior Doors

Functional Components & Conditions

7.29 - The exterior doors appear serviceable and appear to use safety glass as required.

Floor

Functional Components & Conditions

7.30 - The floor is carpeted and appears in generally serviceable condition with wear, tear and or cosmetic issues commensurate with both age and use at the rear area.

Walls and Ceiling

Functional Components & Conditions

7.31 - The walls and ceiling appear in generally serviceable condition. There are indications of prior repairs that appear consistent with ongoing property maintenance.

Multi-Glazed Windows

Functional Components & Conditions

7.32 - The multi-glazed windows are functional and appear to be safety/tempered where required.

Lights

Functional Components & Conditions

7.33 - The lights appear functional. They responded to normal user controls when tested.

Receptacles

Functional Components & Conditions

7.34 - The accessible receptacles are functional.

Countertops

Functional Components & Conditions

7.35 - The countertops appear in serviceable condition.

Sink

Functional Components & Conditions

7.36 - The cabinets are functional.

Informational Comments & Conditions

7.37 - The sink in the break area is plumbed with cold water only.

General Maintenance & Periodic Maintenance Item

- 7.38 - The faucet water flow is not uniform and appears occluded. I suggest cleaning and or repair as necessary to restore proper flow.
- 7.39 - The garbage disposal is noisy in use. Cleaning may provide some improvement. Please consult with a qualified trades person for further assistance.

Unit 120 - Interiors

Unit Designation

Informational Comments & Conditions

- 7.40 - TENANT NAME: Keva Juice/Razzelberry

General Comments

Informational Comments & Conditions

- TENANT TYPE: Restaurant
- OCCUPIED: Tenant Build Out in Progress
- SUB PANEL LOCATION: Rear Exterior Wall

Exterior Doors

Functional Components & Conditions

- m 7.44 - The exterior doors appear serviceable and appear to use safety glass as required.

Floor

Functional Components & Conditions

- 7.45 - The flooring appears to be a ceramic tile material. The visible portions appear to be in generally serviceable condition with wear and tear commensurate with both age and use. All types of tile flooring require periodic cleaning, re-sealing and re-grouting to maintain its appearance and water seal. This should be considered part of normal homeowners maintenance.

Walls and Ceiling

Informational Comments & Conditions

- 7.46 - The ceilings and walls are in need of paint and general patching/maintenance. I noted issues such as cracking, nail pops, dings, small holes and or other cosmetic issues. Interested parties should consult with a qualified painting or general contractor for addition information and or service. Please be advised that improperly performed repairs may reappear.

Multi-Glazed Windows

Functional Components & Conditions

- m 7.47 - The multi-glazed windows are functional and appear to be safety/tempered where required.

Sink

Functional Components & Conditions

- m 7.48 - The sink appears in generally serviceable condition. When tested, adequate water flow was observed from the faucet. The draw at the drain appears generally adequate /uninhibited. There were no indications of current leakage/moisture at the fittings below the sink. Interested parties desiring further information should consult with a qualified plumbing contractor.

Lights

Functional Components & Conditions

- m 7.49 - The lights appear functional. They responded to normal user controls when tested.

Receptacles

Functional Components & Conditions

- m 7.50 - The accessible receptacles are functional.
- m 7.51 - The accessible receptacles appear to include ground-fault protection where recommended.

Components & Conditions Needing Service/Evaluation

- 7.52 - There are several improperly sealed electrical junction boxes. I recommend that a qualified electrician service as needed.

Unit 130 - Interiors

Unit Designation

Informational Comments & Conditions

- 7.53 - TENANT NAME: Boheme Spa

General Comments

Informational Comments & Conditions

- TENANT TYPE: Beauty/Spa/Personal
- OCCUPIED: Yes
- SUB PANEL LOCATION: Rear Exterior Wall

[FE] Further Evaluation Recommended

- CLIENT ADVISORY: There are indications of vermin/rodent activity at the rear ceiling deck area that should be addressed. This represents a potential health hazard and should be properly cleaned by a qualified specialist. I am not qualified to determine whether these are older or recent in nature. I suggest that licensed pest control operator be engaged to evaluate and service the area. These qualified specialists may suggest additional measures to control the problem.

Exterior Doors

Functional Components & Conditions

- m 7.58 - The exterior doors appear serviceable and appear to use safety glass as required.

Floor

Functional Components & Conditions

- m 7.59 - Most of the floor appears to be a wood material. The visible portions appear in generally serviceable condition with no significant issues apparent. All types of flooring require periodic cleaning to maintain its appearance and water seal. This type of flooring may be susceptible to denting and mechanical damage. Care should be exercised when moving heavy objects across them.

Walls and Ceiling

Components & Conditions Needing Service/Evaluation

- q 7.60 - There are stains and or indications of prior moisture at the ceiling that should be further explained or the condition should be further evaluated. This area is roughly below the Unit HVAC system. I recommend consulting with the occupants/sellers as they generally have the most intimate knowledge of the property history and such issues. Interested parties may wish to consult with a by a qualified HVAC/roofing contractor for further information and or evaluation.



Multi-Glazed Windows

Functional Components & Conditions

- m 7.61 - The multi-glazed windows are functional and appear to be safety/tempered where required.

Lights

Functional Components & Conditions

- m 7.62 - The lights appear functional. They responded to normal user controls when tested.

Receptacles

Functional Components & Conditions

- m 7.63 - The accessible receptacles are functional.

Registers

Informational Comments & Conditions

- 7.64 - One or more ventilation registers are present. Air flow from the register was not verified. It is beyond the scope of a general property inspection to verify adequacy, evenness, etc of airflow from the heating system.

Appliances Not Evaluated

Informational Comments & Conditions

- 7.65 - I do not evaluate clothes washers or dryers as part of the inspection. Interested parties should confirm operation of any such devices and or appliances independently.

Laundry - Tenant Trade Fixtures

Informational Comments & Conditions

- 7.66 - NOTE: Tenant trade fixtures are not included in the scope of this inspection. This includes appliances/systems such as clothes dryers, washers, etc. Any comments made are for the convenience of the client only.

Components & Conditions Needing Service/Evaluation

- q 7.67 - There are several issues with the dryer vent installation. The dryer vent is installed using multiple lengths of flexible transition duct material. The vent appears to terminate inside the rear soffit/wall cavity. Water was observed dripping from the exterior soffit in this general area. Due to the nature of the issue, it is possible that concealed damage may exist. The interior wall area should be fully evaluated as repairs are undertaken. I recommend that a qualified HVAC contractor fully evaluate the installation and service as necessary to ensure the proper and safe operation of the appliance.

General Maintenance & Periodic Maintenance Item

- 7.68 - Periodic Cleaning is Critical to Safe Operation of the Clothes Dryer: Periodic inspection and cleaning of the dryer and vent system is strongly recommended. Lint build-up in the dryer and vent system pose a significant fire and safety risk. Dryer related fires are one of the top ten causes of residential appliance related fires in the US. Each year there are for nearly 15,500 dryer related fires that result in significant property damage and around 400 injuries. Please refer to the manufacturers instructions the specific maintenance requirements for your dryer. Failure to properly maintain the appliance may potentially void the manufacturers and or any warranty coverage. More importantly - improper maintenance can result in unsafe operating conditions. Interested parties should consult with a qualified appliance service technician for additional information and or service.

Unit 140 - Interiors

Unit Designation

Informational Comments & Conditions

- 7.69 - TENANT NAME: Scottrade

General Comments

Informational Comments & Conditions

- TENANT TYPE: Professional Services
→ OCCUPIED: Yes
→ SUB PANEL LOCATION: Rear Exterior Wall

Exterior Doors

Functional Components & Conditions

- m 7.73 - The exterior doors appear serviceable and appear to use safety glass as required.

Doors

Functional Components & Conditions

m 7.74 - The doors in the living room are functional.

Floor

Functional Components & Conditions

m 7.75 - Most of the floor is carpeted and appears in serviceable condition. There are no apparent/visible significant issues.

m 7.76 - The front area flooring appears to be an engineered wood veneer or engineered wood/laminate material, or a similar material. I observed no significant blemishes and or defects in the visible portions of the flooring. As with all types of flooring, it requires periodic cleaning to maintain its appearance and water seal. This type of flooring is susceptible to denting and mechanical damage. Care should be exercised when moving heavy objects across them.

Walls and Ceiling

Components & Conditions Needing Service/Evaluation

q 7.77 - There are stains and or indications of prior moisture at the ceiling that should be further explained or the condition should be further evaluated. This area is roughly below the Unit HVAC system. I recommend consulting with the occupants/sellers as they generally have the most intimate knowledge of the property history and such issues. Interested parties may wish to consult with a by a qualified HVAC/roofing contractor for further information and or evaluation.



Multi-Glazed Windows

Functional Components & Conditions

m 7.78 - The multi-glazed window is functional and appears to be safety/tempered where required.

Lights

Functional Components & Conditions

m 7.79 - The lights appear functional. They responded to normal user controls when tested.

Receptacles

Functional Components & Conditions

m 7.80 - The accessible receptacles are functional.

Registers

Informational Comments & Conditions

— 7.81 - One or more ventilation registers are present. Air flow from the register was not verified. It is beyond the scope of a general property inspection to verify adequacy, evenness, etc of airflow from the heating system.

Unit 150 - Interiors

Unit Designation

Informational Comments & Conditions

- 7.82 - TENANT NAME: Five Guys

General Comments

Informational Comments & Conditions

- TENANT TYPE: Restaurant
- OCCUPIED: Tenant Build Out in Progress

NOTE: There was no water, electricity or gas to the unit at the time of inspection. No plumbing fixtures were installed.

- SUB PANEL LOCATION: Rear Exterior Wall

Exterior Doors

Functional Components & Conditions

- m 7.86 - The exterior doors appear serviceable and appear to use safety glass as required.

Floor

Informational Comments & Conditions

- 7.87 - The floor is currently exposed concrete with areas excavated for plumbing installation..

Walls and Ceiling

Informational Comments & Conditions

- 7.88 - The interior walls were unfinished at the time of inspection.

Multi-Glazed Windows

Functional Components & Conditions

- m 7.89 - The multi-glazed windows are functional and appear to be safety/tempered where required.

Lights

Informational Comments & Conditions

- 7.90 - The light fixtures were not installed at the time of inspection. The proper operation of the fixture and or associated wiring could not be verified. Interested parties should independently confirm the proper function of this component.

Receptacles

Informational Comments & Conditions

- 7.91 - The receptacles were not installed at the time of inspection.

Unit 160 - Interiors

Unit Designation

Informational Comments & Conditions

- 7.92 - TENANT NAME: Chipotle Grill

General Comments

Informational Comments & Conditions

- OCCUPIED: Yes
- TENANT TYPE: Restaurant
- SUB PANEL LOCATION: Rear Right Exterior Wall
- IMPAIRED ACCESS: Access to portions of the unit was impaired by trade fixtures, stored tenant property, furnishings, etc. Because of this, access to the components, systems and surfaces were limited. In accordance with CREIA standards of practices and is limited to those areas/components that are readily accessible. I do not move furniture, lift carpets, nor remove or rearrange or move items within closets and cabinets. No opinions are offered as to the conditions within inaccessible and or otherwise concealed areas. Every reasonable effort is made to inspect occupied areas as thoroughly as possible. However, due to the limitations inherent in the nature of this visual inspection, it is possible that condition and or defects may not be apparent and hence go undetected. Any inaccessible areas should be further inspected prior to the removal of transaction inspection contingencies.

Per tenant, no pictures were taken of rear/non-public interior areas

Exterior Doors

Functional Components & Conditions

- m 7.97 - The exterior doors appear serviceable and appear to use safety glass as required.

Floor

Functional Components & Conditions

- 7.98 - The flooring is unfinished cement and tile. The floors are serviceable with have wear and tear commensurate with both age and use.

Walls and Ceiling

Functional Components & Conditions

- m 7.99 - The walls and ceiling appear in generally serviceable condition.

Multi-Glazed Windows

Functional Components & Conditions

- m 7.100 - The multi-glazed window is functional and appears to be safety/tempered where required.

Lights

Functional Components & Conditions

- m 7.101 - The lights appear functional. They responded to normal user controls when tested.

Receptacles

Functional Components & Conditions

- m 7.102 - The accessible receptacles are functional.

Registers

Informational Comments & Conditions

- 7.103 - One or more ventilation registers are present. Air flow from the register was not verified. It is beyond the scope of a general property inspection to verify adequacy, evenness, etc of airflow from the heating system.

Kitchen Area

Informational Comments & Conditions

- 7.104 - NOTE: Tenant trade fixtures are not included in the scope of this inspection. This includes appliances/systems such as ranges, fryers, hoods, fire suppression equipment, dishwashers, etc. No opinions are offered as to any such systems.

Section 8.0 - Restrooms

Our evaluation of restrooms conforms to CREIA Commercial Standards of Practice. We test plumbing fixtures for functional flow in accordance with generally accepted practices. We test a representative number of windows and doors, light switches and receptacles. We may not comment on cosmetic issues, and we do not evaluate window treatments. The evaluation of specialty systems such as floor heating systems, steam showers, saunas, etc are excluded from the scope of work of this inspection. We are not qualified to evaluate the property for conformance with ADA/Universal Accessibility requirements. Any comments made are for the convenience of the client only.

We do not flood/leak-test shower pans. This area is the specific responsibility of the WDO inspector. Be advised, many WDO inspectors do not flood test shower pans installed over finished areas. This is because of such tests are inconclusive and due to the possibility of water damage. Please refer to the WDO report for specific information on this issue.

Restroom

General Comments

Informational Comments & Conditions

- NOTE: The restroom/toilet areas appear to conform to relatively current Universal Accessibility/ADA requirements. Interested parties should consult with a registered design professional for further information and specific requirements.

Restroom - Unit 100 Men

General Comments

Informational Comments & Conditions

- The Unit water service was off at the time of inspection. It was not possible to verify the proper operation of the fixture(s). This limits the testing of the fixtures in this area. Further evaluation is recommended. Please refer to the Plumbing section for additional comments/recommendations.

Doors

Functional Components & Conditions

- m 8.3 - The door is functional.

Floor

Functional Components & Conditions

- 8.4 - The tile floor appears generally serviceable with visible wear and tear commensurate with age and use. All types of tile flooring require periodic cleaning, re-sealing and re-grouting to maintain its appearance and water seal. This should be considered part of normal homeowners maintenance.

Walls & Ceiling

Functional Components & Conditions

- 8.5 - The walls have typical cosmetic wear that is commensurate with time and use.

Sink Countertop

Functional Components & Conditions

- m 8.6 - The sink countertop appears in generally serviceable condition.

Sink Faucet Valves & Connectors Trap & Drain

[FE] Further Evaluation Recommended

- 8.7 - The water service was off at the sink at the time of inspection. Pursuant to CREIA Standards of Practice we do not attempt to turn-on any utility that is off. This limits the scope of the inspection. Interested parties should independently confirm the proper operation any water consuming fixtures and or appliances, i.e. test for proper flow, leakage, etc. prior to the removal of transaction inspection contingencies.

Urinals

Informational Comments & Conditions

- 8.8 - The urinal appears functional. However, water service was off to the unit.

Toilet

[FE] Further Evaluation Recommended

- 8.9 - The water service was off to the toilet at the time of inspection which prevented us from evaluating the fixture and associated components. Interested parties should independently confirm the proper

operation of this fixture on or before the removal of inspection contingencies.

Exhaust Fan

[FE] Further Evaluation Recommended

- 8.10 - The electric power was off to the unit at the time of inspection. None of the impacted exhaust fans, appliances, systems, receptacles, fixtures, etc could not be tested. Interested parties should independently confirm the proper operations of all impacted appliances, systems, fixtures prior to the removal of transaction inspection contingencies.

Lights

[FE] Further Evaluation Recommended

- 8.11 - The electric power was off to the unit at the time of inspection. The lighting fixtures/controls in this area could not be tested. Interested parties should independently confirm the proper operations of all impacted systems/fixtures. Please refer to the electrical section for additional commentary/recommendations.

Receptacles

Informational Comments & Conditions

- 8.12 - The electric power was off to the unit at the time of inspection. The receptacles, fixtures/controls in this area could not be tested. Interested parties should independently confirm the proper operations of all impacted systems/fixtures. Please refer to the electrical section for additional commentary/recommendations.

Restroom - Unit 100 Women

Doors

Functional Components & Conditions

- m 8.13 - The door is functional.

Floor

Functional Components & Conditions

- 8.14 - The tile floor appears generally serviceable with visible wear and tear commensurate with age and use. All types of tile flooring require periodic cleaning, re-sealing and re-grouting to maintain its appearance and water seal. This should be considered part of normal homeowners maintenance.

Walls & Ceiling

Functional Components & Conditions

- 8.15 - The walls have typical cosmetic wear that is commensurate with time and use.

Sink Countertop

Functional Components & Conditions

- 8.16 - The bathroom sink countertop appears generally serviceable with typical cosmetic wear, staining, etc commensurate with both age and use.

Sink Faucet Valves & Connectors Trap & Drain

[FE] Further Evaluation Recommended

- 8.17 - The water service was off at the sink at the time of inspection. Pursuant to CREIA Standards of Practice we do not attempt to turn-on any utility that is off. This limits the scope of the inspection. Interested parties should independently confirm the proper operation any water consuming fixtures and or appliances, i.e. test for proper flow, leakage, etc. prior to the removal of transaction inspection contingencies.

Toilet

[FE] Further Evaluation Recommended

- 8.18 - The water service was off to the toilet at the time of inspection which prevented us from evaluating the fixture and associated components. Interested parties should independently confirm the proper operation of this fixture on or before the removal of inspection contingencies.

Exhaust Fan

[FE] Further Evaluation Recommended

- 8.19 - The electric power was off at the time of inspection. None of the impacted exhaust fans, appliances, systems, receptacles, fixtures, etc could not be tested. Interested parties should independently confirm the proper operations of all impacted appliances, systems, fixtures prior to the

removal of transaction inspection contingencies.

Lights

[FE] Further Evaluation Recommended

- 8.20 - The electric power was off at the time of inspection. The lighting fixtures/controls in this area could not be tested. Interested parties should independently confirm the proper operations of all impacted systems/fixtures. Please refer to the electrical section for additional commentary/recommendations.

Receptacles

Informational Comments & Conditions

- 8.21 - The electric power was off at the time of inspection. The receptacles, fixtures/controls in this area could not be tested. Interested parties should independently confirm the proper operations of all impacted systems/fixtures. Please refer to the electrical section for additional commentary/recommendations.

Restroom - Unit 110 Men

Doors

Functional Components & Conditions

- m 8.22 - The door in the bathroom is functional.

Floor

Functional Components & Conditions

- 8.23 - The vinyl floor has wear that is commensurate with its age.

Walls & Ceiling

Functional Components & Conditions

- m 8.24 - The walls and ceiling are in acceptable condition.

Sink Countertop

Functional Components & Conditions

- m 8.25 - The sink countertop appears in generally serviceable condition.

Sink Faucet Valves & Connectors Trap & Drain

Functional Components & Conditions

- m 8.26 - The sink and its components are functional. When tested, we observed adequate flow from the faucet. The draw at the drain appears adequate /uninhibited. There were no indications of current leakage/moisture at the fittings below the sink. Interested parties desiring further information should consult with a qualified plumbing contractor.

Toilet

Components & Conditions Needing Service/Evaluation

- q 8.27 - The toilet is loose, and should be properly secured by a qualified trades person. A loose toilet may be prone to leakage at the wax seal area which can result in costly damage to the floor/subfloor.

Exhaust Fan

Functional Components & Conditions

- m 8.28 - The exhaust fan is functional.

Lights

Functional Components & Conditions

- m 8.29 - The lights are functional.

Receptacles

Functional Components & Conditions

- m 8.30 - The receptacles are functional and include ground-fault protection as required. GFCI protection is an important safety feature and would be required on all new receptacles installed in high-risk/ damp areas such as bathrooms, the exterior, garage, laundry, kitchens, etc. Per the manufacturers instructions, all GFCI receptacles should be tested a minimum of once a month to insure proper operation. Interested parties desiring further information should consult with a qualified electrical contractor.

Restroom - Unit 110 Women

Doors

Functional Components & Conditions

- m 8.31 - The door in the bathroom is functional.

Floor

Functional Components & Conditions

- m 8.32 - The bathroom floor is vinyl and has no significant defects.

Walls & Ceiling

Functional Components & Conditions

- m 8.33 - The walls and ceiling are in acceptable condition.

Sink Countertop

Functional Components & Conditions

- m 8.34 - The sink countertop appears in generally serviceable condition.

Sink Faucet Valves & Connectors Trap & Drain

Functional Components & Conditions

- 8.35 - The sink and its components appear in serviceable condition except as may be noted elsewhere.

Components & Conditions Needing Service/Evaluation

- 8.36 - The sink point of use hot water heater appears inoperative. I suggest that a qualified plumbing contractor fully evaluate and service as necessary.

Toilet

Functional Components & Conditions

- m 8.37 - The toilet is functional. When flushed, the draw at the drain appears adequate/uninhibited. There were no indications of current leakage/moisture at the water supply valve/fittings. Interested parties desiring further information should consult with a qualified plumbing contractor.

Exhaust Fan

Functional Components & Conditions

- m 8.38 - The exhaust fan is functional.

Informational Comments & Conditions

- 8.39 - The exhaust fan is noisy in operation. We suggest upgrading the installation to a newer/quieter model. Interested parties should consult with a qualified contractor for any necessary service.

Lights

Functional Components & Conditions

- m 8.40 - The lights are functional.

Receptacles

Functional Components & Conditions

- m 8.41 - The receptacles are functional and include ground-fault protection as required. GFCI protection is an important safety feature and would be required on all new receptacles installed in high-risk/ damp areas such as bathrooms, the exterior, garage, laundry, kitchens, etc. Per the manufacturers instructions, all GFCI receptacles should be tested a minimum of once a month to insure proper operation. Interested parties desiring further information should consult with a qualified electrical contractor.

Restroom - Unit 120 Unisex

Doors

Functional Components & Conditions

- m 8.42 - The door is functional.

Floor

Functional Components & Conditions

- 8.43 - The tile floor appears generally serviceable with visible wear and tear commensurate with age and use. All types of tile flooring require periodic cleaning, re-sealing and re-grouting to maintain its

appearance and water seal. This should be considered part of normal homeowners maintenance.

Informational Comments & Conditions

- 8.44 - Floor drains are installed in the restroom as recommended. The drains do not appear equipped with trap maintenance devices. Significant remodeling/repairs may trigger mandatory upgrades. Interested parties should consult with a qualified plumbing contractor for additional information.

Walls & Ceiling

Functional Components & Conditions

- m 8.45 - The walls and ceiling are in acceptable condition.

Sink Countertop

Functional Components & Conditions

- m 8.46 - The sink countertop appears in generally serviceable condition.

Sink Faucet Valves & Connectors Trap & Drain

Functional Components & Conditions

- 8.47 - The bathroom sink and its components appear in serviceable condition except as may be noted elsewhere.

[FE] Further Evaluation Recommended

- 8.48 - There was a water hammer or loud banging noise when at this faucet/fixture. This is caused by a hydraulic phenomena and while it is generally only annoying, it can in extreme cases cause damage to pipes. Interested parties wishing further information should consult with a qualified plumber to evaluate and recommend remedial action.

Toilet

Functional Components & Conditions

- m 8.49 - The toilet is functional. When flushed, the draw at the drain appears adequate/uninhibited. There were no indications of current leakage/moisture at the water supply valve/fittings. Interested parties desiring further information should consult with a qualified plumbing contractor.

Exhaust Fan

Functional Components & Conditions

- m 8.50 - The exhaust fan is functional.

Informational Comments & Conditions

- 8.51 - The exhaust fan is noisy in operation. We suggest upgrading the installation to a newer/quieter model. Interested parties should consult with a qualified contractor for any necessary service.

Lights

Functional Components & Conditions

- m 8.52 - The lights are functional.

Receptacles

Functional Components & Conditions

- m 8.53 - The receptacles are functional and include ground-fault protection as required. GFCI protection is an important safety feature and would be required on all new receptacles installed in high-risk/ damp areas such as bathrooms, the exterior, garage, laundry, kitchens, etc. Per the manufacturers instructions, all GFCI receptacles should be tested a minimum of once a month to insure proper operation. Interested parties desiring further information should consult with a qualified electrical contractor.

Restroom - Unit 130 Unisex

Doors

Functional Components & Conditions

- m 8.54 - The door is functional.

Floor

Functional Components & Conditions

- m 8.55 - The floor appears serviceable with no visible significant issues/defects. All types of tile require periodic cleaning, re-sealing and re-grouting to maintain their appearance and water seal.

Walls & Ceiling

Functional Components & Conditions

- m 8.56 - The walls and ceiling are in acceptable condition.

Sink Countertop

Functional Components & Conditions

- m 8.57 - The sink countertop appears in generally serviceable condition.

Sink Faucet Valves & Connectors Trap & Drain

Functional Components & Conditions

- m 8.58 - The sink and its components are functional. When tested, we observed adequate flow from the faucet. The draw at the drain appears adequate /uninhibited. There were no indications of current leakage/moisture at the fittings below the sink. Interested parties desiring further information should consult with a qualified plumbing contractor.

Toilet

Components & Conditions Needing Service/Evaluation

- q 8.59 - The toilet is loose, and should be properly secured by a qualified trades person. A loose toilet may be prone to leakage at the wax seal area which can result in costly damage to the floor/subfloor.

Exhaust Fan

Functional Components & Conditions

- m 8.60 - The exhaust fan is functional.

Informational Comments & Conditions

- 8.61 - The exhaust fan is noisy in operation. We suggest upgrading the installation to a newer/quieter model. Interested parties should consult with a qualified contractor for any necessary service.

Lights

Functional Components & Conditions

- m 8.62 - The lights are functional.

Receptacles

Functional Components & Conditions

- m 8.63 - The receptacles are functional and include ground-fault protection as required. GFCI protection is an important safety feature and would be required on all new receptacles installed in high-risk/ damp areas such as bathrooms, the exterior, garage, laundry, kitchens, etc. Per the manufacturers instructions, all GFCI receptacles should be tested a minimum of once a month to insure proper operation. Interested parties desiring further information should consult with a qualified electrical contractor.

Restroom - Unit 140 Unisex

Doors

Functional Components & Conditions

- m 8.64 - The door in the bathroom is functional.

Floor

Functional Components & Conditions

- 8.65 - The tile floor appears generally serviceable with visible wear and tear commensurate with age and use . All types of tile flooring require periodic cleaning, re-sealing and re-grouting to maintain its appearance and water seal. This should be considered part of normal homeowners maintenance.

Walls & Ceiling

Functional Components & Conditions

- m 8.66 - The walls and ceiling are in acceptable condition.

Sink Countertop

Functional Components & Conditions

- m 8.67 - The sink countertop appears in generally serviceable condition.

Sink Faucet Valves & Connectors Trap & Drain

Functional Components & Conditions

- 8.68 - The sink and its components appear in serviceable condition except as may be noted elsewhere.

Components & Conditions Needing Service/Evaluation

- 8.69 - The sink point of use hot water heater appears inoperative. I suggest that a qualified plumbing contractor fully evaluate and service as necessary.

Toilet

Functional Components & Conditions

- m 8.70 - The toilet is functional. When flushed, the draw at the drain appears adequate/uninhibited. There were no indications of current leakage/moisture at the water supply valve/fittings. Interested parties desiring further information should consult with a qualified plumbing contractor.

Exhaust Fan

Functional Components & Conditions

- m 8.71 - The bathroom exhaust fan is functional.

Lights

Functional Components & Conditions

- m 8.72 - The lights are functional.

Receptacles

Functional Components & Conditions

- m 8.73 - The receptacles are functional and include ground-fault protection as required. GFCI protection is an important safety feature and would be required on all new receptacles installed in high-risk/ damp areas such as bathrooms, the exterior, garage, laundry, kitchens, etc. Per the manufacturers instructions, all GFCI receptacles should be tested a minimum of once a month to insure proper operation. Interested parties desiring further information should consult with a qualified electrical contractor.

Restroom - Unit 150 Not Installed

General Comments

Informational Comments & Conditions

- The restroom(s) were not installed at the time of inspection. I recommend obtaining a permit history for the property. Interested parties should independently confirm the proper installation of any fixtures, etc.

Restroom - Unit 160 Men

Doors

Functional Components & Conditions

- m 8.75 - The door in the bathroom is functional.

Floor

Functional Components & Conditions

- 8.76 - The tile floor appears generally serviceable with visible wear and tear commensurate with age and use. All types of tile flooring require periodic cleaning, re-sealing and re-grouting to maintain its appearance and water seal. This should be considered part of normal homeowners maintenance.

Informational Comments & Conditions

- 8.77 - Floor drains are installed in the restroom as recommended. The drains do not appear equipped with trap maintenance devices. Significant remodeling/repairs may trigger mandatory upgrades. Interested parties should consult with a qualified plumbing contractor for additional information.

Walls & Ceiling

Functional Components & Conditions

- m 8.78 - The walls and ceiling are in acceptable condition.

Sink Countertop

Functional Components & Conditions

- m 8.79 - The sink countertop appears in generally serviceable condition.

Sink Faucet Valves & Connectors Trap & Drain

Functional Components & Conditions

- 8.80 - The sink and its components appear in serviceable condition except as may be noted elsewhere.
[FE] Further Evaluation Recommended
- 8.81 - The sink drain is slow and should be serviced. Interested parties should consult with a qualified plumber for any necessary service.

Toilet

Functional Components & Conditions

- m 8.82 - The toilet is functional. When flushed, the draw at the drain appears adequate/uninhibited. There were no indications of current leakage/moisture at the water supply valve/fittings. Interested parties desiring further information should consult with a qualified plumbing contractor.

Exhaust Fan

Functional Components & Conditions

- m 8.83 - The exhaust fan is functional.

Lights

Functional Components & Conditions

- m 8.84 - The lights are functional.

Receptacles

Functional Components & Conditions

- m 8.85 - The receptacles are functional and include ground-fault protection as required. GFCI protection is an important safety feature and would be required on all new receptacles installed in high-risk/ damp areas such as bathrooms, the exterior, garage, laundry, kitchens, etc. Per the manufacturers instructions, all GFCI receptacles should be tested a minimum of once a month to insure proper operation. Interested parties desiring further information should consult with a qualified electrical contractor.

Restroom - Unit 160 Women

Doors

Functional Components & Conditions

- m 8.86 - The door in the bathroom is functional.

Floor

Functional Components & Conditions

- 8.87 - The tile floor appears generally serviceable with visible wear and tear commensurate with age and use. All types of tile flooring require periodic cleaning, re-sealing and re-grouting to maintain its appearance and water seal. This should be considered part of normal homeowners maintenance.

Informational Comments & Conditions

- 8.88 - Floor drains are installed in the restroom as recommended. The drains do not appear equipped with trap maintenance devices. Significant remodeling/repairs may trigger mandatory upgrades. Interested parties should consult with a qualified plumbing contractor for additional information.

Walls & Ceiling

Functional Components & Conditions

- m 8.89 - The walls and ceiling are in acceptable condition.

Sink Countertop

Functional Components & Conditions

- m 8.90 - The sink countertop appears in generally serviceable condition.

Sink Faucet Valves & Connectors Trap & Drain

Functional Components & Conditions

- m 8.91 - The sink and its components are functional. When tested, we observed adequate flow from the faucet. The draw at the drain appears adequate/uninhibited. There were no indications of current leakage/moisture at the fittings below the sink. Interested parties desiring further information should consult with a qualified plumbing contractor.

Toilet

Functional Components & Conditions

- m 8.92 - The toilet is functional. When flushed, the draw at the drain appears adequate/uninhibited. There were no indications of current leakage/moisture at the water supply valve/fittings. Interested

parties desiring further information should consult with a qualified plumbing contractor.

Exhaust Fan

Functional Components & Conditions

m 8.93 - The exhaust fan is functional.

Lights

Functional Components & Conditions

m 8.94 - The lights are functional.

Receptacles

Functional Components & Conditions

m 8.95 - The receptacles are functional and include ground-fault protection as required. GFCI protection is an important safety feature and would be required on all new receptacles installed in high-risk/ damp areas such as bathrooms, the exterior, garage, laundry, kitchens, etc. Per the manufacturers instructions, all GFCI receptacles should be tested a minimum of once a month to insure proper operation. Interested parties desiring further information should consult with a qualified electrical contractor.

Section 9.0 - Common

Our evaluation of the common space is in accordance with CREIA Commercial Standards of Practice. Which includes a visual evaluation of the kitchen, hallway, stairs, laundry, and garage, is similar to that of the living space, and includes the visually accessible areas of walls, floors, cabinets and closets, and the testing of a representative number of windows and doors, switches and outlets. We pay particular attention to safety standards, such as those involving electricity, guardrails, and the presence of safety glass, but we do not test portable appliances, including the supply and waste components of washing machines.

Laundry

General Comments

Informational Comments & Conditions

- A sub panel is located in the laundry area. The area in front of the panel should be kept clear to provide easy access in an emergency.

Floor

Informational Comments & Conditions

- 9.2 - There are indications of prior repairs on the floor. Interested parties may wish to consult with the occupants/sellers or a qualified general contractor as to the nature/scope of any repairs. The occupants/sellers generally have the most intimate knowledge of the properties history.

Gas Valve & Connector

Informational Comments & Conditions

- 9.3 - No gas connection appears installed and or was visible to supply a gas dryer.

Garbage Enclosure

General Enclosure Comments

Informational Comments & Conditions

- The garbage enclosure is located at the front right of the parking lot.

Section 10.0 - Parking

General

General Parking Information

Informational Comments & Conditions

- NOTE: Interested parties should independently investigate all parking related issues, especially should significant changes are made in the use of the property and or the number of staff, customers, etc. All of these factors can impact parking requirements for the property. Local zoning/planning ordinances were not reviewed as part of this inspection. Any comments made are those of a lay person, not a qualified/registered design professional.

Exterior Parking Area

Material and General Information

Informational Comments & Conditions

- 10.2 - The property includes off-street parking. The parking is not secure, meaning access is not controlled and it may be subject to access by anyone.
- 10.3 - Material: Asphalt

[FE] Further Evaluation Recommended

- 10.4 - NOTE: There are currently three vacant units. Based on our observation while onsite the available parking may be inadequate to serve the current tenant requirements during peak business periods. Interested parties should independently investigate this issue..

Approximate Number of Parking Spaces

Informational Comments & Conditions

- 10.5 - The parking area appears sufficient to handle approximately 56 compact/standard size autos.

General Conditions and Observations

Informational Comments & Conditions

- The parking areas appear to have areas where water may pond and or pool. Generally accepted construction practices call for these installations to slope to provide positive drainage toward the site drains. Interested parties may wish to consult a qualified general contractor for further information on this condition.

Components & Conditions Needing Service/Evaluation

- There are deteriorated/cracked areas visible in the asphalt material. I estimate that 5%-10% of the surface material may require repair/service. Interested parties desiring further information and or service should consult with a qualified paving/asphalt contractor.

ADA

Van-ADA Information

Informational Comments & Conditions

- 10.8 - The existing Universal Accessibility/ADA parking appear to conform to relatively current requirements. There are designated ADA/Van parking space(s). Interested parties should consult with a registered design professional and or the jurisdiction having authority for Universal Accessibility/ADA requirements
- 10.9 - There are two parking spaces designated for ADA/Van use. Significant changes in tenant type, density, etc may trigger requirements for additional designated parking.

Section 11.0 - Life-Safety

Life-safety systems generally include such components as fire-sprinklers systems, fire escape ladders, fire extinguishers, central fire alarm systems, emergency lighting, exit signage, and other related systems. The rules and regulations surrounding the installation, maintenance, and or inspections of life-safety systems are complex and will vary significantly by jurisdiction. The evaluation of such systems and or installations will require a specialist who is generally required to have a state license. We are generalists and not specialists and are not qualified to evaluate any such systems and specifically disclaim them in our pre-inspection agreement and within this report. In the course of our generalists inspection, we may alert the reader to the presence or absence of components when apparent to us. However, any such observations are those of a lay person and not a specialist. They are in no way a substitute for a specialists inspection. We recommend that any such systems be further evaluated by a qualified specialist prior to the removal of transaction contingencies. The inspection by a qualified specialist may recommend upgrades, changes, detect defects and or conditions that we as generalists would be unaware of.

Fire Safety Equipment

Fire Sprinklers

Informational Comments & Conditions

- 11.1 - The evaluation of fire suppression systems is a state licensed function which we are not qualified to conduct and specifically disclaim in our contract. However, we make note of such systems if observed in the course of our inspection. The residence is equipped with fire sprinklers in the visible areas of the dwelling. All fire sprinkler systems should undergo periodic inspection by a qualified specialist. Interested parties should consult with a licensed fire sprinkler contractor for further information.
- 11.2 - There are exposed fire sprinkler heads at various locations around the dwelling. It is important for the safe operation of the system that these never be painted or covered. Interested parties desiring further information should consult a state licensed fire sprinkler contractor.
- 11.3 - There appears to spare fire sprinkler heads for the system at the right side fire riser enclosure area. In general, spare heads should be found on-site for use by service personal. Interested parties should consult with a state licensed fire-safety specialists for further information.
- 11.4 - The fire sprinkler test/control valves appear to be located in the exterior enclosure at the right side of the building.

[FE] Further Evaluation Recommended

- 11.5 - The evaluation of fire suppression systems is a state licensed function which we are not qualified to conduct and specifically disclaim in the inspection agreement. However, in the course of the inspection, one or more sprinkler heads in Unit 100 were noted to have missing trim rings. Interested parties should consult with a state licensed fire sprinkler contractor for replacement parts and or service.

Fire Safety Equipment

Components & Conditions Needing Service/Evaluation

- 11.6 - There are one or more Unit 110 fire extinguishers with expired inspection tags. All fire extinguishers require periodic inspection and service by a state licensed contractor. The evaluation of these system is beyond our expertise and are excluded. In the course of the inspection, I may note areas of concern. I recommend that all fire extinguishers/life safety systems be further evaluated and serviced as needed to insure the proper and safe operation of the systems.

Fire Alarm Systems

Informational Comments & Conditions

- 11.7 - There are emergency fire alarms and alarm bells installed in this building. The evaluation of life safety devices such as this require special state licenses and are beyond the scope of a general property inspection. I specifically exclude life safety systems from the scope of work.

Emergency Lighting

Informational Comments & Conditions

- 11.8 - The emergency exit path illumination lighting was noted at the interior emergency exit paths. The lighting system(s) were not tested. Current standards recommend the installation of lights with sufficient battery back-up capacity to allow occupants to safely exit the building in an emergency. It is suggested that an appropriate specialist be consulted regarding the existing emergency lighting system. Significant alterations to the building may trigger mandatory upgrades to the system.

Inspection Address: 111 Shop-Till You Drop Drive, Milpitas, CA 94403
Inspection Date/Time: 1/2/2012

Section 12.0 - ADA

This inspection was performed to CREIA Commercial Standards of Practice. An Americans with Disabilities Act (ADA) or Universal Accessibility inspection was not performed as part of this inspection. Any comments made regarding accessibility related issues are those of a generalist and should not be considered comprehensive.

The courts have held building owners accountable to due diligence in complying with all aspects of Federal Americans with Disabilities Act (ADA) or Universal Accessibility and California (Title 24 The California Building Code) laws regarding universal accessibility. The laws change periodically and enforcement may vary significantly by jurisdiction. It is recommended that upgrade requirements and related costs be determined by an appropriate registered design professional. This is especially important should significant modifications be anticipated to the structure. The jurisdiction having authority should be consulted and any mandatory compliance issues be discussed before remodeling is undertaken. The jurisdiction having authority may enforce both current universal accessibility codes and seismic code upgrades when alterations, structural repairs and or additions are submitted for permits. Jurisdictions often weigh the costs of a specific property improvement and assign comparable costs for Title 24 and seismic upgrades to the existing building as part of a single projects scope.

Federal ADA/Universal Accessibility Law's and Title 24 The California Building Code may have different requirements for adoption of ADA/universal accessibility for existing buildings. It is recommended that the client fully investigate all such issues prior to the close of escrow.

General Property Observations

Parking Areas

Informational Comments & Conditions

- 12.1 - The existing Universal Accessibility/ADA parking is believed to be adequate. There are designated ADA/Van parking space(s). Significant changes in tenant type, density, etc may trigger requirements for additional designated parking. Interested parties should consult with a registered design professional and or the jurisdiction having authority for specific Universal Accessibility/ADA requirements

Building Accessibility

Informational Comments & Conditions

- 12.2 - The building entrance/access areas, travel paths within the building and or other aspects of the building appear to conform to relatively current Universal Accessibility regulations. The evaluation of ADA/Accessibility related issues is outside the scope of my expertise and the scope of this inspection. Interested parties desiring further information should consult with a registered design professional.

Restrooms

Informational Comments & Conditions

- 12.3 - In general, the restrooms appear to conform to relatively current Universal Accessibility regulations. The evaluation of ADA/Accessibility related issues is outside the scope of my expertise and the scope of this inspection. Interested parties desiring further information should consult with a registered design professional.

Section 13.0 - Environmental

This inspection was performed in accordance with CREIA Commercial Standards of Practice. Conditions related to environmental issues, hazardous materials, mold/biologic growth, issues related to Chinese drywall, etc are outside the scope of this inspection. No environmental testing or evaluation was performed as part of this inspection. Any comments made regarding environmental issues are those of a generalist and should not be considered comprehensive. Please refer to the agreement governing the scope of this inspection for additional limitations and exclusions.

This inspection is not an EPA Phase One Inspection. It is recommended that the client fully investigate all such issues prior to the close of escrow.

General Comments & Observations

Exterior Conditions & Observations

Informational Comments & Conditions

- 13.1 - There were no adverse conditions noted at the time of inspection.

Interior Conditions & Observations

Informational Comments & Conditions

- 13.2 - Conditions associated with all forms of microbial growth may or may not be present at this property. CREIA Commercial standards call for reporting conditions resulting from moisture intrusion and or the resulting damage/deterioration. The actual inspection and or identification of microbial growths/molds/mildews is outside the scope of our expertise and the scope of this inspection. All such issues are SPECIFICALLY DISCLAIMED. The analysis of such issues requires very sophisticated laboratory testing and a highly trained specialist to determine the type of growth, any associated health risk and any remedial action necessary for the specific conditions present. If conditions related to possible moisture intrusion and or damage are noted within the report, it is recommended that further evaluation/testing/remediation be conducted by a qualified specialist such as an industrial hygienist. Any necessary repair/correction of moisture damage and or mold remediation should follow generally accepted standards such as IIRC S500 for Water Damage Restoration or IIRC S520 for Mold Remediation. Failure to follow generally accepted guidelines or standards can result in reoccurrence of such issues and the need for additional remediation or corrective measures.

CERTIFICATIONS AND AFFILIATIONS



Master CREIA Inspector, MCI

California Real Estate Inspection Association, Master CREIA Inspector #0107

ASHI Certified Inspector #246625

ICC Certified Residential Combination Building Inspector #5283444-R5

Member, International Code Council #5236207

F.I.R.E Service Certified Inspector #FP 102

Tile Roofing Institute, Certified Installer/Moderate Climates

CNCS, CREIA New Construction Specialist

ITA Educated

A handwritten signature in black ink, which appears to read "Skip Walker".

Walker Property Evaluation Services

3001 Sneath Lane San Bruno CA 94066
Tel: 650-873-4224 Fax: 650-873-4282

Terms and Conditions of Use

Client: The Investment Group
Property Address 111 Shop-Till You Drop Drive, Milpitas, CA 94403
Date: 1/2/2012

Terms and Conditions:

This report is not transferable and was written for the sole use and benefit of named Client. This report is a work product and is copyrighted as of the date of this report. It is the exclusive property of the Walker Property Evaluation Services and for the exclusive use of the clients whose names appear therein. Any use without the express written permission of the Client and Walker Property Evaluation Services is expressly prohibited. Unauthorized duplication and/or distribution of, use of or reliance on this report by any party other than the clients has the effect of all parties agreeing to hold harmless, individually, jointly, and/or otherwise, the inspector, the Company, their successors and assigns from any third party claims arising out of unauthorized distribution of the inspection report. Any use or reliance, whether authorized or unauthorized, of the information contained herein, constitutes your ascent to the terms of the written agreement governing this document and to the scope and limitations of the inspection as described in the written agreement and in the CREIA Standards of Practice. Interested third-party's are encouraged to obtain their own independent inspection for the property. Walker Property Evaluation Services would be happy to schedule such an inspection for you.

COMMERCIAL INSPECTION TERMS OF USE:

1. The inspection to be performed for Client 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 building's components, systems and equipment, as they exist at the time of the inspection. The work product resulting from completing an inspection in accordance with this contract is an inspection report. The inspection report incorporates the information obtained during the inspection. The inspection report is for the sole use and benefit of Client. Client agrees to read the entire inspection report when it is received and shall promptly call the Inspector with any questions or concerns Client may have regarding the inspection report or the inspection. The inspection report shall be considered the final and exclusive findings of the Inspector regarding the inspection of the building. Client shall not rely on any oral statements made by the Inspector prior to issuance of the inspection report.
2. Components and systems operated during the inspection will be identified in the inspection report. The identified components and systems shall be operated with normal user controls only and as conditions permit. If a component or system is operated, it may be conducted without the aid of special protective clothing, exploratory probing, removing materials, testing, measuring, preparing calculations or using special equipment, including meters or devices of any kind. Testing, measuring, or preparing calculations for any system or component to determine adequacy, capacity, or compliance with any standard is outside the scope of this contract.
3. The term material physical deficiencies means the presence of conspicuous patent defects or material deferred maintenance of the building's material systems, components, or building equipment as observed during the inspection. This definition specifically excludes deficiencies that may be

remedied with routine maintenance, miscellaneous minor repairs, and normal operating maintenance, and excludes conditions that generally do not present material physical deficiencies of the building.

4. Inspector is an expert generalist and not acting as an expert in any SPECIFIC craft or trade. The inspector may make recommendations for further evaluation by an individual(s) who is an expert or specialist IN ONE OR MORE SPECIFIC BUILDING COMPONENTS OR SYSTEMS.

5. The inspection is not technically exhaustive. The cost of obtaining information or the time required to conduct a technically exhaustive inspection and prepare the inspection report could outweigh the usefulness of the information and could be detrimental to the orderly and timely completion of Client's transaction.

6. No inspection can wholly eliminate the uncertainty regarding the presence of physical deficiencies and the performance of the building's systems. Preparation of an inspection report in accordance with this contract is intended to reduce, but not eliminate, the uncertainty regarding the potential for component or system failure and to reduce the potential that such component or system may not be initially observed. Client recognizes the inherent subjective nature of the inspector's opinions as to issues such as workmanship, quality of original installation, and estimating the remaining useful life of any given component or system. The inspector's opinions generally are formed without detailed knowledge from those specifically familiar with the component's or system's performance.

7. The inspection report will contain a representative indication of the property condition at the time of the inspection and is dependent on the information available to the inspector at that time.

8. It is Client's duty and obligation to exercise reasonable care to protect himself or herself regarding the condition of the building, including those facts that are known to or within the diligent attention and observation of Client.

LIMITATIONS, EXCEPTIONS AND EXCLUSIONS

Excluded from this inspection is any system, structure or component of the building that is inaccessible, concealed from view, or cannot be inspected due to circumstances beyond the control of the Inspector, or which Client has agreed is not to be inspected. Unless specifically agreed upon otherwise between the Inspector and Client, the following are excluded from the inspection:

- A. Building code or zoning ordinance violations.
- B. Geological stability or soils conditions or structural stability or engineering analysis.
- C. All wood-destroying organism.
- D. Interior partition walls; tenant improvements and non-building equipment.
- E. Americans With Disabilities Act inspections.
- F. Water testing for roof, wall or window leaks. Concealed roofing membrane integrity.
- G. Concealed floor cracks and all underground components.
- H. Product recalls or other such notices.
- I. Specific components noted in the inspection report as being beyond the scope of the inspection.
- J. Thermostatic, motion and time clock controls.
- K. Permits or public records research.
- L. Fire and life safety systems.
- M. Elevators or lifts.
- N. Building security and security systems.
- O. Installation guidelines and manufacturer's specifications.
- P. Examination of conditions related to animals, rodents, insects, wood-destroying insects, organisms, mold, and mildew or the damage caused thereby.
- Q. Personal property.
- R. Removing equipment or component covers, panels or plates.

Services for inspecting or evaluating the excluded items listed above may be available from Inspector for an additional fee or from specialists qualified to inspect or evaluate a particular category or item.

ENVIRONMENTAL CONCERNS:

Client acknowledges that what is being contracted for is a building inspection and not an environmental evaluation and the inspection is not intended to detect, identify or disclose any health or environmental concerns regarding this building or property, including, but not limited to, the presence of asbestos, radon, lead, urea-formaldehyde, fungi, mold, mildew, PCBs, or other toxic materials or substances in the water, air, soil or building materials.

CONFIDENTIAL REPORT:

The inspection report to be prepared for Client is solely and exclusively for Client's own information and may not be relied upon by any other person. Client agrees to maintain the confidentiality of the inspection report and agrees not to disclose any part of it to any other person. Client may distribute copies of the inspection report to other persons directly involved in this transaction, but Client and Inspector do not in any way intend to benefit said other persons directly or indirectly through this Contract, the inspection or the inspection report. **CLIENT AGREES TO INDEMNIFY, DEFEND AND HOLD INSPECTOR HARMLESS FROM ANY THIRD PARTY CLAIMS ARISING OUT OF CLIENT'S UNAUTHORIZED DISTRIBUTION OF THE INSPECTION REPORT.**

LIQUIDATED DAMAGES:

It is understood and agreed by and between the parties hereto that the Inspector/inspection company is not an insurer, that the payment for the subject inspection is based solely on the value of the services provided by Inspector/inspection company in the performance of the inspection and production of the inspection report as described herein, that it is impracticable and extremely difficult to fix the actual damages, if any, which may result from a failure to perform such services, and in case of failure to perform such services and a resulting loss, Client's damages herein shall be liquidated and fixed in an amount equal to the inspection fee paid multiplied by two hundred percent (200%) as liquidated damages and not as a penalty, and this remedy shall be exclusive.

GENERAL PROVISIONS:

This inspection contract, the inspection, and the inspection report do not constitute a warranty, guarantee, or insurance policy of any kind whatsoever.

No legal action or proceeding of any kind, including those sounding in tort or contract, can be commenced against Inspector/Inspection Company, or its officers, agents or employees more than one year from the date the Client discovers, or through the exercise of reasonable diligence should have discovered, the cause of action. In no event shall the time for commencement of a legal action or proceeding exceed two years from the date of the subject inspection. **THIS TIME PERIOD IS SHORTER THAN OTHERWISE PROVIDED BY LAW.**

In the event Client discovers a material physical deficiency in a component, system or equipment of the building that was not identified and reported by Inspector, Client shall so notify Inspector in writing and allow Inspector and/or Inspector' designated representative to re-inspect and document the condition(s) of the material physical deficiency prior to making any repair, alteration, or replacement to said physical deficiency.

Should any provision of this contract be held by a court of competent jurisdiction to be either invalid or unenforceable, the remaining provisions of this contract shall remain in full force and effect, unimpaired by the court's holding.

This contract shall be binding upon and inure to the benefit of only the undersigned parties and their heirs, successors and assigns.

This contract constitutes the entire integrated agreement between the parties hereto pertaining to the subject matter hereof, and may be modified only by a written agreement signed by all of the parties hereto. No oral agreements, understandings, or representations shall change, modify, or amend any part of this contract.

Each party signing this contract warrants and represents that he/she has the full capacity and authority

to execute this contract on behalf of the named party whether it is a corporation, partnership or other entity. If this contract is executed on behalf of Client by a third party, the person executing this contract expressly represents to Inspector that he/she has the full and complete authority to execute this contract on Client's behalf and to fully and completely bind Client to all of the terms, conditions, limitations, exceptions and exclusions of this contract.

CREIA Standards of Practice

Commercial Standards of Practice
Originally Adopted January 4, 2002
Revised April 3, 2007 - Effective July 1, 2007

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Part I. Definitions and Scope

These Standards of Practice provide guidelines for a commercial building inspection and define certain terms relating to these inspections. Italicized words in these Standards are defined in Part IV, Glossary of Terms.

- A. A commercial building inspection is a survey and basic operation of the systems and components of a building. The purpose of the inspection is to provide the Client with information regarding the general condition of the building(s).
- B. A commercial building inspection report identifies material deficiencies observed in the inspected building's components and systems which, in the opinion of the Inspector, are not functioning as intended or are at the ends of their service lives. The report may be written or verbal or any other agreed upon format.
- C. Inspections performed in accordance with these Standards of Practice are not technically exhaustive and shall apply to the primary building(s).

Part II. Standards of Practice

A commercial building inspection includes the readily accessible systems and components or a representative number of multiple similar components listed in Sections 1 through 8 subject to the limitations, exceptions, and exclusions in Part III.

SECTION 1 - FOUNDATION, BASEMENT, AND UNDER-FLOOR AREAS

- A. Items to be inspected:
 - 1. Foundation system
 - 2. Floor framing system
 - 3. Under-floor ventilation
 - 4. Foundation anchoring and cripple wall bracing
 - 5. Wood separation from soil
 - 6. Insulation
- B. The Inspector is not required to:
 - 1. Determine size, spacing, location, or adequacy of foundation bolting/bracing components or reinforcement systems
 - 2. Determine the composition or energy rating of insulation materials

SECTION 2 - EXTERIOR

- A. Items to be inspected:
 - 1. Surface grade directly adjacent to the buildings
 - 2. Doors and windows
 - 3. Attached decks, porches, patios, enclosures, balconies, and stairways
 - 4. Wall cladding and trim
 - 5. Portions of walkways that are adjacent to the buildings
- B. The Inspector is not required to:
 - 1. Inspect door or window screens, shutters, awnings, or security bars
 - 2. Determine whether a building is secure from unauthorized entry

3. Inspect fences or gates or operate automated gate openers or their safety devices
4. Use a ladder to inspect systems or components

SECTION 3 - ROOF COVERING

- A. Items to be inspected:
 1. Covering
 2. Drainage
 3. Flashings
 4. Penetrations
- B. The Inspector is not required to:
 1. Walk on the roof surface if in the opinion of the Inspector there is risk of damage or a hazard to the Inspector
 2. Warrant or certify that roof systems, coverings, or components are free from leakage

SECTION 4 - ROOF FRAMING

- A. Items to be inspected:
 1. Framing
 2. Ventilation
 3. Insulation
- B. The Inspector is not required to:
 1. Inspect suspended ceiling systems or remove suspended ceiling panels
 2. Inspect mechanical attic ventilation systems or components
 3. Determine the composition or energy rating of insulation materials

SECTION 5 - PLUMBING

- A. Items to be inspected:
 1. Water supply piping
 2. Drain, waste, and vent piping
 3. Faucets and fixtures
 4. Fuel gas piping
 5. Water heaters
 6. Functional flow and functional drainage
- B. The Inspector is not required to:
 1. Fill any fixture with water, inspect overflow drains or drain-stops, or evaluate backflow devices, waste ejectors, sump pumps, or drain line cleanouts
 2. Inspect or evaluate water temperature balancing devices, temperature fluctuation, time to obtain hot water, water circulation or solar heating systems or components
 3. Inspect fuel tanks or determine if the fuel gas system is free of leaks
 4. Inspect wells or water treatment systems

SECTION 6 - ELECTRICAL

- A. Items to be inspected:
 1. Service equipment
 2. Electrical panels
 3. Circuit wiring
 4. Switches, receptacles, outlets, and lighting fixtures
- B. The Inspector is not required to:
 1. Inspect high voltage systems or components
 2. Operate circuit breakers or circuit interrupters
 3. Remove covers from any electrical panel, equipment, or outlet
 4. Inspect de-icing systems or components
 5. Inspect private or emergency electrical supply systems or components

SECTION 7 - CENTRAL HEATING AND COOLING

- A. Items to be inspected:
 1. Central heating and cooling equipment
 2. Energy source connections
 3. Combustion air and exhaust vent systems
 4. Condensate drainage
 5. Conditioned air distribution systems

- B. The Inspector is not required to:
1. Operate heating, cooling, or ventilation equipment
 2. Inspect heat exchangers or electric heating elements
 3. Inspect radiant, solar, hydronic, or geothermal systems or components
 4. Inspect electronic air filtering or humidity control systems or components
 5. Inspect or review any equipment printouts or displays
 6. Determine volume, uniformity, temperature, airflow, balance, or leakage of any air distribution system

SECTION 8 - BUILDING INTERIOR

- A. Items to be inspected:
1. Walls, ceilings, and floors
 2. Interior doors and glazing
 3. Stairways, handrails, and guardrails
- B. The Inspector is not required to:
1. Inspect window or floor coverings
 2. Operate or test smoke alarms or automated door safety devices
 3. Determine adequacy of exiting
 4. Use a ladder to inspect systems or components

Part III. Limitations, Exceptions, and Exclusions

- A. The following are excluded from a commercial building inspection:
1. Systems or components of a building, or portions thereof, which are not readily accessible, not permanently installed or not inspected due to circumstances beyond the control of the Inspector or which are specifically excluded by the Inspector
 2. Site improvements or amenities, including, but not limited to: accessory buildings, fences, planters, landscaping, irrigation, swimming pools, spas, ponds, waterfalls, fountains or their components or accessories
 3. Signage
 4. Deficiencies that fall within the scope of routine maintenance
 5. Nonessential features of inspected appliances
 6. Systems or components, or portions thereof, which are under ground, under water, or where the Inspector must come into contact with water
 7. Determining compliance with manufacturers' installation guidelines or specifications, building codes, accessibility standards, conservation or energy standards, regulations, ordinances, covenants, or other restrictions
 8. Building ingress or egress, compliance with Americans with Disabilities Act or other accessibility standards, regulations, ordinances, covenants, or other restrictions
 9. Determining adequacy, efficiency, suitability, quality, age, or remaining life of any building, system, or component, or aesthetic conditions, marketability, or advisability of purchase
 10. Structural, seismic, geological, environmental, hydrological, land surveying, or soils-related examinations
 11. Acoustical or other nuisance characteristics of any system or component of a building, complex, adjoining property, or neighborhood
 12. Conditions related to animals, insects, or other organisms, including fungus and mold, and any hazardous, illegal, or controlled substance, or the damage or health risks arising there from
 13. Risks associated with events or conditions of nature including, but not limited to: geological, seismic, wildfire, and flood
 14. Water testing any building, system, or component or determining leakage in shower pans, pools, spas, or any body of water
 15. Determining the integrity of hermetic seals at multi-pane glazing
 16. Differentiating between original construction or subsequent additions or modifications
 17. Reviewing information from any third-party, including but not limited to: product defects, construction documents, and recalls or similar notices
 18. Specifying repair/replacement procedures or estimating cost to correct
 19. Communication, computer, building security or low-voltage systems and remote, timer, sensor, or similarly controlled systems or components
 20. Fire extinguishing and suppression systems and components or determining the presence or absence or fire resistive qualities of materials or assemblies
 21. Elevators, escalators, lifts, and dumbwaiters
 22. Fireplaces and their chimneys
 23. Lighting pilot lights or activating or operating any system, component or appliance that is shut down, unsafe to operate, or does not respond to normal user controls
 24. Operating shutoff valves or shutting down any system or component
 25. Dismantling any system, structure, or component or removing access panels
- B. The Inspector may, at his or her discretion:
1. Inspect any building, system, component, appliance, or improvement not included or otherwise excluded by these Standards of Practice. Any such inspection shall comply with all other provisions of these Standards unless agreed otherwise.

2. Include photographs with the report or take photographs for Inspector's reference.

Part IV. Glossary of Terms

*Note: All definitions apply to derivatives of these terms when italicized in the text.

Appliance: An item such as an oven, dishwasher, heater, etc. which performs a specific function

Building: The subject of the inspection

Commercial Building: A structure other than a residential dwelling structure of one to four units or its primary parking structure. Refer to Part I, "Definitions and Scope", Paragraph A

Component: A part of a system, appliance, fixture, or device

Condition: Conspicuous state of being

Determine: Arrive at an opinion or conclusion pursuant to a building inspection

Device: A component designed to perform a particular task or function

Equipment: An appliance, fixture, or device

Fixture: A plumbing or electrical component with a fixed position and function

Function: The normal and characteristic purpose or action of a system, component, or device

Functional Drainage: The ability to empty a plumbing fixture in a reasonable time

Functional Flow: The flow of the water supply at the highest and farthest fixture from the building supply shutoff valve when another fixture is used simultaneously

High Voltage: Electrical energy 600 volts or more

Inspect: Refer to Part I, "Definitions and Scope", Paragraph A

Inspector: One who performs a commercial building inspection

Normal User Control: Switch or other device that activates a system or component and is provided for use by an occupant of a building

Operate: Cause a system, appliance, fixture, or device to function using normal user controls

Permanently Installed: Fixed in place, e.g. screwed, bolted, nailed, or glued

Primary Building: A building that an Inspector has agreed to inspect

Primary Parking Structure: A building for the purpose of vehicle storage associated with the primary building

Readily Accessible: Can be reached, entered, or viewed without difficulty, moving obstructions, or requiring any action which may harm persons or property

Representative Number: Example, an average of one component per area for multiple similar components such as windows, doors, and electrical outlets

Shut Down: Disconnected or turned off in a way so as not to respond to normal user controls

System: An assemblage of various components designed to function as a whole

Technically Exhaustive: Examination beyond the scope of a commercial building inspection, which may require disassembly, specialized knowledge, special equipment, measuring, calculating, quantifying, testing, exploratory probing, research, or analysis

REPORT CONCLUSION

111 Shop-Till You Drop Drive, Milpitas, CA 94403

Inspecting a property is a simple task; anyone can do it. Performing a professional real estate inspection is infinitely more difficult. Professional real estate inspectors have broad technical knowledge that enables them to recognize existing conditions and make recommendations for further action if appropriate.

This report was produced specifically for your commercial property and the associated parking area. This report does not include any other portions or features of the site except as agreed to by the inspector and client prior to the inspection. The purpose of this inspection and written report is to provide an unbiased opinion of the material defects and conditions at that point in time. Further, it is to describe the physical condition of the selected key systems and components and parking area. We feel that items in RED or BLUE are significant. We strongly recommend that you discuss these items specifically and the report as a whole with your REALTOR, contractor and/or legal advisor.

The observations in this report are the result of visual observations made the day of the inspection. To realize the full benefit of this report, please take the time to read the entire report. It is also recommended that a final "walk through" be made on any property as various components fail or break at random without regard to our timetables and / or calendars.

Thank you for considering Walker Property Evaluation Services for your real estate inspection needs. If we can be of further assistance to answer questions regarding this report, please feel free to contact us at 650.873.4224.

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