

RISK Assessment® Report

November 07, 2012



City of Newport Beach

**1 Newport Beach Pier
Newport Beach, CA 92663**

Inspector - Mike Howson
Confidential and Proprietary

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**Confidential Inspection Report
1 Newport Beach Pier
Newport Beach, CA 92663**

Prepared for: City of Newport Beach



Prepared by: Mike Howson

This report is the exclusive property of the inspection company and the client whose name appears herewith and its use by any unauthorized persons is prohibited.

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RISK ASSESSMENT[®]

Commercial Real Estate Inspectors

3266 Kirkham Drive
Glendale, CA 91206
818-957-4654

This is an assessment of the five major systems - Plumbing, Electrical, Heating and Air Conditioning, Structure and Roofing along with an assessment of any other current deferred maintenance issues for the site.

This assessment will cover three aspects of these systems per industry standards, namely:

- 1. Expected useful life left in each system.**
- 2. Maintenance/Repairs that are needed immediately for each system.**
- 3. Total costs that are expected over the next five years for each system.**

Note: The cost estimates are industry standards per the *R.S. Means - 2007 Building Construction Cost Data 20th Annual Western Edition* along with review and consultation with local contractors.

Although care and thought have gone into this assessment there are many variables that can cause the actual prices to differ greatly, such as: local building ordinances, requirements, specifications and details, local demand for labor, materials, etc.

No implied warranty is given.

No cosmetic concerns have been addressed in these estimates.

No Routine Maintenance concerns have been addressed in these estimates below \$1000.

**ADDRESS: 1 Newport Beach Pier
Newport Beach, CA 92663**

<i>CLIENT: City of Newport Beach</i>	<i>November 07, 2012</i>
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PLUMBING:

<p>1. The expected useful life left in the Plumbing System:</p> <p>20 - 30 years</p> <p>2. What Maintenance/Repairs are needed immediately for the Plumbing System:</p> <p>A Specialty forensic inspection is needed to determine the source of visible leaks under the building and for this to be repaired as well as the resultant moisture damages to the structure.</p> <p>3. What costs are expected over the next five years for the Plumbing System:</p> <p>It is estimated that \$3,000 to \$5,000 would be required to complete this work</p>	<p>TOTAL: \$3,000 - \$5,000</p>
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ELECTRICAL:

<p>1. What is the expected useful life left in the Electrical System:</p> <p>The expected useful life of the electrical system is: 10 - 20 years</p> <p>2. What Maintenance/Repairs are needed immediately for the Electrical System:</p> <p>A Full Evaluation of the entire electrical system is advised at this time by a qualified electrical contractor to determine the status of the system and to make recommendations as to what repairs/replacements are needed for health and safety.</p> <p>3. What costs are expected over the next five years for the Electrical System:</p> <p>A detailed evaluation of the entire system is needed before any cost estimates can be given accurately. This will require a qualified electrical professional at this time</p>	<p>TOTAL: Specialty Evaluation is needed to determine costs</p>
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HEATING AND COOLING:

<p>1. What is the expected useful life left in the Heating and Air Conditioning System:</p> <p>A Full Evaluation is advised at this time of the Heating and AC systems by a qualified HVAC specialist to determine the true condition of the systems and to determine what repairs/replacements are needed to ensure proper operation along with health and safety.</p> <p>2. What Maintenance/Repairs are needed immediately for the Heating and Air Conditioning system:</p> <p>Heating and Air Conditioning systems with ducting need to be installed to service all parts of the building.</p> <p>3. What costs are expected over the next five years for the Heating and Air Conditioning System:</p> <p>A full evaluation of how much heating and Air conditioning would be needed however it would appear to need at least 8 tons of heating and Air-Conditioning such as two 4 ton systems , plus the cost of ducting may cost \$17,000 to \$21,000</p>	<p>TOTAL: \$17,000 - \$21,000</p>
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ROOF:

<p>1. What is the expected useful life left in the Roofing System:</p> <p>Though full review by a qualified roofing contractor is recommended at this time, replacement of the existing roof system is advised.</p> <p>2. What Maintenance/Repairs are needed immediately for the Roofing System:</p> <p>Significant repairs are needed to the existing roof system to help ensure a leak free condition at this time.</p> <p>3. What costs are expected over the next five years for the Roofing System:</p> <p>\$5,000 to \$10,000 for a new roof</p>	<p>TOTAL: \$5,000 -</p>
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	\$10,000
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STRUCTURE:

<p>1. What is the expected useful life left in the Structural System: The structural system exhibits excessive areas of deterioration. Repairs are advised at this time and the system as it exists is Near the End of it's expected useful life.</p> <p>2. What Maintenance/Repairs are needed immediately for the Structural System: Forensic investigation is needed to determine the condition of the not visible structural portions of the structure. Extent of water damage to the structure needs to be determined. Deck on second floor needs repair. Broken and decayed wood siding and trim needs to be replaced or repaired.</p> <p>3. What costs are expected over the next five years for the Structural System: \$30,000 - \$35,000</p>	<p style="text-align: right;">TOTAL: \$30,000 - \$35,000</p>
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GENERAL MAINTENANCE & REPAIRS:

<p>1. What is the expected useful life left in the Site: The expected useful life left in the site is 5 to 10 years</p> <p>2. What Maintenance/Repairs are needed immediately currently for the Site: Due to evidence of deteriorated wood around the property a structural pest control inspection is recommended.</p> <p>3. What costs are expected over the next five years for the Site: Due to the extent of repairs advised further review is needed at this time to determine the scope of work and the costs involved.</p>	<p style="text-align: center;">TOTAL: Specialty Evaluation is needed to determine</p>
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TOTAL COMBINED ESTIMATED EXPENSES:

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

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

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

Further review by qualified specialists is advised at this time to determine the full scope of work. These estimates should be used as guidelines only

TOTAL:
\$25,000 -\$36,000

SITE PHOTO

City of Newport Beach
1 Newport Beach Pier
Newport Beach 92663

INSPECTION CONDITIONS

CLIENT & SITE INFORMATION:

DATE OF INSPECTION:

November 07, 2012

TIME OF INSPECTION:

10:00AM

CLIENT NAME:

City of Newport Beach

ADDRESS:



1 Newport Beach Pier
Newport Beach, CA 92663

INSPECTOR:
Mike Howson

CLIMATIC CONDITIONS:

WEATHER:
Clear

TEMPERATURE:
70's

BUILDING CHARACTERISTICS:

BUILDING TYPE:
Restaurant

STORIES:
Two

UTILITY SERVICES:

UTILITIES STATUS:
No utilities were on

OTHER INFORMATION:

OCCUPIED:
No

APPROX. DATE OF CONSTRUCTION
1920's, Updated in the 80's per info given

CLIENT PRESENT:
Yes

GENERAL OVERVIEW:



View of leak area under building

The restaurant is an older building which shows age and wear throughout. Moisture intrusion was noted from the roof area down to the foundation. Leaks were noted under the building from pipes which were not visible without actual intrusive investigation.

DEFINITIONS AND STANDARDS

TERMS OF THE INSPECTION:

SERVICEABLE:

It is the inspectors opinion that this item is doing the job for which it was intended and exhibits normal wear and tear.

NEEDS ATTENTION:

It is the inspectors opinion that this item is in need of further investigation and/or repairs or appears to be at the end of its expected useful life. The inspector has made the client aware of this situation by calling it "needs attention" in the report. It is then the clients responsibility to take appropriate action concerning the situation with the appropriate professional in a timely manner.

NOT ACCEPTABLE:

It is the inspectors opinion that this item is either in need of immediate repairs or is a safety hazard due to adverse conditions. Also the item may be in such a state of disrepair that significant repairs or replacement is strongly advised.

The inspector has made the client aware of this situation by calling it "not acceptable" and it is then the clients responsibility to take appropriate action concerning the situation with the appropriate professional in a timely manner.

STANDARDS:

A. The report conforms to the Commercial Standards of Practice of the California Real Estate Inspection Association and the Business and Professions Code which defines a commercial real estate inspection as: The inspection to be performed consists of non-intrusive visual observations to survey the readily accessible, easily visible material components, systems and equipment of the building. The inspection is designed to identify material physical deficiencies in the buildings components, systems and equipment, as they exist at the time of the inspection. Unless otherwise agreed between the inspector and client, the specific systems, structures and components of a building to be examined are listed in these Commercial Standards of Practice.

B. A commercial real estate inspection report provides written documentation of material physical deficiencies discovered in the inspected building's systems and components which, in the opinion of the Inspector, are safety hazards, are not functioning properly or appear to be at the end of their expected useful life. The report may include the Inspector's recommendations for correction or further evaluation.

The term **material physical deficiencies** means the presence of conspicuous patent defects or material deferred maintenance of the buildings material systems, components or building equipment as observed during the inspection. **This definition specifically excludes deficiencies that may be remedied by routine maintenance.**

C. Inspections performed in accordance with these Standards of Practice are not technically exhaustive and shall apply to the primary building and its associated primary parking structure.

PLUMBING SYSTEM

While some plumbing observation may be code related, this inspection does not determine if the system complies with code. Supply and waste lines are inspected only where they are accessible and while operating accessible fixtures and drains. Performance of the water flow can vary during different times of the day and performance of the drain during actual usage is undetermined. Drain blockage is common in vacant property. It is advised to have any underground drain lines examined by a specialist with a camera to determine their actual condition. The following are not included: inaccessible supply or waste lines; leaks in inaccessible areas such as walls, underground or the crawl space; the interior of pipes for mineral or corrosive clogging, water hammering, solar equipment or water temperature, and the condition of shower pans or if a shower will leak when used. No water testing of any type is performed. The type of copper is not part of this inspection and will not be determined. The gas system is not tested for leaks and any underground or hidden gas lines are specifically excluded from this report. Determining the operation of sewer ejection systems is excluded from this inspection and it should be examined by a specialist. The shutoff valves under sinks and other plumbing valves, such as the main shut off valve, are not turned or tested.

GENERAL OVERVIEW

There is a plumbing leak which is visible from a walkway under the pier floor. The steady stream of water coming down appears to be a fresh water leak and can be coming from supply lines or Fire Sprinkler system pipe. An intrusive inspection needs to be done by a qualified plumbing contractor. Orange Coast Plumbing was contacted as a local Plumbing company and they would be able to do the needed intrusion and repairs of what is leaking.

They can be contacted, if you are interested, at 714-953-1111. Joey was my contact there.

MAIN WATER SUPPLY LINE:

MAIN WATER LINE MATERIAL:

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

WATER SUPPLY PRESSURE REGULATOR:

CONDITION:



Specialty equipment is installed. What appears to be a pressure regulator looks quite new.

INTERIOR WATER SUPPLY LINES:

WATER SUPPLY PIPING MATERIAL:

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

CONDITION:

Serviceable where viewed However water is shut off during the inspection so pipes could not be tested.

WASTE LINES:

WASTE LINE MATERIAL:

The piping that takes the waste water out to the sewer system is made of plastic pipe where visible.

CONDITION:



View of waste container

The visible waste lines appear to be serviceable.

WASTE LINE COMMENTS:

The interior of the waste lines are not visible. A detailed investigation can only be performed by the use of an internal camera by a specialty contractor.

GAS SYSTEM:

SEISMIC GAS SHUT OFF VALVE:

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

GAS METER LOCATION:

None viewed

CONDITION:

Needs Attention: Gas pipe is a white plastic under the pier and becomes a metal pipe inside the building. Plastic pipe is acceptable for natural gas provided it is the correct type of plastic pipe. The specifications of the plastic pipe need to be ascertained by a licensed plumbing contractor and verification is then needed as to whether this is acceptable. The City of Newport Beach Building and Safety can answer this question if they are given the specifications for the pipe that is currently installed.



Views of gas pipe

WATER HEATER:

LOCATION:

Upstairs at back

LOCATION CONDITION:

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

FUEL:

Gas.

SIZE:

100 gallons

AGE:

8 yrs

CONDITION:



Views of Water Heater

Not tested as utilities are off. Unit appears serviceable however.

COMBUSTION AIR:

Serviceable overall.

WATER HEATER STRAPPING AND SUPPORT:

The water heater needs to be properly strapped for earthquake safety in accordance with standards established by state regulations.

TEMPERATURE/PRESSURE RELIEF VALVE:

Serviceable.

VENTING:

Serviceable.

PLUMBING COMMENTS:

WASTE LINE COMMENTS:

The interior of the waste lines are not visible. A detailed investigation can only be performed by the use of an internal camera by a specialty contractor.

GENERAL COMMENTS:

The majority of the water supply pipes, waste lines and gas lines are underground, in walls or installed in concealed parts of the structure and thus are not visible. Their condition cannot be determined and no representation is made as to their status

COMMENTS:

The adequacy or efficiency of any hot water heater cannot be determined in a limited time visual inspection. It is not known how hot water will get or how long it will last and this is many times a matter of personal preference

PLUMBING SYSTEM:

A Local Plumber was called about the issues needing to be resolved. They can be called, if you are interested, at 714-953-1111. The contact is Joey. They are Orange Coast Plumbing.

ELECTRICAL SYSTEM

Electrical features are operated with normal controls. The general wiring, switches, outlets and fixtures are randomly checked in accessible areas. While some observations may be code related, this inspection does not determine if the system complies with code. The inspection does not determine electrical capacity, determining over current capacity for any item including appliances, comparing circuit breaker capacity to installed appliance listings; interior or exterior low voltage wiring or fixtures; telephone, security, intercom, stereo, cable or satellite TV, remote controls or timers. The exterior lighting, landscape lighting or any lighting outside the footprint of the building is not inspected. Light bulbs are not removed or changed during an inspection. This inspection does not certify or warrant the system to be free of risk of fire, electrocution or personal injury or death.

No electric meter was observed in the building. There are however 3 panels with labels. Much of it appears abandoned or out of date.

MAIN ELECTRICAL SUPPLY:

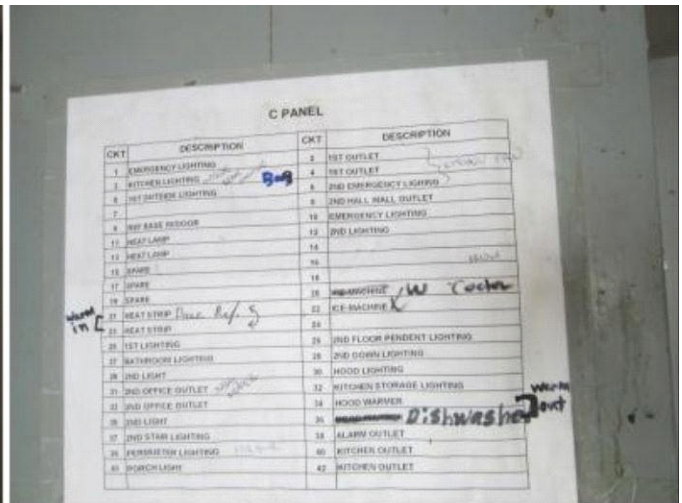
PATH OF ELECTRICAL SUPPLY:
under the pier

ELECTRICAL SUPPLY CONDITION:
Electricity was off at the time of this inspection, as well as other utilities.

MAIN SUPPLY PANEL :

PANEL LOCATION:
Back of kitchen

MAIN PANEL SPEC'S:



Views of Panel C



Views of Panel B

B PANEL

CKT	DESCRIPTION	CKT	DESCRIPTION
1	BAR OUTLET	2	KITCHEN REFRIDGERATION SYSTEM
3	BAR OUTLET	4	KITCHEN REFRIDGERATION SYSTEM
5	REFRIDGERATION SYSTEM	6	REF BASE WIDOORS <i>Kitchen Con</i>
7	REFRIDGERATION SYSTEM	8	
9	FREEZER SYSTEM	10	2ND KITCHEN OUTLET
11	FREEZER SYSTEM	12	SUMP WELL
13	WORK TABLE OUTLET	14	SUMP WELL
15	WORK TABLE OUTLET	16	2ND WARMER
17	WORK TABLE OUTLET	18	2ND WARMER
19	KITCHEN OUTLET	20	2ND WARMER
21	OUTLET	22	2ND WARMER
23	BAR OUTLET	24	COOLER <i>in stairs bottom</i>
25	BAR OUTLET	26	COOLER OUTLET
27	BAR OUTLET	28	REFRIDGERATION



Panel A

ELECTRICAL SUBPANELS:

SUBPANEL LOCATION:

Back of Kitchen

SUBPANEL CONDITION:

The subpanels and the circuit breakers viewed appeared otherwise serviceable.

INTERIOR ELECTRICAL WIRING:

TYPE OF WIRING:

The wiring in the unit consists of plastic coated wires.

TYPE OF WIRING CONDUIT:

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

WIRING CONDITION:



Exposed wiring in areas

Needs Attention: Wiring is exposed in several areas as the front kitchen. All wiring and circuits should be reviewed by a Licensed Electrician to make everything safe and operational.

ELECTRICAL WIRING COMMENTS:

It is advisable to have an electrician examine the system and make all needed repairs to ensure a properly installed and correctly operating electrical system. This investigation of the system should be done prior to the expiration of the contingency period so the repair or replacement costs are known and unwanted expenses are avoided. It is expected that when the electrical specialist checks out the system they will find more problems as this is a general inspection and not designed to list every fault but to isolate areas in need of further detailed inspections by a specialist

OUTLETS:

OUTLET COMMENTS:

Not tested but appeared serviceable overall.

SWITCHES:

CONDITION:

Not tested but appeared serviceable overall

EXTERIOR ELECTRICAL:

CONDITION:

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

FIRE SUPPRESSION & SAFETY SYSTEMS

FIRE SUPPRESSION SYSTEMS:

There is an interior fire suppression system in the unit. This is not tested as part of a general visual property inspection.

It is noted that the flow of water leaking under the building could be coming from this system. The Fire Dept or local Fire Sprinkler Contractors should be called to co-ordinate shutting off and testing this system.

FIRE SAFETY SYSTEMS:

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

ELECTRICAL COMMENTS:

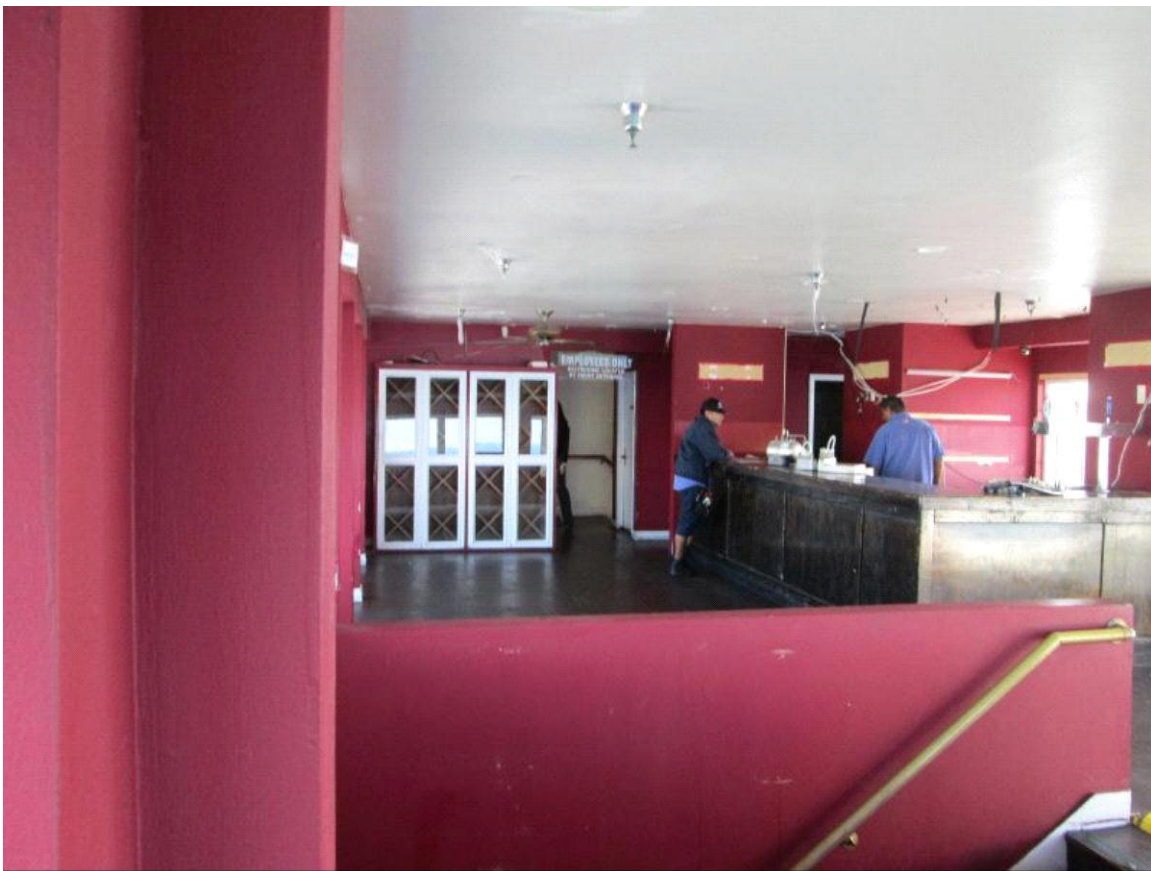
ELECTRICAL SYSTEM COMMENTS:

Low voltage lighting and wiring is excluded from a standard property inspection including outdoor lights, phone lines, security systems and speaker systems. Regular voltage exterior lighting is also excluded. The wiring is enclosed within the walls and ceilings and other parts of the structure. It is not visible and its condition cannot be fully determined. No representation is made as to its status.

HEATING AND COOLING SYSTEM

While some observations may be code related, this inspection does not determine if the system complies with code. Weather permitting a representative sampling of the systems are operated with normal controls. In order not to damage the system, the air conditioners are not activated if the outdoor temperature is below 65 degrees. Gas furnaces are not checked for carbon monoxide leakage or fire risks. There are carbon monoxide and fire detection devices which can be purchased and installed, which we recommend. Air ducts and registers are randomly checked for air flow. Heat exchangers are specifically excluded from the inspection. They are visually obstructed by the design of the system and a complete inspection requires special tools and disassembly, which is beyond the scope of the inspection. The following are additional items that are beyond the scope of the inspection: balance of the air flow, capacity or velocity of the air flow, humidifiers, air duct cleanliness, the ability of the system to heat or cool evenly, the presence of toxic or hazardous material or asbestos, system refrigerant levels, cooling or heating capacity to determine if its sufficient for the building, electronic air filters, solar equipment, programmable thermostats and determining the remaining life of the system. Window A/C's are not built in units and therefore not usually inspected.

GENERAL COMMENTS:

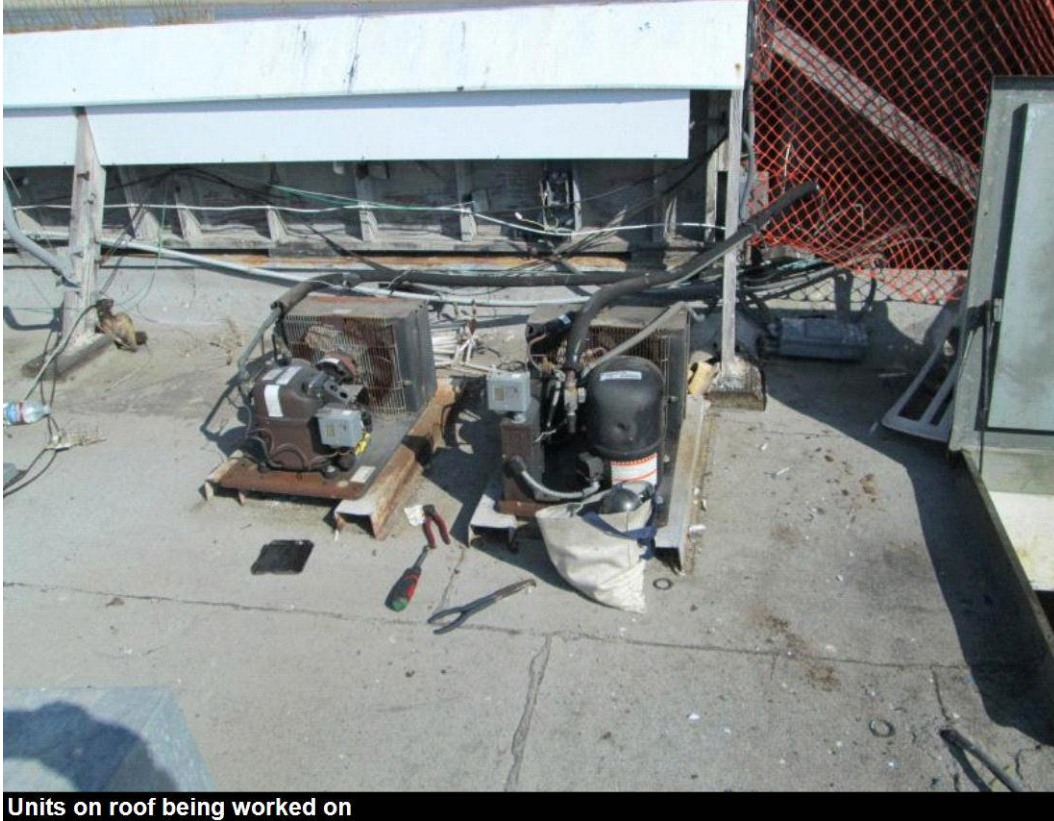


View of upstairs bar area

Utilities are off. Nothing could be tested. No ducts or registers were seen on the second floor. There may not be any Heating or Air Conditioning equipment installed.

COOLING SYSTEM:

LOCATION:



There are Refrigerator and Freezer units in the restaurant which have their own compressors and equipment.

HEATING AND COOLING COMMENTS:

COMMENTS:

Per the California Energy Commission, "Beginning October 1, 2005, Title 24 of the Building Energy Efficiency Standards requires that ducts be tested for leaks when a central air conditioner or furnace is installed or replaced. Ducts that leak 15% or more must be repaired"

A property inspection will not be able to determine if this air loss exceeds the maximum allowed of 15%. This test can only be done by a qualified technician and is beyond the scope of this inspection. It is advised to consult with a qualified specialist on this matter as the examination may determine that repairs or replacement of the ducting system is required.

ROOF SYSTEM

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

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

ROOF OVERVIEW:

The roof has multi layers and has areas on wear and ponding.

ROOF:

ROOF STYLE:

The roofing system is a flat roof with a low pitch

TYPE OF ROOFING MATERIAL LOW SLOPE ROOF:

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

ROOF ACCESS:

The roofing was walked on to inspect it.

ROOF COVERING STATUS:



Views of roof

Needs Attention There are areas of wear and deterioration to the roofing material. The roofing system appears to be near or at the end of it's expected useful life.



More views of roof

Needs Attention: Lower roof section is old and has moss growing on it.

SCUPPER, GUTTERS, DOWNSPOUTS & ROOF DRAINAGE:

SCUPPER OR GUTTER CONDITION:

Needs Attention there are rusty areas in the gutter system and these are full of debris.

ROOF DRAINAGE:

Needs Attention: The roof has low spots and therefore water ponds instead of all running off in some places.

ROOF COMMENTS:

COMMENTS:



View of ceiling stain kitchen

As noted at the interior portion of the report, there are signs of water intrusion and moisture stains inside the building indicating a history of leaks.

NOTES:

A licensed roofing contractor should examine the roofing system now and make all needed repairs (or replacements) to ensure a long lasting leak free condition. The roofing contractor may find more problems with the roof. It is for this reason it is being referred to a specialist, as he can determine all the problems and give an accurate estimate of the costs involved.

The roofing has been inspected at a time when it was not raining. Since one of the purposes of any roofing system is to repel water this could not be observed and verified as occurring in all cases. Therefore the roofing has not been tested under wet conditions and how it performs in these conditions is unknown. No warranty is made that the roofing will not leak when it is under a wet condition.

It is important for all roofs to have regular maintenance, including cleaning out any and all drainlines or gutters and ensuring all the penetrations are properly sealed.

FOUNDATION SYSTEM

Structural comments are of the conditions observed at the time of the inspection and are the opinion of the inspector and not fact. If further information or facts are needed, they can be obtained through a structural engineer or foundation expert. The inspection does not determine the potential of the structure to experience future problems, geological conditions or the potential of the underlying soils to experience movement or water flow or whether the soil is stable. If any form of prior structural movement is reported you should expect future movements and possible repairs.

The inspection does not calculate crawl space ventilation capacities, deck and balcony capacity, retaining wall conditions, construction material type, quality or capacity. It does not address the existence of prior repairs, the potential of future repairs, failure analysis, documentation of all possible movement or cracks in floor slabs covered by floor furnishings. It is typical for concrete floor slabs to have some hairline cracks as a result of the normal drying process of the concrete plus the stress occurring by settlement and seismic activity. Crawl spaces are observed in a cursory fashion and wood probing is not done and wood damage, dryrot and termites are not part of this inspection but part of the structural pest control operators report.

GENERAL DESCRIPTION OF THE STRUCTURE:

Wooden structure is built on the pier which has a raised foundation on top of a concrete slab with pier plank system underneath.

FOUNDATION:

RAISED FOUNDATION:



Layer of standing water seen here

Needs Attention: The small crawl space under the building has a layer of standing water which can be seen through the air vents on the North side. Wood framing and footings for the structure are soaked.

FOUNDATION BOLTING:

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

FLOOR FRAMING:

Needs Attention :Floor framing needs intrusive investigation due to the un-evenness of the floor in places and the wet conditions of the floor and sub-floor.

FOUNDATION VENTS:



broken vent screen

Needs Attention: Venting appears to be minimal and only on one side. Vents are also rusted and broken.

EXTERIOR

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

EXTERIOR OVERVIEW:

The wooden structure appears un-even and decayed in areas. The wood siding and trim have rotted areas and broken pieces. However, the main framing which holds up the building is too covered up to view without intrusive investigation. Enough evidence exists to warrant an intrusive investigation to look at main structural components, especially where they have been exposed to moisture. Such an investigation is recommended at this time. A licensed General Contractor who is a moisture specialist is recommended to be contacted. He is Dan Owen and he can be reached at 818-968-6966.

EXTERIOR COVERING OF THE BUILDING:

MATERIAL:

The exterior building covering is siding

CONDITION:



Views of weathered siding

Needs Attention: Siding is broken and decayed in some areas though painted with multiple layers.

EXTERIOR WINDOW SURFACES:

MATERIAL:

The exterior window surfaces are wood

CONDITION:



View of rotten trim

Needs Attention there are areas of damage to the exterior of the windows. Also wood trim has termite evidence on the upper balcony.

EXTERIOR DOOR SURFACES:

MATERIAL:

The exterior door surfaces are wood.

CONDITION:

Needs Attention: Doors do not close properly. They need adjustment.

EXTERIOR TRIM:

MATERIAL:

The exterior trim surfaces are wood

CONDITION:

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

DECKS AND BALCONIES:

TYPE:

The deck has a waterproof coating on the surface of it. Appears to be fiberglass underneath.

DECK CONDITION:



Deck drain is clogged & full water

Needs Attention There are Damaged Areas of the decking especially around the drain holes where the floor is spongy.

RAILINGS:

CONDITION:

Needs Attention: Railing in front is loose.

PATIO COVER/TRELLIS:

TYPE:



The patio cover is a lightweight metal design

CONDITION:

Serviceable but showing typical wear.

EXTERIOR COMMENTS:

COMMENTS:

This inspection is not a structural pest control inspection, otherwise known as a termite inspection. The "termite" inspection also covers such things as dryrot and wood damage and deterioration as well as wood destroying organisms. Any and all of these items need to be examined and any repairs completed by the "termite" company in a timely manner and they usually have a guarantee on their work. Please refer to the structural pest control report for any information concerning them

This is not a mold or fungus inspection, it is therefore advised to have a mold specialist examine the property and structure and do a complete inspection to determine the presence or not of any mold that may affect the health or safety of the occupants.

EXTERIORS SUMMARY:

As mentioned in the beginning of the Exterior Section of the report, enough evidence exists to warrant intrusive investigation in order to determine the conditions of structural elements which cannot be seen without removing areas of siding, floor boards and wall coverings. A General Contractor who is a moisture specialist is recommended for you to contact. He is Dan Own at 818-968-6966.

GROUNDS

This inspection is not intended to address or include any geological conditions or site stability information. For information concerning these conditions, a geo-technical engineer should be consulted. Proper grading is important to keep water away from the foundation. If it is not raining during the inspection the course of water flowing toward the structure or off the site cannot be observed. The soil should slope away from the structure to prevent problems caused by excess water not flowing away properly. Gutter discharge should be directed away from the foundation for the same reason. Out buildings, such as storage sheds, on the property are excluded from the inspection. Fire pits, a B.B.Q. and other similar items are not inspected nor is the gas to them tested or lit.

This inspection is visual in nature and does not attempt to determine drainage performance of the site or the condition of any underground piping, including municipal water and sewer service piping or septic systems. Landscape lighting, sprinklers and their timers are not part of a general property inspection. The inspection report does not include the identification of the property boundaries.

DRAINAGE:

COMMENTS:

Determining the adequacy of the grounds to shed water and prevent moisture intrusion into the structure is beyond the scope of the inspection. It is advised to obtain the history of any drainage problems and monitor the site regarding water run-off and drainage in general.

This inspection does not address drainage issues further than 6 feet from the building. Additionally drainage systems that are not visible such as underground systems are not evaluated or inspected. If more information is required it is advised to consult with a drainage specialist.

INTERIORS

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

INTERIOR AREAS:

OVERALL:

The restaurant has sloping or uneven wooden or tile floors. Walls and ceilings are aged and worn. Wires are hanging and equipment is very aged and corroded such as the exhaust system and walk-in coolers. Much interior upgrade would need to be done to make the restaurant occupiable.

PICTURES:



Typical view of interiors

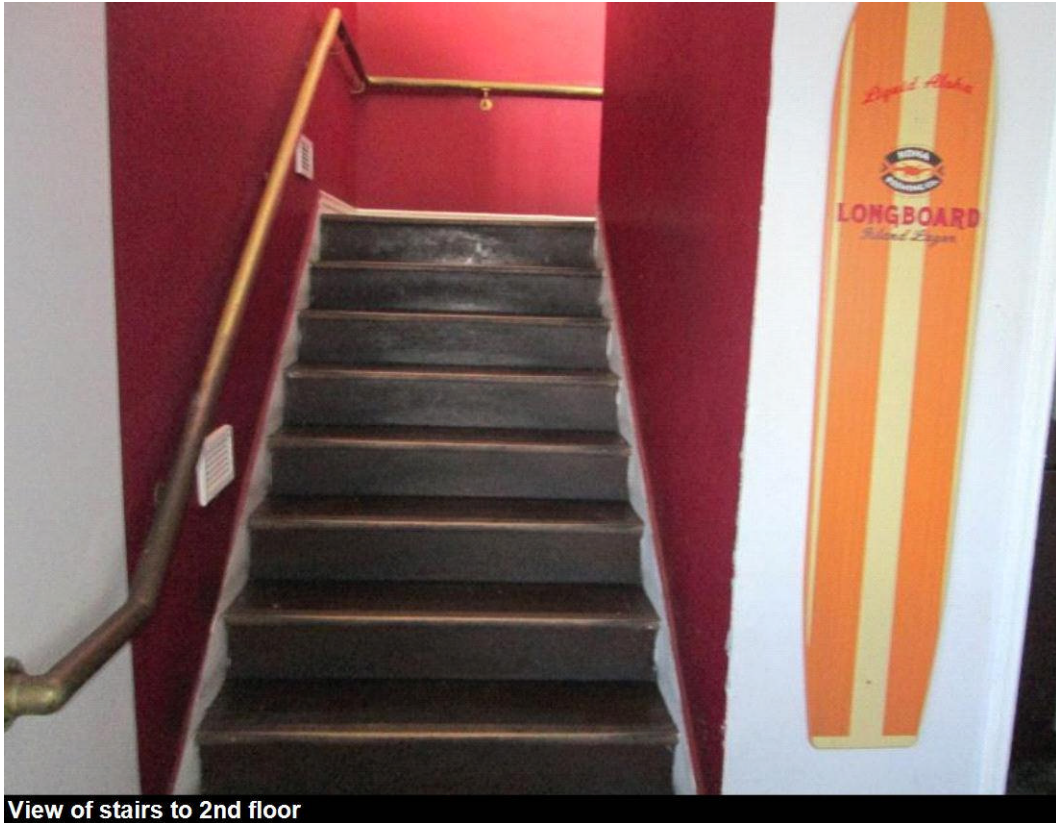
ENTRY:



View of ramp to entry

Needs Attention: Ramp needs some repair for handi-cap access

STAIRWELLS:



View of stairs to 2nd floor

The office areas are aged and worn, yet remains serviceable overall.

STAIR CONDITION:

Serviceable

RAILING CONDITION:

Serviceable

EXIT SIGNS:

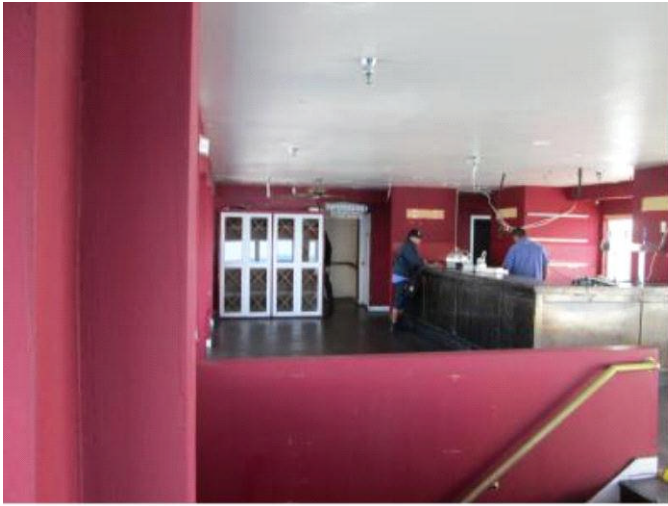
Location and quantity of exit signs for a commercial property are beyond the scope of this inspection and require a specialty inspection to determine if all requirements are being met. It is recommended to consult with the Fire Marshall's office to determine current standards.

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

2nd FLOOR OFFICE AREAS:

Serviceable overall.

PICTURES:



2nd floor interiors

KITCHEN FACILITIES:



Kitchens need full clean up/repair

Not Acceptable: This kitchen is showing excessive wear.



Views of kitchen equipment

This is a commercial restaurant kitchen which is closed and. Appliances and components such as commercial ovens, stoves, ventilation and exhaust fans, refrigerators and freezers, sinks, waste systems and other kitchen specialty equipment fall outside the scope of a general building inspection.

However, the following was observed:

The gas, water and electricity was turned off at the time of the inspection.

The stainless steel equipment appeared aged and worn however it appeared overall serviceable.



Views inside refer equipment

Needs Attention: The Walk-in Freezer and Reefer plus the smaller refrigerator with the entry door on the floor of the pier are empty and have mold-like substance on the surfaces. They need to be cleaned and serviced possibly needing an acid wash to ensure they meet health dept standards. However, this being accomplished, they appear to be aged and worn but , overall, in serviceable condition.



Views of refrigeration equipment

Needs Attention: Compressor equipment which services the kitchen Refrigeration, is old and worn. They will need to be inspected by specialists in Refrigeration to determine their remaining lifespan. A serviceman was there during the inspection and was doing some work on them, it appeared.

WINDOW CONDITION:



Views of broken glass

Needs Attention: Windows are broken in some places. Also they are plexi in some glass in other places.

FLOORING CONDITION:



Needs Attention there are areas of cracked floor tiles and un-even surfaces.



Wood floor downstairs

Needs Attention: Flooring in the retail area downstairs is a wooden floor which has ripples and waves in it. It may need to be replaced completely or at least extensively repaired.



Needs Attention: Tile floor in kitchen is mostly serviceable.



Upstairs ,The general condition of the flooring appears serviceable in the retail area.

FLOORING COMMENTS:

There are areas where the flooring is sloping and not level

CEILINGS:

There are stained areas of the ceilings.

WALLS:



Needs Attention: Walls have damages in areas such as near the entry. Serviceable

RESTROOMS -

RESTROOM FIXTURES:

Restrooms have one sink and one toilet. Utilities were off so they could not be tested.



Mens restroom

Needs Attention: Men's Restroom has one urinal, one sink and one toilet. They are aged and worn. They do have handi-cap bars installed.

The floors tile is loose and needs repair.

RESTROOM FIXTURES:



Needs Attention: Sink in the Women's restroom is leaning and not well attached to the wall. There is one sink and one toilet.

The flooring is loose and needs repair.

INTERIOR COMMENTS:

COMMENTS:

This is a general visual inspection, there was no destructive or intrusion testing performed. The intention of this report is to inform the client of the overall condition of the property.

ADDITIONAL NOTES:

It is typical when a building is remodeled or repairs are undertaken that additional problems surface that were not noted on the inspection report. This is to be expected as walls, floors and ceilings are opened up during the work to reveal areas that were not accessible during the inspection. Any remodeling work undertaken on a property should be expected to reveal some of these problems and it is recommended that additional sums be set aside for this purpose.

This is not a mold or fungus inspection, it is advised to have a mold specialist examine the property and structure and do a complete inspection to determine the presence or absence of any mold that may affect the health or safety of the occupants.

INSPECTION LIMITATIONS

SPECIFIC EXCLUSIONS AND LIMITATIONS:

OUR GOAL:

Our Goal is to enlighten you as to the condition of the property by identifying material defects that would significantly affect the property and therefore your decisions concerning it. We strive to add significantly to your knowledge of the building. **Thus the goal is not to identify every defect concerning the property but focus upon the material defects and thereby put you in a much better position to make an informed decision.**

GENERALIST VS. SPECIALIST

A property inspector is a generalist and the inspection is conducted along generalist guidelines as listed above. The generalist job is to note material defects in the property he is inspecting. When he observes and finds one or more problems in a system of the property that affects its performance he may then refer the entire system over to a specialist in that field for a further detailed investigation. The specialist is expected to conduct a more detailed examination on that system from his specialist sphere of knowledge and training to determine all the problems with the system and the related costs of repairs. The specialist is inspecting from a depth of knowledge and experience that the generalist does not have.

REPRESENTATIVE SAMPLING:

The building has many identical components such as windows, electrical outlets, etc. We inspect a representative sampling of these only. We do not move any furniture or personal belongings. This means that some deficiencies which were there may go unnoted or there may be items which are impossible to anticipate. We suggest that you plan for unforeseen repairs. This is part of property ownership as all buildings will have some of these repairs as well as normally occurring maintenance.

USE OF THE REPORT:

The inspection report does not constitute a warranty, insurance policy or guarantee of any kind. It is confidential and is given solely for the use and benefit of the client and is not intended to be used for the benefit of or be relied upon by any other buyer or other third party.

PRE-INSPECTION AGREEMENT:

Terms and conditions crucial to interpretation of the report are contained in a separate pre-inspection agreement. Do not use this report without consulting the pre-inspection agreement as use of this report constitutes the acceptance of all the terms, conditions and limitations in that agreement.

MOLD, MILDEW AND FUNGI:

Mold, mildew and fungus are specifically excluded from the inspection and the report. The inspector is not qualified to note the presence or absence of mold. Mold can be a serious problem and should not be overlooked. The structure should be inspected for mold during the inspection contingency period by a specialist in this field to ensure that this hazard does not exist.

WOOD DESTROYING ORGANISMS:

Termites, dryrot, wood rot and wood destroying organisms are covered by a structural pest control operator's report. These are not part of the inspection and the inspector will not be inspecting for them. The Business and Professions Code prohibits anyone but licensed structural pest control operators from commenting on this subject.

BUILDING CODES:

This is not a building code or code compliance inspection. That is a different type of inspection performed by the local municipality, usually during construction. It is advised to obtain all available documentation such as building permits and certificates of occupancy during the inspection contingency period.

HAZARDOUS SUBSTANCES:

Identifying hazardous substances is not part of this inspection. Items such as formaldehyde, lead based paint, asbestos, toxic or flammable chemicals and environmental hazards are not tested for and are not within the scope of the inspection.

INSPECTION LIMITATIONS:

This is a limited time visual inspection. It excludes any items we cannot directly observe such as chimney interiors, furnace heat exchangers, underground piping, etc. These are specialty inspections and those inspections can be arranged using specialized equipment.

Additionally we do not inspect to see if components are installed properly. We do not have the specialized training, instruction sheets or manuals to determine if they meet manufacture's or building code requirements for installation, which can be quite varied. This is part of the specialist's inspection and any questions concerning installation would best be answered by the specialist