Building Inspection & Analysis

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PROPERTY CONDITION REPORT

Client(s): Mr. & Mrs. Commercial Investor

Property: 3251 Beacon Blvd,
West Sacramento, CA 95691

Realtor: Mr. Commercial Realtor

Date: Wednesday, June 23, 2010

Inspector: Rick DeBoard - Certification #1051

Report #: PCA6634

This report is prepared for the sole and exclusive use of the Client named above. The acceptance and use of this report by any person other than the Client named above shall be deemed to be a retention of this firm for the purpose of providing an evaluation of this property at a fee equal to the original fee.

Although a thorough inspection of the property was made, we wish to CAUTION you that conditions may change and equipment may become defective. The Report should not be construed as a guarantee or warranty of the premises or equipment, or future uses thereof. Our SERVICE AGREEMENT/CONTRACT provides additional details. PLEASE READ IT CAREFULLY.

The inspection, by definition, deals with an existing structure which may have older types of plumbing or wiring. It is very probable that these systems would not meet present standards, although the system(s) did meet requirements at the time they were installed.

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EXECUTIVE SUMMARY

INTRODUCTION

At your request, we have performed a limited visual survey of specific construction components of the property located at 3251 Beacon Blvd, West Sacramento, CA.

This report is an opinion work, reflecting the visual conditions of the property at the time of the assessment. Hidden or concealed defects cannot be included in this report.
In this executive summary, we have summarized what we believe to be the most important conditions concerning the subject property as it pertains to our scope of work. However, please read the ENTIRE report, as all property conditions are NOT included in this EXECUTIVE SUMMARY.

GENERAL PHYSICAL CONDITION

The subject property has had better than average maintenance over the years, and all major systems appear to be functioning within typical guidelines considering the age of the structure(s) except for the negative conditions represented in this report. Of those items that pertain to our scope of work, the following conditions are those that we believe may have the greatest impact on the subject property from a buyers standpoint.

(1) There are repairs needed at the asphalt surface of the driveway into the parking lot at the east entrance off Beacon Blvd, and a seal coat with re-striping needed soon at the entire parking area.
(2) A fresh coat of paint is needed at the light poles in the parking area.
(3) The roof is showing some areas of deferred maintenance.
(4) There is an air conditioning coil which needs replacement and the control system for the HVAC components is due for replacement.
(5) A few ADA upgrades relating to fire alarms in the restrooms and public areas are recommended.

SUMMARY of PROBABLE COSTS

Immediate Repairs

Immediate repairs are described as those repairs which are due to system deficiencies or deferred maintenance and are deemed to be necessary at this time or within the next year. Repairs are deemed to be immediate repairs if one or more of the following conditions exist: (1) existing or potential unsafe conditions, (2) obvious building or fire code violations, (3) conditions which if left unremedied, have the potential to result in or contribute to critical element or system failure within one year or will most probably result in a significant escalation of its remedial cost.
Estimated costs are formulated using the same type and quality components as the existing ones, unless the existing components are considered to be inappropriate according to industry standards. Repairs are included in this category only if the estimated cost-to-cure is $1,000 or more for that

specific repair or replacement.
Conditions noted in this report which can (in the opinion of the Field Observer) be corrected for less than that amount are considered to be minor cost item.
See the Section below, titled "RECOMMENDATIONS for FURTHER EVALUATION", for those conditions which need further evaluation before a Cost-to-Cure can be established.

Paving, Curbing and Parking
Asphalt repairs to the eastern driveway off Beacon Blvd. are needed, as well as a seal coat and stall marking.
Cost-to-Cure =$28,000

Parking Area Lighting
The parking lot light poles are in need of a fresh coat of paint.
Cost-to-Cure =$1,800.

Roof at Three Story Structure
There are several areas of recommended maintenance which will extend the life of this roof.
Cost-to-Cure =$12,419.00.

HVAC System
One of the large air conditioning coils is leaking and in need of replacement, and the Building Management System (the electronic control system for all of the HVAC components in the building) is in need of replacement.
Cost-to-Cure =$18,555.00 to $23,555.00.

Elevators
"Hall Arrival Lanterns" and "Floor Passing Tone Signals" are recommended at the elevators to comply with ADA regulations.
Cost-to-Cure =$4,000 for both elevators.

Toilet Rooms
Visual and Audible fire alarms are recommended at lobbies, hallways and restrooms to comply with ADA regulations.
Cost-to-Cure =$12,500.

TOTAL COST-TO-CURE = $77,274.00 to $82,274.00

Major Projected Expenses

Major Projected Expenses are those which are likely to be needed within the next 5 years and for which replacements or repairs which are likely to exceed $3,000.
No major projected expenses are foreseen at this time.

RECOMMENDATIONS for FURTHER EVALUATION

If there are recommendations below for further evaluation by specialist contractors and/or engineers,

we strongly advise that said evaluations be performed BEFORE close of escrow, so that you are fully aware of all circumstances regarding the subject property.

Utilities
We recommend further evaluation of the emergency backup generator system by a properly qualified commercial electrician.
Elevators
A new contract was initiated in April of 2010 for a five year load test, and a new Elevator Permit should have been issued at that time. However, the new permit had not yet been placed in the placard holder in either of the elevators on the day of our inspection. We recommend that you contact the sellers to obtain this permit and have it posted, as per current requirements.

Fire Sprinklers
Records on site state that periodic inspections by a fire sprinkler company have been made, but not at the required intervals. The inspection tag reveals that it has been over five years since the last annual sprinkler system inspection. This is in violation of current standards, and may result in severely increased fire insurance rates by your insurance carrier. The reason for this is that without a recent inspection tag present, the Insurance Service Office (the nationwide rating bureau used by all insurance carriers), can reclassify this structure as having no legally recognized fire sprinkler system installed. We recommend that you contract with a fire sprinkler maintenance firm to perform annual inspections per current requirements.

There is a safety alarm device at the water entry point on the street that is missing, which would allow someone to turn off the water to the fire sprinkler system without the fire department knowing about it. We recommend that further evaluation by a fire sprinkler technician. A good source for information regarding this particular item would be Lou at Bay Alarm, phone 916-919-6735.

GENERAL INFORMATION

GENERAL DESCRIPTION

1.1 General Description

The subject property is a three story structure approximately 26 years of age, with a partially below grade parking garage.
There is also an attached one story structure on the south side opposite the atrium. The building was completely renovated and upgraded in 2004.
The property is situated in a commercial area of West Sacramento, CA.

1.2 Wall Construction

Exterior walls are constructed of structural steel and concrete.

1.3 Roof Construction

The roofing surface at the majority of the building is a built-up membrane, with a granulated cap sheet. Roofing materials at the single story portion at the south side are high-rib metal panels which have a galvanized coating and a baked on enamel finish.

IMPORTANT INFORMATION

1.4 Building Orientation

Location descriptions (such as **north, south, east and west**), will be used to identify where the room is located, or where the condition was found. For purposes of this assessment, north will be as shown on the maps/diagrams in the "MAPS & DIAGRAMS" Section of this report.

1.5 Color Code Definitions

Throughout the body of this report we will use the following colored text to direct your attention:

Safety Concern:
The paragraph immediately below "Safety Concern" describe conditions that may pose a hazard of some kind and warrant corrections by a properly qualified specialist in the appropriate trade.

Further Evaluation:
The paragraph immediately below "Further Evaluation" describe conditions that warrant further evaluation by a properly qualified specialist in the appropriate trade before any conclusion can be made regarding their proper function.

Corrections Recommended:
The paragraph immediately below "Corrections Recommended" indicate conditions where repair or replacement would improve the integrity and/or functionality of the component. We recommend that all corrections be made by properly qualified specialists in the appropriate trade.

Recommended Upgrades:
The paragraph immediately below "Recommended Upgrades" describe systems and/or components

where upgrades would significantly improve safety or function, but which may not have been available at the time the building was constructed.

DEVIATIONS from the ASTM E-2018 GUIDE

1.6 Documentation and Other Information:

None of the documents listed below were reviewed in the process of this PCA:

Appraisals, either current or previously prepared.

Certificates of Occupancy.

Safety inspection records.

Warranty information (roofs, boilers, chillers, cooling towers, etc.)

Records indicating the age of material building systems such as roofing, paving, plumbing, heating, air conditioning, electrical, etc.

Historical cost records, such as those costs incurred for repairs, improvements, recurring replacements, etc.

Pending proposals or executed contracts for material repairs or improvements, or descriptions of future work planned.

Outstanding citations for building, fire and zoning code violations.

Previously prepared ADA surveys or status of any improvements implemented to effect physical compliance.

Previously prepared property condition reports or studies pertaining to any aspect of the subject property's physical condition.

Records indicating building occupancy percentages.

Records indicating building turnover percentages.

Building rent rolls.

Leasing literature, listing for sale, marketing/promotional literature such as photographs, descriptive information, reduced floor plans, etc.

Drawings or specifications (as-built or construction).

1.7 Excluded Components

The following components are excluded from this PCA:

Any and all life safety components or equipment.

Any and all fire protection systems or equipment with the following exception:
If you have specifically contracted for us to provide an inspection of the commercial kitchen equipment then we will be assessing the condition of the Fire Suppression Systems which are installed in those kitchens, (Ansul Systems or equivalent). We are not allowed to activate these systems, but will comment on anything that we feel is pertinent to their effectiveness.

NOTE: Even though fire sprinkler systems are beyond the area of our expertise, we will make comments in the report as to their presence and also may indicate in the report when we see conditions that are suspect.

PURPOSE and SCOPE

PURPOSE

2.1 Visual Survey

To perform a limited, visual survey of specific components on the subject property and list our observations of items and conditions which indicate the need for immediate repair.

2.2 Opinions of Probable Costs

If agreed upon in our contract with the user, to provide opinions of probable costs for the repair or replacement of those components which are found to be in need of immediate repair. The opinions of probable costs are intended solely as an indication of the approximate nature and scope of repair and cannot be relied upon as indicating actual nature and scope. Further investigation and solicitation of firm bids by appropriate service companies and contractors is required.

2.3 Projected Major Expenses

If agreed upon in our contract with the user, to ascertain which of the major components are likely to reach the end of their expected lifespan within the next 5 years, and list those components, along with opinions of probable costs for the replacement of those components.

2.4 Intent

Our intent is to appraise you of the general condition of the subject property and to provide information to you which will be helpful in your prepurchase considerations as it relates to the condition of the property.

SCOPE

2.5 Standards of Practice

The Standards of Practice used for this Property Condition Assessment (PCA) are those of *ASTM E 2018, Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process,* which has been prepared by the *American Society for Testing and Materials. The ASTM E 2018 is upgraded every few years to reflect changes in the industry. To determine which version of the ASTM E 2018 was being used for this PCA, please see your Contract for Services.*

ASTM is currently the only national organization that has produced a written standard for commercial property assessments and reports. Adherence to the *ASTM E 2018 Guide* is entirely voluntary. We have chosen to incorporate these standards as an integral part of our property assessment process to promote uniformity with regards to commercial real estate transactions.

Every commercial property is different, and every client has different needs, expectations and budgets. Our approach to these varying requirements is to custom tailor each of our property assessments individually according to those differences and needs. As a result, some of the *ASTM E 2018* guidelines are not appropriate. Any deviations from the *ASTM Guide* are listed in the EXECUTIVE SUMMARY of the report.

2.6 Inclusions

The scope of our assessment was limited to the following specific visually accessible components: Foundations of the building(s), structural framing (load carrying members only), building exteriors, roof structure and load carrying members of the roof framing, mechanical systems, electrical systems, and plumbing systems.

2.7 Report is Confidential

Our assessment and this report are intended to be confidential to you, our client, for your exclusive use. They cannot be relied upon by a third party. We make no representation as to the condition of this property other than stated specifically in writing in the text of this narrative report.
Further investigation including acquisition of bids by contractors and service companies in respect to any recommendations within this report are recommended and required.

MAPS and DIAGRAMS

The following maps and diagrams are not to scale and do not include details. Smaller rooms and/or closets may have been left out for clarity. Maps and diagrams are merely for your use in understanding the comments in this report with respect to component systems and locations.

DISTANT ARIAL MAP

3.1

Top of page is approximate north.

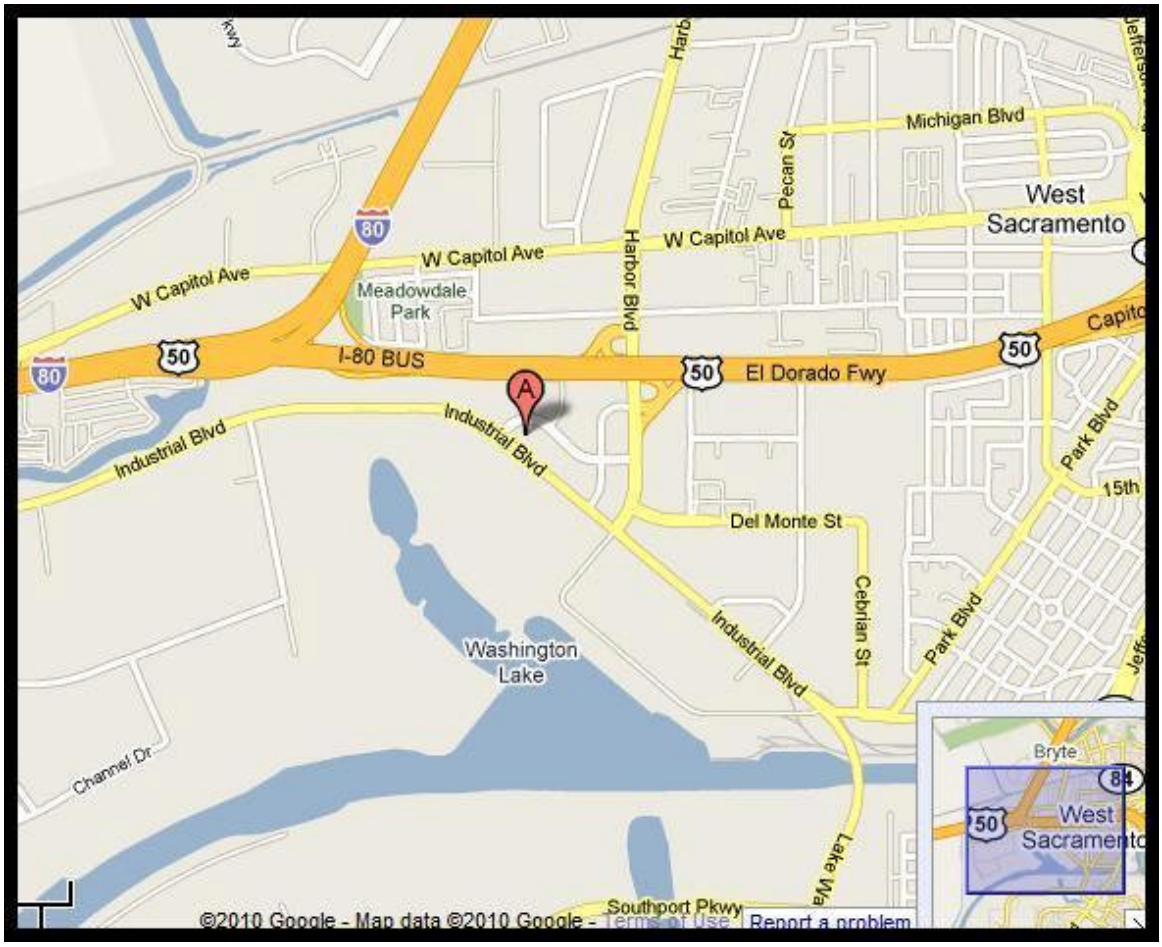
CLOSE-UP ARIAL MAP

3.2

Top of page is approximate north.

VICINITY MAP

3.3



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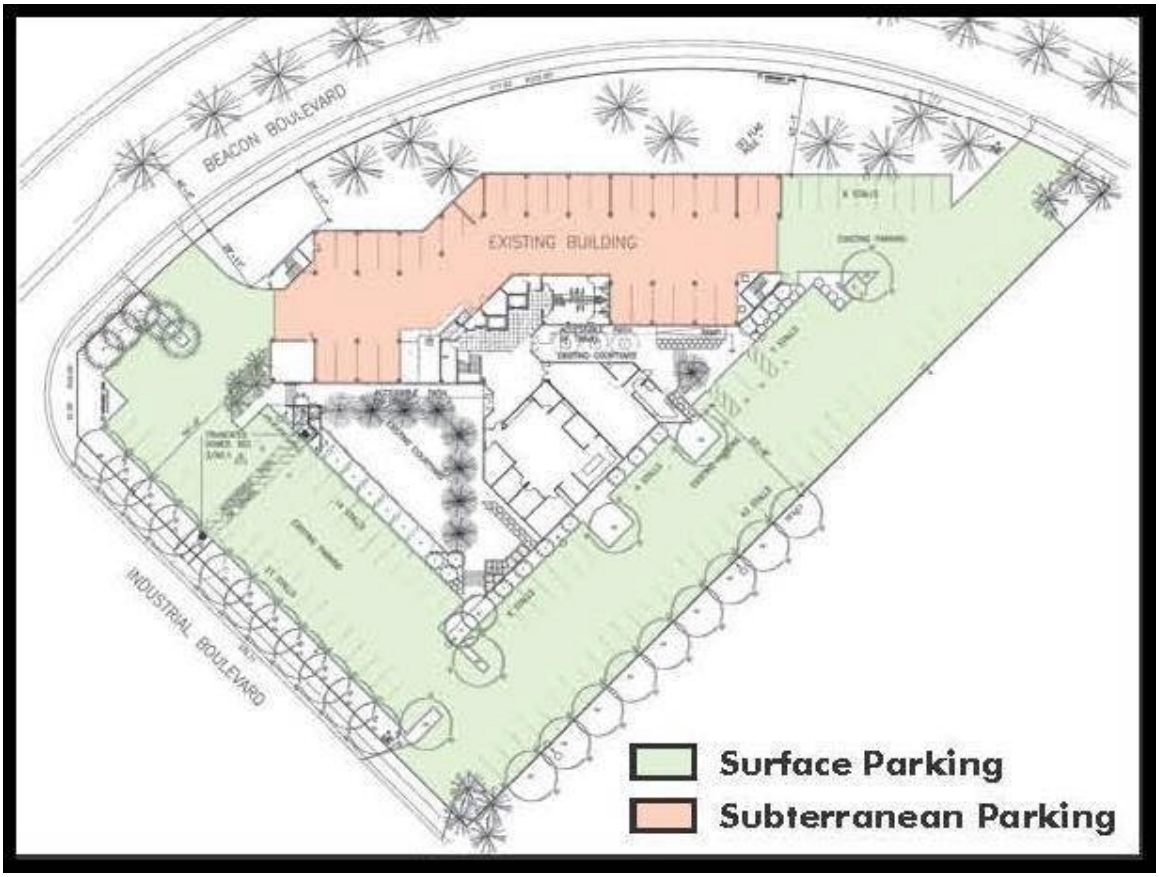
SITE MAP

3.4



Top of page is approximate north.

SITE IMPROVEMENTS

SITEWORK

4.1 Topography

The site where the structure is built is generally flat, with no discernible slope of the land.

4.2 Storm Water Drainage

Drainage appears adequate, and all indications are that ground water drains away from the structure properly. Drain inlets/outlets were noted which indicate the presence of an underground drainage system, the majority of these are located in the parking garage which is a few feet below grade and where almost all of the site drains to. There are two below grade sump pumps in the parking garage that pump the drain water uphill to the public drainage system. Since most of this system is not visible, THESE COMPONENTS ARE NOT A PART OF THIS ASSESSMENT.

4.3 Access and Egress

Access and egress to the subject property are via one driveway off Industrial Blvd. to the west and two driveways off Beacon Blvd. to the North. Access and egress both appear adequate and no concerns are noted.

4.4 Paving, Curbing and Parking

Corrections Recommended

All parking surfaces on the lot are paved with asphalt. A seal coat is recommended within the next year to seal cracks and extend the life of the asphalt surface.
The erosion to the parking surface appears to be past the point of repairing at the eastern driveway off Beacon Blvd. Therefore we recommend pulverizing the asphalt at this driveway, using the resulting granulated product as base rock, and installing new asphalt over the top.
Space marking of the parking stalls is relatively poor. We recommend a fresh coat of paint be applied to the stall markings after seal coating.
Cost-to-Cure =$28,000.

Curbs and bumpers are of concrete, and all appear to be in satisfactory condition.
There are approximately ninety seven marked parking spaces for the subject property, six of which are marked for handicap only.

4.5 Flatwork

All walkways on the site are paved with concrete. Good condition.

4.6 Landscaping

Landscaping appears to have been adequately maintained.

4.7 Landscape Sprinklering

Automatic sprinkler system was noted, however, these components are NOT A PART OF THIS ASSESSMENT. We recommend that you have the sellers demonstrate this system to you on the final walk-through before the close of escrow.

4.8 Privacy Walls

Corrections Recommended

The masonry privacy wall at the south side of the patio area has grout missing at the top, which will allow moisture to soak into the framing. This is a minor cost item.

4.9 Fencing

Fencing is constructed of wood products and are only found at the air conditioning compressor and backup generator enclosures. Good condition.

4.10 Parking Area Lighting

Corrections Recommended

The parking lot light poles are in need of a fresh coat of paint.
Cost-to-Cure =$1,800.

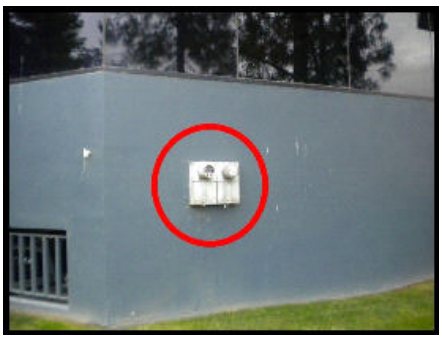
UTILITIES

4.11 Water Service

Potable water is provided by the public water agency.
The water shutoff and meter are located in an underground on the west side of the property.

4.12 Electrical Service

Electrical service enters the property via an underground conduit. Meter is located at the north exterior wall of the building.



4.13 Gas Service

Natural Gas is supplied to the property from a public utility company. The size of the incoming supply line from the utility company appears to be 1 1/4". Gas meters and shutoffs are located at the south side of the building near the eastern parking garage ramp.

4.14 Sanitary Sewer

The subject property appears to be serviced by the public sewer system, however, these components ARE NOT A PART OF THIS ASSESSMENT.

4.15 Storm Drain System

The subject property appears to be serviced by the public storm drain system, however, these components ARE NOT A PART OF THIS ASSESSMENT.

4.16 Special Utility Systems

Further Evaluation

There is an emergency back-up generator for the subject property located near the eastern parking garage ramp. These components are not a part of this assessment.

STRUCTURAL FRAME

FOUNDATION & LOAD BEARING WALLS

5.1 Foundation

This structure is constructed slab-on-grade, there are no raised foundations or underfloor crawlspaces. Slab is not visible due to carpet and/or floor covering in the office area, but entirely visible in the parking garage. No readily visible challenges are noted.

5.2 Load Bearing Walls

Exterior walls of the three story structure are constructed of structural steel. Typical construction of structural steel wall framing consists of steel I-beams and other steel components welded and/or bolted together on site.

Framing of the load bearing walls at the one story structure appears to be constructed of dimensional wood (conventional stud type construction). However, since most of these cavities are not available for inspection, we are unable to verify that all walls are of this type.

The three story structure has steel studs places between the steel framing members to facilitate attachment of the wall cladding. No visible evidence of stress or excessive movement were noted at the load bearing walls.

FLOOR & ROOF FRAMING SYSTEMS

5.3 Floor Framing

Floor framing is accomplished by the use of structural steel corrugated panels. All visible areas of the floor framing appear to be adequate.

Subfloor consists of poured-in-place concrete over the top of corrugated steel. There were no visible areas of the concrete which were available for evaluation.

5.4 Roof Framing

Roof framing at the three story building is accomplished by the use of corrugated structural steel. Roof substrate is lightweight concrete.

Roof framing at the one story building consists of conventional dimensional lumber with plywood sheathing.

All areas which were visible for examination appear to be in good structural condition.

STRUCTURAL CAVITIES

5.5 Attic Spaces

Attic space at the three story structure is limited in most cases to the area above the T-Bar ceilings. Many of these areas are not readily accessible for evaluation due to the lack of a walking platform. Inspection was made at various areas by the use of a ladder and no abnormalities were noted.
Attic space at the one story structure is also limited by the lack of enough walking height except along the northwest and northeast walls. No discernible inadequacies were found.

5.6 Underfloor Crawl Spaces

This structure is constructed slab-on-grade, there are no raised foundations or underfloor crawlspaces.

BUILDING SHELL

BUILDING ENVELOPE

6.1 Sidewall Systems

There are three different types of sidewall cladding in use:
A. 1 3/8" Dryvit over gyp sheathing.
B. 6" thick concrete, mostly at the 1st floor surrounding the parking garage.
C. Endicott brick veneer over either studs or concrete.
Cladding is in serviceable condition with no abnormalities noted.

6.2 Fenestration Systems - Walk Doors

The exterior walk doors are storefront and steel clad type. A representative sampling of the door operation was conducted, and all appear to be in adequate condition.

6.3 Fenestration Systems - Overhead Service Doors

Overhead service doors are roll-up. A test of the door operation was conducted, and all appear to be in adequate condition.

6.4 Fenestration Systems - Windows

Windows in this structure are primarily, aluminum framed storefront type. Windows are single pane.

NOTE: You should be aware that single pane windows are known to condensate on the inside of the windows and metal frames. This can create wetness and staining on the sills and walls below the windows. In extreme situations it can even lead to rotting of the framing members below the window. As a preventative measure excessive moisture at window sills should be wiped dry on a consistent basis. It is impossible to tell how much these windows will condensate in the future because many of the causes have to do with personal habits such as keeping drapes closed, poor air circulation in the room, high thermostat settings, etc.

6.5 Weatherproofing (Paint/Stain)

Weatherproofing appears to be in adequate condition at all areas which were visible.

ROOFING SYSTEMS

Roof at Three Story Structure

7.1

The evaluation of the roofing materials was contracted out to a licensed roofing contractor. Their complete report is attached to this report as APPENDIX A. We have included a general summary of their findings below.

FINDINGS:
There are several areas of recommended maintenance which will extend the life of this roof.
Cost-to-Cure =$12,419.00.

Roof at One Story Structure

7.2 Roofing Materials

The roofing surface installed is high-rib metal panels, attached with self-tapping screws which are hidden beneath the battens. These roofs rarely need maintenance if installed according to manufacturer's recommendations, and typically have an expected lifespan of 40 to 50 years. No concerns are noted at this time.
Roof sheathing is plywood, and appears to be in good condition

7.3

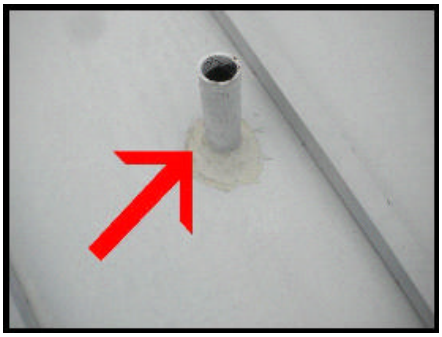
One layer of the roofing material was noted. Single layer roofs will typically last longer than multi-layered roofing surfaces, because they do not build up as much heat.

The approximate roof pitch is 4:12 . This is considered adequate and acceptable for the type of roof covering which is installed.

Remaining life is approximately 20 - 25 Years with regular maintenance, assuming repairs are performed on the negative conditions which are noted in this report.

7.4 Roof Flashings

Corrections Recommended
Plumbing vent(s) are not flashed in the typical manner for metal roofs. We recommend that "DEKTITE" or similar flashings be installed. See http://www.itwbuildex.com/dektite.htm
This is a minor cost item.
The lack of proper flashings are possibly the cause of the former leakage indicated by the stains on the wall below the ceiling of the ATRIUM.



7.5 Roof Drainage

Roof drainage is accomplished by means of galvanized metal gutters installed at the low end of the sloped roofs. All gutters and drains appear to be in acceptable condition.

7.6 Other Roofing Observations

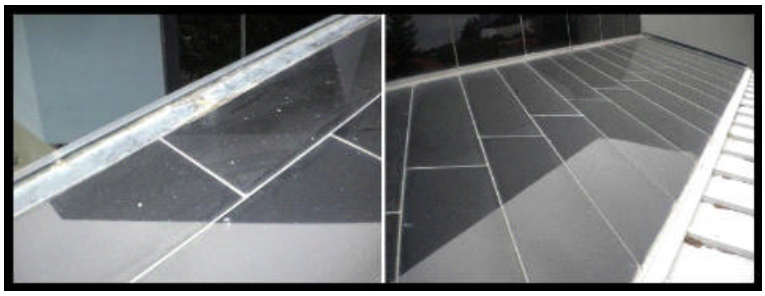
Corrections Recommended

Trees or shrubbery are over hanging the roof surface, we recommend that overhanging trees be trimmed back where they are likely to come into contact with roof or eaves. This item should be added to your list of regularly scheduled maintenance procedures, no cost estimates are given.

Atrium Roof

7.7 Roofing Materials

This is a glass panel roof. These roofs require annual maintenance to seal the glass to the metal framework. No leaks noted at this time. Visible sealant was noted at many panels around the perimeter, this may be an indication of former leakage. This item should be added to your list of regularly scheduled maintenance procedures, no cost estimates are given.



PLUMBING SYSTEMS

PIPING & DISTRIBUTION

8.1 Supply Piping System

The majority of the visible supply line piping is copper . Adequate flow was noted, and no deficiencies were encountered.

8.2 Waste Piping System

The majority of the visible waste line plumbing pipe is cast iron/galvanized. Functional flow was noted at all fixtures which we were able to examine. No deficiencies were noted.

8.3 Natural Gas/LPG System

The majority of gas piping at visible areas consist of black iron. Fuel type is natural gas. The gas system for this structure appears to be in serviceable condition at all areas which were visible.

HOT WATER PRODUCTION

8.4 Water Heaters

For specific notes and comments regarding the water heaters, refer to TABLE OF WATER HEATERS below. The following is a summary of information in the water heater tables:

Safety Concern

One unit is lacking proper bracing as per current code requirements regarding earthquake safety.
There are potential hazards involving the exhaust vent pipes at one of the units.
The incoming gas supply line is not equipped with a flex coupling at approximately one of these units. This can be a POTENTIAL HAZARD in the event of an earthquake! These are minor cost items.

You should anticipate the need for replacement of one of these water heaters within the next five years. Average water heater life in the United States is 8-10 years, although they can exceed this life expectancy by many years if they are drained annually. However, we have not listed this item in the Projected Maintenance Expenses section of this report, as we believe the expense is likely to be less than $3,000.

Corrections Recommended

Circulation pump is not functional and it has been disconnected. This is a minor cost item.


No strapping & exhaust hazard


Circulation pump & no flex connector

Table of Water Heaters

8.4

See the bottom of the Table for Explanation of the Comment Codes.

#	Location	Storage Capacity (gallons)	Fuel Type	Year	Manufacturer	Comment Codes (see code descriptions below table)
1	Single story building electrical room.	50.	Elect.	2005.	Rheem.	No Comments.
2	3rd floor janitor closet.	100.	Gas.	1985.	State.	EH, BS, OLD, FH.
3	Under the kitchenette sink at the one story building.	N/A.	Elect.	?	Instant-Flow.	No Comments.

8.8 Comment Codes for the Table of Water Heaters

BS = The earthquake strapping restraints are missing or incorrectly installed. We recommend that proper restraints be installed according to the current requirements.

EH = The exhaust venting for this appliance is not installed according to typical standards, this usually results in some type of potential hazard. We recommend that this condition be inspected and corrected by a properly qualified plumber.

FH = The flexible connector at the incoming gas supply pipe is either missing, installed incorrectly or is not the currently approved type. Since this usually results in some type of potential hazard, we recommend that this condition be corrected by a properly qualified plumber.

OLD = This appliance is near/past the end of it's expected useful life, you should anticipate replacement within the next five years.

OTHER PLUMBING OBSERVATIONS

8.9 Plumbing Fixtures

Corrections Recommended

An examination of the observable plumbing fixtures was performed, and no deficiencies were noted, except that the toilet is loose at the connection to the floor in the 1st floor women's restroom. We recommend replacement of the wax ring seal and tightening of the floor bolts at these toilets to prevent leakage and damage to flooring and/or framing components. This is a minor cost item.

HEATING, VENTILATION & AIR CONDITIONING - (HVAC)

HEAT GENERATION

9.1 HVAC System Description

Evaluation of the heating and air conditioning systems for this property assessment was contracted out to a licensed HVAC contractor. A copy of their full report is included as APPENDIX B later in this report. We have included only a summary of their findings in this section. Below is a summary of information contained in the HVAC report.

FINDINGS:
One of the large air conditioning coils is leaking and in need of replacement, and the Building Management System (the electronic control system for all of the HVAC components in the building) is in need of upgrading. This control system has been patched and repaired at several different intervals in the last few years, and a technician at IES (the company that performed the HVAC evaluation for this PCA) confirmed with us that the system was working again as of a few days after our site visit. However, to make this system worry-free it will need to be replaced as there are no longer parts available for repair.
Total Cost-to-Cure =$18,555.00 to $23,555.00.

HEAT & AIR DISTRIBUTION

9.2 Distribution Systems

Air is distributed to the various interior rooms by means of flexible insulated ducts. Good condition except for notation below.

Corrections Recommended
There is no heat register at the 3rd floor file room. This is a minor cost item.

9.3 Heat & Air Control Systems

The various interior zones are controlled by programmable thermostats.
Multiple thermostats are employed.
See comments in 3rd party specialist's report.

ELECTRICAL SYSTEMS

A random testing was performed on the various outlets and switches, but NOT all were tested. During a typical inspection there are many that are not accessible due to furniture, storage, etc. Light switches which do not appear to function are deemed to have a burned out bulb, unless other anomalies are noticed. We examined all service panels and subpanels which were found on the property, however, other panels and subpanels may exist which we did not find during our visit to the property as they are sometimes hidden in closets or behind wall hangings and/or furniture. We recommend that all electrical hazards be corrected by a licensed electrical contractor. If we have recommended that a licensed electrical contractor examine this entire system, it is because; 1) there was aluminum wiring noted at the minor circuits of the structure, or 2) there were a significant number of electrical hazards found to indicate that someone other than an electrician has been working on the system. In either event, there are likely to be additional hazards found by the electrician which this limited inspection did not locate.

INCOMING SERVICE

10.1 Service Conductors

Electrical service to the property is via an underground conduit from the utility company. Unable to determine whether entrance cables are copper or aluminum, as these components are not available to viewing.

10.2 Main Disconnect

The main disconnect is located at the north interior electrical room of the parking garage. The rating of the main disconnect is 2000 AMPS.

PANELS & SWITCHBOARDS

10.3 Panel Types

Overload protection inside service panels is provided by breakers.

10.4 Overall Condition of Electrical Panels

For specific notes and comments regarding the switchboards and subpanels, see the "Table of Electrical Panels and Switchboards" later in this section.
For your convenience, we have summarized the conditions found in the Table of Electrical Panels and Switchboards immediately below.

FINDINGS:

Further Evaluation

Breakers are turned off at three of the panels. You may wish to inquire with the owner/tenant why these breakers are in the off position.

Corrections Recommended

The breakers/fuses at one of the panels are incorrectly or inadequately labeled. This is a minor cost item.

Safety Concern

We found the following potentially hazardous conditions within the panels:
Unused openings in approximately two panels are missing covers. (These covers can be either plastic or

metal and are called knock-outs, they are available at most hardware stores for less than a dollar. They simply clip into place without the use of any tools). However, they are important because without them one could stick their fingers into the panel and come into direct contact with high voltage.
The dead cover is missing at one of the panels, this allows easy access to high voltage.
These are minor cost items.

Table of Electrical Panels & Switchboards

10.4

See the bottom of the Table for Explanation of the Comment Codes.

#	Location of Panel	Volts	Brand Name	AMPS	Phases / Wires	Room for Expansion	Comment Codes (see code descriptions below table)
1	Main Electrical Room at the north interior of the parking garage.	208/120.	Challenger.	2000.	3/4.	Yes.	This is the Main Distribution Panel.
2	Main Electrical Room at the north interior of the parking garage. Labeled Panel E.	208/120.	Challenger.	225.	3/4.	Yes.	KO.
3	Main Electrical Room at the north interior of the parking garage. Labeled Panel G.	208/120.	Challenger.	225.	3/4.	Yes.	None.
3	Electrical Room at the conference center of the one story building. Labeled Panel E1.	208/120.	Challenger.	100.	3/4.	Yes.	None.
5	Electrical Room at the conference center of the one story building. Labeled Panel K1.	208/120.	Challenger.	225.	3/4.	Yes.	None.
6	Electrical Room at the conference center of the one story building. Labeled Panel K2.	208/120.	Challenger.	225.	3/4.	Yes.	OFF.
7	Server room electrical closet at the 2nd floor. Labeled Panel E2A.	208/120.	Siemens.	250.	?	Yes.	None.

8	Server room electrical closet at the 2nd floor. Labeled Panel LZ.	208/120.	Challenger.	225.	3/4.	Yes.	OFF.
9	Server room electrical closet at the 2nd floor. Labeled Panel M1.	208/120.	Eaton.	225.	3/4.	Yes.	DM.
10.	Server room electrical closet at the 2nd floor. Labeled Panel P1.	208/120.	Challenger.	225.	3/4.	Yes.	None.
11.	Server room electrical closet at the 2nd floor. Labeled Panel H1.	208/120.	Challenger.	225.	3/4.	Yes.	KO.
12.	Electrical room (off copy room) at the 3nd floor. Labeled Panel M.	208/120.	Challenger.	?	3/4.	Yes.	None.
13.	Electrical room (off copy room) at the 3nd floor. Labeled Panel E2.	208/120.	Challenger.	225.	3/4.	Yes.	LM.
14.	Electrical room (off copy room) at the 3nd floor. Labeled Panel H2.	208/120.	Challenger.	225.	3/4.	Yes.	None.
15.	Electrical room (off copy room) at the 3nd floor. Labeled Panel L2.	208/120.	Challenger.	225.	3/4.	Yes.	None.
16.	Electrical room (off copy room) at the 3nd floor. Labeled Panel P2.	208/120.	Challenger.	225.	3/4.	Yes.	OFF.
17.	Old gutted server room at the 2nd floor.	120/240.	Siemens.	125.	3/4.	Yes.	This panel is hot, but has been abandoned.

10.22 Comment Codes For the Table of Electrical Panels & Switchboards

DM = Dead cover is missing which allows direct access to high voltage wiring, this is a potential hazard!

KO = Some of the unused openings in the panel are missing covers. These covers can be either plastic or metal and are called knock-outs, they are available at most hardware stores for less than a dollar. They simply clip into place without the use of any tools). However, they are important because without them one could stick their fingers into the panel and come into direct contact with high voltage, this is a potential hazard!

LM = Labeling of breakers is incomplete, inaccurate or not legible.

OFF = One or more breakers were turned OFF at this panel on the day of inspection, you may wish to inquire with the sellers as to why this breaker is off.

DISTRIBUTION SYSTEM

10.23 Distribution Conductors

The type of wiring used is a three wire, grounded system (or two wire with metal conduit acting as the ground). Branch wiring is copper where it is visible.

Safety Concern

The following potential HAZARDS were found that involve the conductors:

Connections were terminated without the use of junction boxes at two locations; (1) the fenced-in area for the air conditioning equipment at the south exterior of the building, (2) at the janitor's closet on the 3rd floor. This can be a potential fire hazard, because without junction boxes the sparks which are created by loose connections or electricians tape can easily ignite nearby flammable substances.

Junction or ceiling boxes were noted to be without covers at the attic space of the one story building. Although covers are inexpensive to purchase and install, they are very important because they contain any sparks within the box in the event that wire connections become loose.

These are minor cost items.

10.24 Switches and Outlets

A random testing was performed on the various outlets and switches, but NOT all were tested. During a typical inspection there are many that are not accessible due to tenant's furnishings, storage, etc. Light switches which do not appear to function are deemed to have a burned out bulb, unless other anomalies are noticed. Ground Fault Circuit Interrupters (GFCI's) have been provided at appropriate areas for the era in which this building was constructed/remodeled.

No apparent hazards were noted at the outlets/switches.

OTHER SYSTEMS & COMPONENTS

VERTICAL TRANSPORTATION

11.1 Elevators

According to information received from the property owners or their managers, there is a current maintenance contract in force with ThyssenKrupp Elevator, of Sacramento, CA for the elevators in this structure. Their telephone number is 800-664-5438.

Further Evaluation

A new contract was initiated in April of 2010 for a five year load test, and a new Elevator Permit should have been issued at that time. However, the new permit had not yet been placed in the placard holder in either of the elevators on the day of our inspection. We recommend that you contact the sellers to obtain this permit and have it posted, as per current requirements. The new contract is transferable to any new building owners.

See copies of the most recent testing and service work orders in APPENDIX C later in this report. Also included in APPENDIX C are copies of work orders for the wheelchair lift at the exterior.

According to documentation issued by the Department of Industrial Relations, also provided in APPENDIX C, both the elevators and the wheelchair lift comply with all requirements as of April 20,2010.

INTERIOR AREAS

11.2 Floors & Floor Coverings

The majority of floor coverings are carpet and tile. Floors and floor coverings appear to be in serviceable condition.

11.3 Walls and Wall Coverings

The majority of wall coverings are Drywall. Walls and wall coverings appear to be in serviceable condition.
Moisture stains were noted at top of the south wall in the main lobby, directly under the glass atrium roof. These appear to be from a past leak in the roof (owner states that it was repaired).

11.4 Ceilings

The majority of the ceilings are sheetrock and dropped down T-Bar type panels. Ceilings are in serviceable condition. A few small moisture stains were noted at the ceiling tiles of each floor, and also some at the sheetrock ceiling of the men's and women's restrooms of the 1st floor.

We believe the stains at the ceiling panels of the building are the result of condensation build-up at the A/C plenums (which are directly above the stains). Plenum condensation is very common, and there is little that can be done to eliminate this condition. We suggest having ceiling panels on hand for replacement when necessary. This is a minor cost item.

The stains at the restrooms APPEAR to be the result of past, rather than current, plumbing leakage from the restrooms above. However it is not possible to be absolutely certain.

11.5 Interior Doors

Interior doors are wood, with wood frames. A representative sampling of door operation was performed and all are operating adequately.

11.6 Stairways and Landings

Stairways and landings are in serviceable condition.

FIRE PROTECTION

11.7 Sprinklers and Standpipes

A fire sprinkler system is installed for this structure, but inspection of these components is beyond the scope of this assessment. The main riser for the sprinkler system is located at the northwest corner of the parking garage inside a fence enclosure. The company whose information is one the testing label is Systems Tech Fire Protection, 916-332-1266.

Further Evaluation

Records on site state that periodic inspections by a fire sprinkler company have been made, but not at the required intervals. The inspection tag reveals that it has been over five years since the last annual sprinkler system inspection. This is in violation of current standards, and may result in severely increased fire insurance rates by your insurance carrier. The reason for this is that without a recent inspection tag present, the Insurance Service Office (the nationwide rating bureau used by all insurance carriers), can reclassify this structure as having no legally recognized fire sprinkler system installed. We recommend that you contract with a fire sprinkler maintenance firm to perform annual inspections per current requirements.

Further Evaluation

There is a safety alarm device at the water entry point on the street that is missing, which would allow someone to turn off the water to the fire sprinkler system without the fire department knowing about it. We recommend that further evaluation by a fire sprinkler technician. A good source for information regarding this particular item would be Lou at Bay Alarm, phone 916-919-6735.

11.8 Fire Extinguishers

There appear to be an adequate number of fire extinguishers installed for this facility, and the inspection tags reveal they have been recharged within the last year (as typically required).

11.9 Fire Alarm Systems

A fire alarm system appears to be installed for this structure, however, these are beyond the scope of this assessment. See comments in the ADA Survey later in this report.

11.10 Fire Hydrants

Two fire hydrants were noted at the west side of the subject property.

ADDITIONAL CONSIDERATIONS

Additional Considerations are those physical condition issues or certain physical improvements at the subject property that are outside the scope of the ASTM Guide. As per our contract with the client, we have agreed to identify and report on the following components in connection with this commercial real estate transaction.

WOOD DESTROYING PESTS AND ORGANISMS INSPECTION.

13.1

Evaluation of the Wood Destroying Pests and Organisms for this property assessment was contracted out to a licensed pest control operator. A copy of their full report is included as APPENDIX D later in this report. We have included only a summary of their findings in this section.
No evidence of active infestation or infection was found.

PHASE I ENVIRONMENTAL SITE ASSESSMENT.

13.2

A Phase I ESA was conducted for property by a qualified and certified environment firm. A copy of their ESA Summary is included as APPENDIX E later in this report. We have included only a summary of their findings in this section.
No significant findings were noted, and no recommendations for any type of further review is recommended at this time.

OPINIONS of PROBABLE COSTS

The conditions referred to in this section of the report are copied from earlier sections in the report. They are repeated here so that the reader has all the Cost Estimates for Immediate Repairs in one location for easy reference.

The estimated costs in this report have been determined by the use of cost estimating manuals, third party contractors, our company manuals and/or personal construction experience. Opinions of probable costs should only be construed as preliminary budgets. Actual costs most probably will vary from the consultant's opinions of probable costs depending on such matters as type and design of suggested remedy, quality of materials and installation, manufacturer and type of equipment or system selected, field conditions, whether a physical deficiency is repaired or replaced in whole, phasing of the work (if applicable), quality of contractor, quality of project management exercised, market conditions, and whether competitive pricing is solicited, etc.

SITE IMPROVEMENTS

14.1

All parking surfaces on the lot are paved with asphalt. A seal coat is recommended within the next year to seal cracks and extend the life of the asphalt surface.
The erosion to the parking surface appears to be past the point of repairing at the eastern driveway off Beacon Blvd. Therefore we recommend pulverizing the asphalt at this driveway, using the resulting granulated product as base rock, and installing new asphalt over the top.
Space marking of the parking stalls is relatively poor. We recommend a fresh coat of paint be applied to the stall markings after seal coating.
Cost-to-Cure =$28,000

The parking lot light poles are in need of a fresh coat of paint.
Cost-to-Cure =$1,800.

ROOFING SYSTEMS

14.2

The evaluation of the roofing materials was contracted out to a licensed roofing contractor. Their complete report is attached to this report as APPENDIX A. We have included a general summary of their findings below.
There are several areas of recommended maintenance which will extend the life of this roof.
Cost-to-Cure =$12,419.00.

HEATING, AIR CONDITIONING & VENTILATION

14.3

Evaluation of the heating and air conditioning systems for this property assessment was contracted out to a licensed HVAC contractor. A copy of their full report is included as APPENDIX B later in this report. We have included only a summary of their findings in this section. Below is a summary of information contained in the HVAC report:
One of the large air conditioning coils is leaking and in need of replacement, and the Building Management System (the electronic control system for all of the HVAC components in the building) is in need of upgrading. This control system has been patched and repaired at several different intervals in the last few years, and a technician at IES (the company that performed the HVAC evaluation for this PCA) confirmed with us that the system was working again as of a few days after our site visit. However, to make this system worry-free it will need to be replaced as there are no longer parts available for repair.
Total Cost-to-Cure =$18,555.00 to $23,555.00.

OTHER SYSTEMS & COMPONENTS

14.4

ADA Elevator Upgrades:
There are no visual signals at the call buttons.
This is a feature called "Hall Arrival Lanterns", available on newer elevators. They can be installed on older elevators as well.
Cost-to-Cure =$3,000 for both elevators.

There are no visual/ audible signals inside the elevator cars indicating a floor change.
This is called a "Floor Passing Tone", available on newer elevators. They can be installed on older elevators as well.
Cost-to-Cure =$1,000 for both elevators.

ADA Toilet Room Upgrades:
There are no visual/ audible fire alarm devises inside the toilet rooms.
These restrooms were probably grand-fathered in, which allowed this ADA compliance item to be omitted at the time of renovation. However, if someone were injured because of the lack of visual or audible alarms, the owner of the building would likely be held responsible. Additionally, if a permit were to be applied for to install these type alarms in the restrooms, the fire department would probably want them installed also in the common areas and hallways of the entire building. The cost estimates below include upgrades to the hallways, lobbies and restrooms.
Cost-to-Cure =$12,500.

OUT of SCOPE CONSIDERATIONS

The activities listed below generally are excluded from or otherwise represent limitations to the scope of a PCA prepared in accordance with the *ASTM E 2018-08 Guide.* These should not be construed as all-inclusive or imply that any exclusion not specifically identified is a PCA requirement under the *ASTM Guide.*

15.1

Identifying capital improvements, enhancements, or upgrades to building components, systems, or finishes. The consultant must be aware of the distinction between repair and replacement activities that maintain the property in its intended design condition, versus actions that improve or reposition the property.

Removing, relocating, or repositioning of materials, ceiling, wall, or equipment panels, furniture, storage containers, personal effects, debris material or finishes; conducting exploratory probing or testing; dismantling or operating of equipment or appliances; or disturbing personal items or property, that obstructs access or visibility.

15.2 .

Preparing engineering calculations (civil, structural, mechanical, electrical, etc.) to determine any systems, components, or equipments adequacy or compliance with any specific or commonly accepted design requirements or building codes, or preparing designs or specifications to remedy any physical deficiency.

15.3

Taking measurements or quantities to establish or confirm any information or representations provided by the owner or user, such as size and dimensions of the subject property or subject building; any legal encumbrances, such as easements; dwelling unit count and mix; building property line setbacks or elevations; number and size of parking spaces; etc.

Reporting on the presence or absence of pests such as wood damaging organisms, rodents, or insects unless evidence of such presence is readily apparent and material during the course of the field observers walk-through survey or such information is provided to the consultant by the owner, user, property manager, etc. The consultant is not required to provide a suggested remedy for treatment or remediation, determine the extent of infestation, nor provide opinions of probable costs for treatment or remediation of any deterioration that may have resulted.

Reporting on the condition of subterranean conditions, such as soil types and conditions, underground utilities, separate sewage disposal systems, wells; systems that are either considered process-related or peculiar to a specific tenancy or use; or items or systems that are not permanently installed.

Entering or accessing any area of the premises deemed to potentially pose a threat of dangerous or adverse conditions with respect to the field observers health or safety, or to perform any procedure, that may damage or impair the physical integrity of the property, any system, or component.

Providing an opinion on the condition of any system or component, that is shutdown. However, consultant is to provide an opinion of its physical condition to the extent reasonably possible considering its age, obvious condition, manufacturer, etc.

Evaluating acoustical or insulating characteristics of systems or components.

Providing an opinion on matters regarding security of the subject property and protection of its occupants or users from unauthorized access.

Operating or witnessing the operation of lighting, lawn irrigation, or other systems typically controlled by time clocks or that are normally operated by the buildings operation staff or service companies.

Providing an environmental assessment or opinion on the presence of any environmental issues such as potable water quality, asbestos, hazardous wastes, toxic materials, the location or presence of designated wetlands, mold, fungus, IAQ, etc.

By conducting a PCA and preparing a PCR, the consultant merely is providing an opinion and does not warrant or guarantee the present or future condition of the subject property, nor may the PCA be construed as either a warranty or guarantee of any of the following:

15.4

Any systems or components physical condition or use, nor is a PCA to be construed as substituting for any systems or equipments warranty transfer inspection;

Compliance with any federal, state, or local statute, ordinance, rule or regulation including, but not limited to, fire and building codes, life safety codes, environmental regulations, health codes, zoning ordinances, compliance with trade/ design standards, or standards developed by the insurance industry. However, should there be any conspicuous material present violations observed or reported based upon actual knowledge of the field observer or the PCR reviewer, they should be identified in the PCR;

Compliance of any material, equipment, or system with any certification or actuation rate program, vendors or manufacturers warranty provisions, or provisions established by any standards that are related to insurance industry acceptance/approval, such as FM, State Board of Fire Underwriters, etc.

ADDITIONAL/GENERAL CONSIDERATIONS

15.5

There may be physical condition issues or certain physical improvements at the subject property that the parties may wish to assess in connection with a
commercial real estate transaction that are outside the scope of this guide. Such issues are referred to as non-scope considerations, and if included in the PCR, are identified in the "ADDITIONAL CONSIDERATIONS" Section of this report.
Whether or not the client has elected to contract with us regarding non-scope considerations in connection with the *ASTM Guide was* a decision which was made by the client. No assessment of such non-scope considerations is required for a PCA to be conducted in compliance with the ASTM Guide.

QUALIFICATIONS

1310 PCR FIELD OBSERVER

16.0

Definition
The PCR Field Observer is the individual designated by Pre-Spect Building Inspection & Analysis who conducts the walk-through survey at the subject property.

Identification
The field observer for this property condition assessment was Mr. Rick DeBoard, whose qualifications are as follows:

Education and Employment History;
1967 - Graduated from Hanford High School, Hanford, California.
1967 to 1968 - Employed as an apprentice carpenter in the construction of industrial and farm structures.
1968 to 1972 - Employed as a framing crew foreman in the construction of industrial and farm structures.
1972 to 1973 - Studied architecture and drafting at College of the Sequoias, Visalia, California.
1973 to 1979 - Employed as a working jobsite superintendent in the construction of industrial buildings.
1979 to 1985 - Owner and manager of construction firm specializing in commercial and industrial buildings.
1985 to 1990 - CEO and general manager of construction firm specializing in new construction of commercial and industrial buildings and residential remodeling.
1990 to 2000 - Self-employed Inspector, performing residential prepurchase inspections, commercial due diligence property assessments and insurance inspections.
2000 to present - CEO, founder and principal inspector of Pre-Spect, Inc.

Credentials;
Licensed California General Contractor Since 1979, License # B-374548
Certified Member of the *American Institute of Inspectors, (A.I.I.),* Certification # 1051
Member Inspector of the *California Real Estate Inspectors Association, (CREIA) through 2008*
Member of the *California Coalition of Home Inspectors*
Class "A" Member of the *Foundation of Real Estate Appraisers, (FREA)*, Member # 12773
Certified Indoor Air Quality Consultant, by the Environment Solutions Association
1992, 1993 Secretary of *A.I.I.* Sacramento Valley Chapter
1994, 1995 President of *A.I.I.* Sacramento Valley Chapter
1999, 2000, 2001 Secretary of *A.I.I.* National
1999, 2000, 2001, 2006 Member of the Board of Directors of *A.I.I.* National
1991 through 2006 Served on various committees for *A.I.I.* National
2008 through 2009 Chairman of the Board for *A.I.I.* National

Continuing Education;
Home Inspection Certification Training through *A.I.I.* in 1990
Phase 1 Environmental Assessment Training through *A.I.I.* in 1993
Commercial Inspection Training through *Inspection Training Associates* in 2000
Certified Indoor Air Quality Training through Environmental Solutions Association in 2008
Attendance at nearly all of the *A.I.I.* Annual and Semi-Annual Conferences from 1993 through present.

Attendance at over 120 monthly Chapter Meetings of *A.I.I.* and *CREIA*.

1320 PCR REVIEWER

16.0

Definition
The PCR Reviewer is the individual who is designated by PRE-SPECT to exercise reasonable control over the field observer and to review the report.

Identification
The PCR Reviewer for this assessment was also Mr. Rick DeBoard.

CLOSING COMMENTS

17.1

We have attempted to be very thorough in our assessment of this property, and have strived to convey the findings to you in a way that is useful and easy to understand. We wish to thank you for your trust in regards to this very important part of your decision making process.

In addition to the summary and main body of this report, please be sure to review the supporting documentation, (if any), and photographs.
Please feel free to call us if you have questions.

Sincerely,

Rick DeBoard, Principal.

PHOTO PLATES

Refer to the body of the report for further information regarding the following photos.

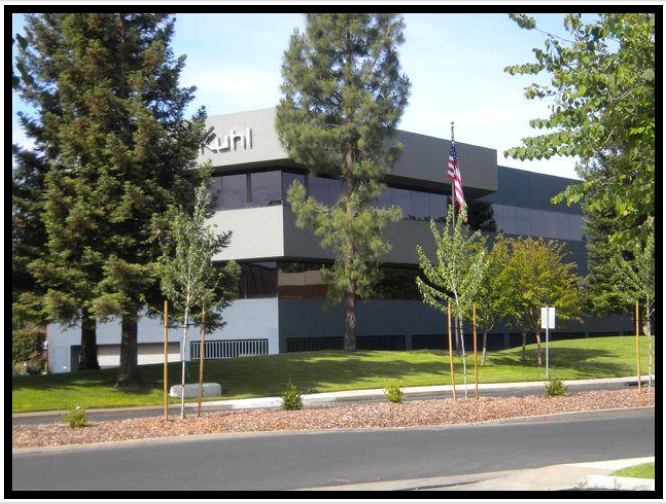


Photo #1

View from the northeast.

Photo #2

Another view from the northeast.

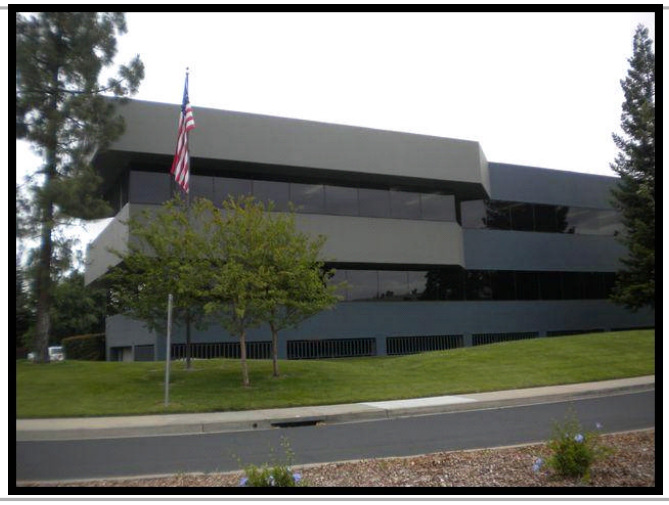


Photo #3

View from the north.

Photo #4

View from the northwest.

Photo #5

Patio area to the southwest of the building.

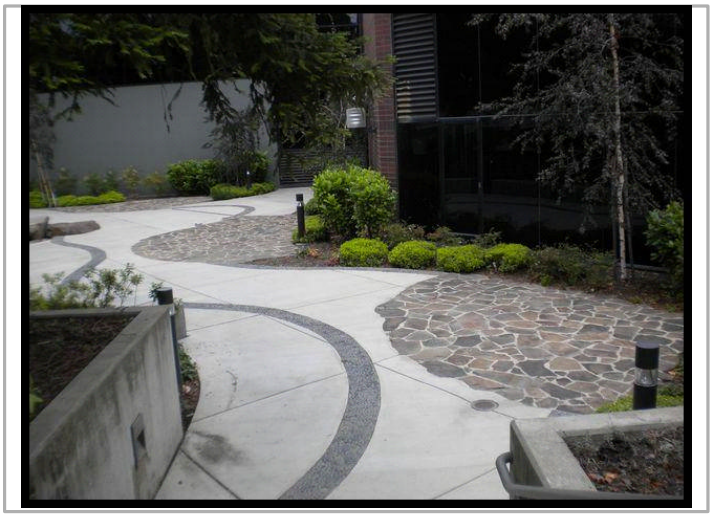


Photo #6

Water feature at the southwest patio area.

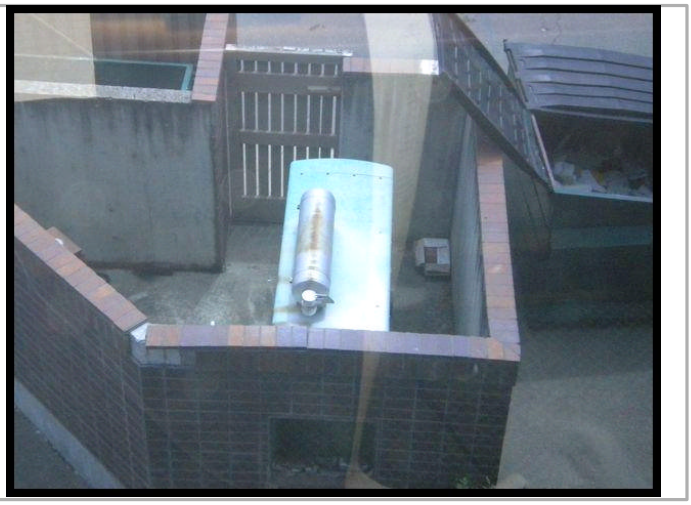


Photo #7

The emergency back-up generator as seen from the 3rd floor looking down.

Photo #8

The inside of the emergency backup generator automatic control box at the main electrical room in the parking garage.

Photo #9

An overview of the metal roof and atrium roof at the one story building.

Photo #10

Water heater at the 3rd floor janitors closet.

Photo #11

Water heater at the single story building electrical room.

Photo #12

On-Demand water heater under the kitchenette sink at the single story building.

Photo #13

The main distribution switchgear at the main electrical room in the parking garage.

Photo #14

Panel E, at the main electrical room in the parking garage.

Photo #15

Panel G, at the main electrical room in the parking garage.

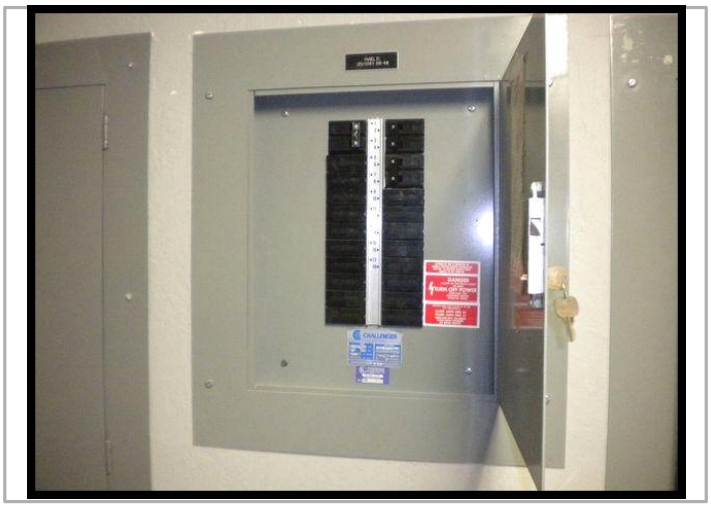


Photo #16

Panel E1, at the electrical room in the one story building.

Photo #17

Panel K1, at the electrical room in the one story building.

Photo #18

Panel K2, at the electrical room in the one story building.

Photo #19

Panel E2A, at the electrical room closet on the 2nd floor.

Photo #20

Panel LZ, at the electrical room closet on the 2nd floor.

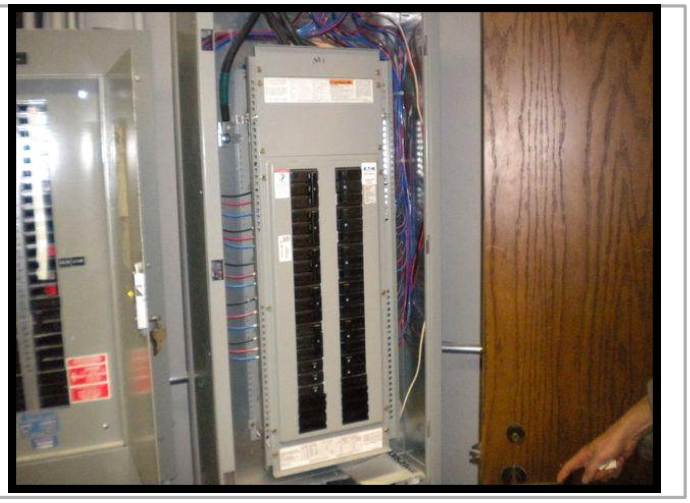


Photo #21

Panel M1, at the electrical room closet on the 2nd floor.

Photo #22

Panel P1, at the electrical room closet on the 2nd floor.

Photo #23

Panel H1, at the electrical room closet on the 2nd floor.

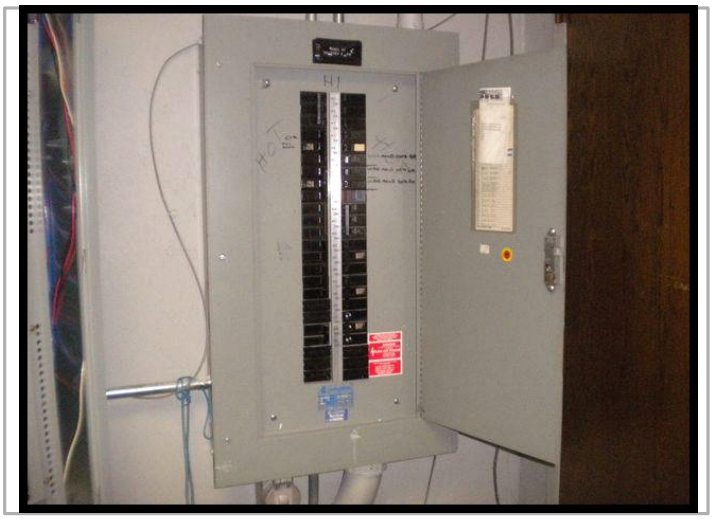


Photo #24

Panel M, located at the electrical closet off the copy room at the 3rd floor.

Photo #25

Panel E2, located at the electrical closet off the copy room at the 3rd floor.

Photo #26

Panel H2, located at the electrical closet off the copy room at the 3rd floor.

Photo #27

Panel L2, located at the electrical closet off the copy room at the 3rd floor.

Photo #28

Panel P2, located at the electrical closet off the copy room at the 3rd floor.

Photo #29

Panel at the abandoned and gutted server room of the 2nd floor.
This panel has been abandoned (all wires removed from breakers), however, it still has hot wires connected to the busbars.

Photo #30

The hydraulic control for elevator #1, in the elevator control room of the parking garage.

Photo #31

The hydraulic control for elevator #2, in the elevator control room of the parking garage.

Photo #32

The wheelchair lift at the exterior parking area to the southwest of the building.

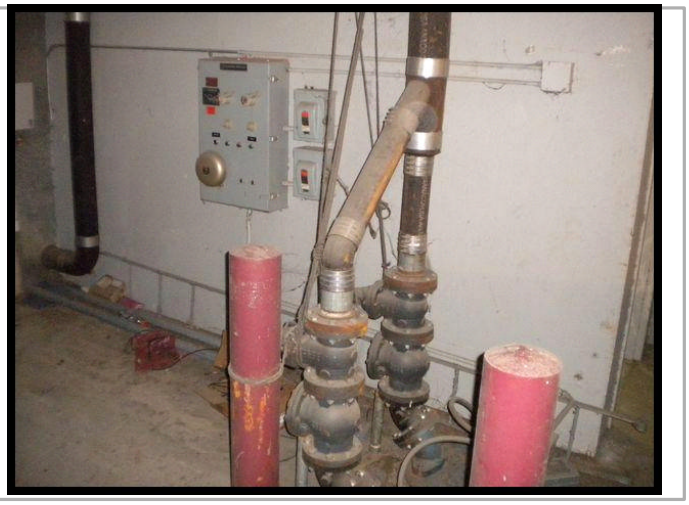


Photo #33

The storm drain sump pumps and related equipment in the parking garage.

Photo #34

The main fire sprinkler riser at the parking garage.

Photo #35

The former server room at the 2nd floor which has been gutted.

Photo #36

One of the abandoned Ansul Halon 1031 smoke/heat detectors at the abandoned 2nd floor server room. This one is located at the ceiling. All systems relating to this Ansul System have been abandoned.

GLOSSARY

OF

TERMS

ADA	The Americans with Disabilities Act.
A.I.I.	American Institute of Inspectors, a national association of building inspectors. Phone 800-877-4770, Website: http://www.inspection.org.
Accessible	See "Readily Accessible"
Addition	Any construction which adds to the building or original structure.
Air Conditioning	The process of treating air so as to control simultaneously its temperature, humidity, cleanliness, and distribution to meet the comfort requirements of the occupants of the conditioned space. The system may be designed for summer air conditioning or for winter air conditioning or for both.
Aldehydes	Odor, like the inside of a new structure, that is created with incomplete natural gas combustion. An indicator for the building inspector of the need for a licensed technician to evaluate the heating device.
Alligatoring	A defect consisting of intersecting cracks and ridges in the surface.
Angle of Repose	The maximum angle of slope at which any loose earth will stand without sliding.
ASHI	The American Society of Home Inspectors, Inc. A national association of home/building inspectors. Phone number 1-800-743-ASHI (2744), or on the web at http://ashi.com.
ASTM	American Society for Testing and Materials. Website: www.astm.org.E
ASTM Guide	The Standards of Practice used for a PCA. Specifically ASTM E 2018-XX , Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process, (where "xx" equals the year that the Guide was enacted).
Attic	Accessible space between top of uppermost ceiling and underside of roof. Inaccessible spaces are considered "structural cavities."
Automatic (System) Safety Controls.	Devices designed and installed to protect systems and components from excessively high or low pressures and temperatures, excessive electrical current, loss of water, loss of ignition, fuel leaks, fire, freezing, or other unsafe conditions.

Backfill	Loose earth placed outside foundation walls for filling and grading.
Baluster	An upright support for a handrail.
Balustrade	A protective or decorating railing consisting of a row of balusters topped by a rail.
Barometric Damper	A damper on the exhaust vent of an oil fired heater that acts as a draft regulator (or atmospheric damper). As a chimney flue heats up, a weighted damper opens to allow cool air from the living space to enter. Without a barometric damper to cool the hot exhaust gases, an overheated chimney flue can cause too much draft, adversely affecting the burner's efficiency by changing the fuel/air ratio. (Some old oil burners, and some new "positive-pressure" burners that rely upon a fan instead of a natural draft, cannot accommodate barometric dampers, but these types are rare).
Base Building	The core (common areas) and shell of the building and its systems that typically are not subject to improvements to suit tenant requirements.
Basement	A space of full story height below finish grade below the first floor, or a story partially underground.
Bearing Wall	A wall which supports any vertical load in addition to its own weight.
Bearing	That portion of a beam, truss, or other structural member that rests on the supports.
Bldg.	Building.
Bonding	Joining of metallic parts to form a conductive path that has the ability to safely conduct electrical loads.
Bridging	A system of bracing between floor joists or ceiling joists to distribute the floor load or keep the joists from twisting.
BTU or btu	British thermal unit.
Building Department Records	Records maintained by or in possession of the local government authority with jurisdiction over the construction, alteration, use, or demolition of improvements on the subject property, and that are readily available for use by the consultant within the time frame required for production of the PCR and are practically reviewable by exercising appropriate inquiry. Building department records also may include building code violation notices. Often, building department records are located in the building department of a municipality or county.

Building Envelope	The enclosure of the building that protects the building's interior from outside elements, namely the exterior walls, roof and soffit areas.
Bullnose	A stair step with rounded end used as a starting step.
BX	Armored Flexible cable.
Cantilever	A projecting beam or member supported at only one end.
Carport	A roofed space having at least one side open to the weather, primarily designed for motor vehicles.
Casement Windows	Window sash which opens on hinges secured to the side of the window opening.
Cavitation	A phenomenon in the flow of water consisting in the formation and the collapse of cavities in water. Pump sound varies as it alternates between pumping air and water.
Central Air Conditioning	A system which uses ducts to distribute cooled and/or dehumidified air to more than one room at a time and which is not plugged into an electrical convenience outlet.
Clearance to Combustibles	The distance between a heat producing appliance, chimney, chimney connector, vent, vent connector, or plenum and other surfaces. Also, in garages, the distance between the floor and an installed source of ignition.
Cold Joint	A joint formed when a concrete surface hardens before the next batch of concrete is placed against it.
Component	A fully functional portion of a building system, piece of equipment, or building element.
Conductors	Electrical: A wire or cable offering low resistance to the flow of electric current.
Consultant	The entity or individual that prepares the PCR and that is responsible for the observance of and reporting on the physical condition of commercial real estate in accordance with the ASTM guide. The consultant generally is an independent contractor; however, the consultant may be an employee of the user. The consultant may be an individual that is both the field observer and PCR reviewer.
Cost-to-Cure	The estimated cost to perform the required repairs necessary to restore proper function to the system or component.

Counter-flashing	A strip of sheet metal in the form of an inverted L built into a wall to overlap the flashing and make the roof water-tight.
CPVC	Chlorinated polyvinyl chloride.
Crawlspace	An unfinished accessible space below the first floor in a building with no cellar, a shallow space between the first tier of beams and the ground.
CREIA	California Real Estate Inspectors Association. An association of professional building inspectors. Phone: 800-848-7342. Website: www.creia.com.
Cricket	A small false roof to throw off or shed water from behind an obstacle, (often a gabled roof behind a chimney).
Cross Connections	Any physical connection or arrangement between potable water and any source of contamination.
Cut and Fill	The process of cutting into a hillside and using the material removed to fill a downslope portion of the site. Structures constructed across the "cut and fill" line are often cracked or distorted at that location.
Dangerous or Adverse Situations	Situations which pose a threat of injury to the inspector, and those situations with require use of special protective clothing or safety equipment.
Deferred Maintenance	Physical deficiencies that cannot be remedied with routine maintenance, normal operating maintenance, etc., excluding de minimus conditions that generally do not present a material physical deficiency to the subject property.
Differential Settlement	Settling of a dwelling or surface that causes one or more components to settle unevenly.
Dismantle	To take apart or remove any component, device or piece of equipment that is bolted, screwed, or (fastened by other means), that would not be removed by a layperson in the course of normal maintenance.
Dormer Window	An extension from a sloped roof with a vertical window.
Double Hung Window	A window consisting of two sashes which slide vertically in adjoining grooves.
Drip Edge	A projecting horizontal band or course sloped outward to throw water away from the building.

Drywell	A covered pit with open-jointed lining or a covered pit filled with coarse aggregate through with drainage from roofs, basement floors, foundation drain tile, or areaways may seep or leach into the surrounding soil.
Due Diligence	The process of conducting a walk-through survey and appropriate inquiries into the physical condition of a commercial real estate's improvements, usually in connection with a commercial real estate transaction. The degree and type of such survey or other inquiry may vary for different properties and different purposes.
Dwelling	A building designed as living quarters for one or more families.
Easily Visible	Describes items, components and systems that are conspicuous, patent, and which may be observed visually during the walk-through survey without intrusion, removal of materials, exploratory probing, use of special protective clothing, or use of special equipment.
Efflorescence	A blemish on masonry walls consisting of a white surface crust formed from the crystallizing of soluble salts in the mortar.
EIFS	Exterior Insulation and Finish System.
EMF	Electro Magnetic Fields.
Engineering	Analysis or design work requiring extensive preparation and experience in the use of mathematics, chemistry, physics, and the engineering sciences.
Exotic Materials	Any building material that has only the manufacturer's claims or guarantees of its performance and no empirical evidence regarding life expectancy.
Expansion Joint	A joint between two adjoining concrete members arranged to permit expansion and contraction with changes in temperature.
Expansive Soil	Soil, that when wet or dry, expands or contracts.
Expected Useful Life (EUL)	The average amount of time in years that an item, component, or system is estimated to function when installed new and assuming routine maintenance is practiced.
Extrapolate	To infer or estimate by extending or projecting known information.
Fenestration	The arrangement and design of windows and doors in a building.

Field Observer	The individual that conducts the walk-through survey, in the process of performing a commercial property condition assessment.
Fire Department Records	Records maintained by or in the possession of the local fire department in the area in which the subject property is located. These records should be practically reviewable and readily accessible for use by the consultant by exercising an appropriate inquiry within the time frame required for production of the PCR.
Fire Rated Doors	Doors manufactured under supervision, designed to resist standard fire tests and labeled for identification.
Firebrick	Brick made to withstand high temperatures for lining chimneys, incinerators and similar structures.
Firewall	A wall with qualities of fire resistance and structural stability which subdivides a building into fire areas, and which resists the spread of fire.
Flashing	Sheet metal or other impervious material used in roof and wall construction to protect building from seepage of water.
Footing	A structural unit used to distribute loads to the bearing soil materials.
Footing and Stem Wall	A concrete footing poured into a trench excavated below the frost line on which a vertical stem wall is constructed of concrete or concrete block.
Foundation Wall	A wall, below or partly below grade, providing support for the exterior or other structural parts of a building.
Foundation	Construction, (below or partly below grade), which provides support for exterior walls or other structural parts of the building.
French Door	A wood door paneled with lights of glass.
Frost Line	The depth below finish grade where frost action on footings or foundations is improbable.
Functional Drainage	A drain is functional when it empties in a reasonable amount of time and does not overflow when another fixture is drained simultaneously.
Functional Flow	A reasonable flow at the highest fixture in a dwelling when another fixture is operated simultaneously.

Gambrel Roof	A roof having its slope broken by an obtuse angle.
Garage	A building or enclosure primarily designed or used for motor vehicles.
Grade Beam	A horizontal member (generally a reinforced concrete beam) between two supporting piers at or below ground supporting a wall or structure above. (See also pier and grade beam foundation).
Grade	Finish: The surface elevation of lawns, walls, drives or other improved surfaces after completion of construction or grading operations. Natural: The elevation of the original or undisturbed natural surface of the ground.
Ground	Intentional or accidental connection (bonding) between a circuit or equipment and the earth or other conducting member.
Grounded Conductor	Electrical wires which are intentionally grounded. Often called the "neutral wires". In residential wiring, usually white insulation.
Grounding Conductor	A wire used to connect electrical equipment to a grounding electrode. Often called the "ground wire". In residential wiring usually a bare wire or green insulation.
Ground Wire or Grounding Wire	Electrical: see "Conductors" = in residential wiring usually a bare wire or a wire with green insulation.
Habitable Room	A space used for living, sleeping, eating or cooking, (or combinations thereof), but not including bathrooms, toilet compartments, closets, halls, storage rooms, laundry and utility rooms, unfinished basement recreation rooms and similar spaces.
Hot Wire	Electrical: see "Conductors" = wires having black or red insulation, (usually).
HVAC	Heating, Ventilating and Air Conditioning.
Immediate Costs	Opinions of probable costs that require immediate action as a result of any of the following; (1) material existing or potential unsafe conditions, (2) material building or fire code violations, or (3) conditions that if left unremedied, have the potential to result in or contribute to critical element or system failure within one year or will result most probably in a significant escalation of its remedial cost.
Imminent Hazard	A hazard that requires immediate attention by a licensed technician.
Inspector	Any person who examines any component of a building, through visual means and through normal user controls, without the use of mathematical sciences.

Interviews	Discussions with those knowledgeable about the subject property.
Installed	Attached (connected) to the structural, mechanical, plumbing or electrical system of the building such that the item installed cannot be removed without the use of tools.
Lights	The individual panes of glass in a door or window.
Lintel	A horizontal steel member spanning an opening to support the load above, (as at the top of a firebox opening).
Live Load	All loads on structures other than dead loads; this includes the weight of the persons occupying the building and free standing material; snow and wind.
Loads	Design: Total load which a structure is designed to sustain safely. Dead: The weight of all permanent construction in a building.
Loamy Soil	Soil that contains organic matter.
Material	Having significant importance or great consequence to the subject property's intended use or physical condition.
Material Deterioration	Material that has been, (or is being), destroyed by rot, pests, age, or structural failure.
Mitered Joint	A joint consisting of two pieces matched and joined at an angle.
Mudsill	A flat timber placed on the ground or foundation to distribute the concentrated load of an upright member.
Muntin	A narrow bar separating window lights of a sash.
Neutral Wire	Electrical: see "Conductors" = in residential wiring usually white insulation.
Newel Post	A stairway post to which the handrail is secured.
Non-Bearing Wall	A wall which supports no vertical load other than its own weight.
Non-Combustible	Material or combination of materials which will not ignite or support combustion at a temperature of 1,200 degrees F. during a 5 minute exposure.
Normal Operating Controls	Owner/tenant operated devices such as a thermostat, wall switch or safety switch.

Observe	The act of making a visual examination.
Observation	The visual survey of items, systems, conditions, or components that are readily accessible and easily visible during a walk-through survey of the subject property.
Obvious	Plain, evident and readily accessible; a condition or fact not likely to be ignored or overlooked by a field observer when conducting a walk-through survey or that which is practically reviewable and would be understood easily by a person conducting the PCA.
Operate	To cause systems or equipment to function.
Opinions of Probable Costs	Determination of probable costs, a preliminary budget, for a suggested remedy.
Owner	The entity holding the title to the commercial real estate that is the subject of the PCA.
P-trap	A waste line water trap with a vertical inlet and a horizontal outlet, to prevent noxious fumes from entering the occupied space from the sewer/septic system.
Parging	Rough plastering with mortar coating the face of brick or concrete, such as at the smoke shelf of a fireplace.
PCA, Property Condition Assessment	The process by which a person or entity observes a property, interviews sources, and reviews available documentation for the purpose of developing an opinion and preparing a PCR of a commercial real estate's current physical condition. At the option of the user, a PCA may include a higher level of inquiry and due diligence than the baseline scope described within the ASTM guide or, at the user's option, it may include a lower level of inquiry or due diligence than the baseline scope described in the guide. Such deviations from the ASTM guide's scope should be disclosed in the PCR's executive summary.
PCR, Property Condition Report	A written report, prepared in accordance with the recommendations contained in the ASTM guide, that outlines the consultant's observations, opinions as to the subject property's condition, and opinions of probable cost to remedy any material physical deficiencies observed.
PCR Reviewer	The individual that both exercises responsible control over the field observer and who reviews the PCR prior to delivery to the user.

Physical Deficiency	Conspicuous defects or significant deferred maintenance of a subjects property's material systems, components, or equipment as observed during the field observer's walk-through survey. Included within this definition are material life-safety/building code violations and, material systems, components, or equipment that are approaching, have reached, or have exceeded their typical EUL or whose RUL should not be relied upon in view of actual or effective age, abuse, excessive wear and tear, exposure to the elements, lack of proper of routine maintenance, etc. This definition specifically excludes deficiencies that may be remedied with routine maintenance, miscellaneous minor repairs, normal operating maintenance, etc., and excludes de minimus conditions that generally do not constitute a material physical deficiency of the subject property.
Pier	A masonry or concrete column supporting foundations or the floor structure in basementless spaces. Pier may be free-standing or bonded at its sides to other masonry or concrete.
Pier and Grade Beam Foundation	A reinforced concrete beam supporting the exterior wall construction, in contact with the earth, but supported by piers most often, the piers are bored into the earth because the soil will not support a typical footing and stem wall.
Piles	Long, slender members of wood, steel or reinforced concrete driven into the ground to carry a vertical load.
Practically Reviewable	Describes information that is provided by the source in a manner and form that, upon review, yields information relevant to the subject property without the need for significant analysis or calculations. Records or information that feasibility cannot be retrieved by reference to the location of the subject property are not generally considered practically reviewable.
Precast Concrete	Concrete units (such as piles or vaults) cast off the construction site and set in place.
Prestressed Concrete	A system for utilizing fully the compressive strength of concrete by bonding it with highly stressed tensile steel.
Property	The site improvements, which are inclusive of both site work and buildings.
Publicly Available	The source of the information allows access to the information by anyone upon request.
Purlin	An intermediate supporting member at right angles to rafter or truss framing.
PVC	Polyvinyl chloride.

Rafters	A series of roof framing members, spaced not more than 30 inches o.c. in roofs having slopes over 3 in 12. Members supporting roofs having slopes 3 in 12 or less are defined as roof joists.
Random	See "Representative Number"
Readily Accessible	Components that are accessible without moving furniture or other items and without the use of tools or a ladder that exceeds 12'-0" in length or a 6'-0" step ladder. Also describes areas of the subject property that are promptly made available for observation by the field observer at the time of the walk-through survey and do not require the removal of materials or personal property, such as furniture, and that are safely accessible in the opinion of the field observer.
Readily Available	Describes information or records that are easily and promptly provided to the consultant upon making a request in compliance with an appropriate inquiry and without the need for the consultant to research archive files.
Readily Openable Access Panel	A panel provided for a layperson for inspection and maintenance which has removable or operable fasteners or latch devices in order to be lifted off, swung open, or otherwise removed by one person (without the use of tools) and its edges and fasteners are not painted in place. Limited to those panels within normal reach or from a 4-foot stepladder, and which are not blocked by stored items, furniture, or building components.
Reasonably Ascertainable	Describes information that is publicly available, as well as readily available, provided to the consultant's offices from wither its source or an information research/retrieval service within reasonable time, practically reviewable, and available at a nominal cost for either retrieval, reproduction or forwarding.
Rebar	Reinforcing steel bars with projections to promote the bond to the concrete.
Relief Valve	A safety device to permit the escape of steam or hot water subjected to excessive pressures or temperatures. See SRV.
Representative Number	For multiple identical components such as windows and electric outlets - one such component per room. For multiple identical exterior components - one such component on each side of the building.
Representative Observations	Observations of a reasonable number of samples of repetitive systems, components, areas, etc., which are conducted by the field observer during the walk-through survey. The concept of representative observations extends to all conditions, areas, equipment, components, systems, buildings, etc., to the extent that they are similar and representative of one another.

Riser	The upright member of a stair extending from tread to tread.
Romex	Brand name commonly in use for "nonmetallic electrical cable".
Roof Drainage Systems	Gutters, downspouts, leaders, splashblocks, and similar components used to carry water off a roof and away from a building.
RUL, Remaining Useful Life	A subjective estimate based upon observations, or average estimates of similar items, components, or systems, or a combination thereof, of the number of remaining years that an item, component, or system is estimated to be able to function in accordance with its intended purpose before warranting replacement. Such period of time is affected by the initial quality of an item, components, or system, the quality of the initial installation, the quality and amount of preventive maintenance exercised, climatic conditions, extent of use, etc.
Scupper	An opening in a parapet wall or gutter, for drainage of rain water.
Septic Tank	A covered watertight sewage settling tank intended to retain the solids in the sewage flowing through the tank long enough for satisfactory decomposition of settled solids by bacterial action to take place.
Short Cycling	Equipment that turns on and off in rapid succession instead of normal operating cycles.
Shut Down	A piece of equipment or system is shut down when it cannot be operated by the device or control which a layperson would use to normally operate the equipment or system. Also, equipment, components or systems that are not operating at the time of the field observer's walk-through survey. For instance, equipment, components, and systems that may be shutdown as a result of seasonal temperatures.
Siding	The first covering of boards or paneling nailed to the outside of the wood studs of a frame building.
Site Visit	The visit to the subject property during which observations are made pursuant to the walk-through survey section of the ASTM guide.
Slab-on-Grade	See Thickened Edge Slab.
Soffit	The underside of a stair, arch, cornice, or overhang.
Solid Fuel Heating Device	Any wood, coal, or other similar organic fuel burning device, including but not limited to fireplaces whether masonry or factory built, fireplace inserts and stoves, wood stoves (room heaters), central furnaces, and combinations of these devices.

Specialty Consultants	Individuals or entities either in the fields of engineering or in any particular building component, equipment, or system that have acquired detailed, specialized knowledge and experience in the design, evaluation, operation, repair, or installation of same.
SRV	A Safety Relief Valve installed on a hot water heating system or storage tank to limit temperature and pressure of the water.
Stanchion	An upright guard, usually as a part of a window or door. Sometimes used generically as any upright guard or protection.
Story	That part of a building between the level of one finished floor and the level of the next higher finished floor.
Structural Component	A building components, which supports interior or exterior finish materials or other building components.
Structural Frame	The components or building system that supports the building's nonvariable forces or weights (dead loads) and variable forces or weights (live loads).
Subject Building	Referring to the primary building or buildings on the subject property, and that are within the scope of PCA.
Subject Property	The commercial real estate consisting of the site and primary real estate improvements that are the subject of the PCA described by the ASTM guide.
Suggested Remedy	An opinion as to a course of action to remedy or repair a physical deficiency. Such an opinion may also be to conduct further research or testing for the purposes of discovery to gain a better understanding of the cause or extent of a physical deficiency (whether observed or highly probable) and the appropriate remedial or reparatory response. A suggested remedy may be preliminary and does not preclude alternate methods or schemes that might be more appropriate to remedy the physical deficiency or that may be more commensurate with the user's requirements.
Survey	Observations made by the field observer during a walk-through survey to obtain information concerning the subject property's readily accessible and easily visible components or systems.
Swale	A drainage channel formed by the convergence of intersection slopes.
System	A combination of interacting or interdependent components assembled to carry out one or more functions.

Technically Exhaustive	An inspection is technically exhaustive when it involves the extensive use of measurements, instruments, testing, calculations, and other means to develop scientific or engineering findings, conclusions, recommendations, or combination thereof.
Thickened Edge Slab or Turned Down Slab	A type of concrete floor slat foundation where the slab is constructed integrally with the foundation wall.
Timely Access	Entry provided to the consultant at the time of the site visit.
Truss	A structural framework composed of a series of members so arranged and fastened together that external loads applied at the joints will cause only direct stress in the members.
Under-floor Crawlspace	The area within the confines of the foundation and between the ground and the underside of the lowest floor structural component.
Underpinning	(1) The construction of supports introduced beneath a wall. (2) The material used in such additional supports.
Ungrounded Conductor	The energized wires in residential wiring, (two 110v legs comprise a 220 volt circuit). Often called the "hot wire". In residential wiring usually red or black insulation.
User	The party that retains the consultant for the preparation of a baseline PCA of the subject property in accordance with the ASTM guide. A user may include, without limitation, a purchaser, potential tenant, owner, existing or potential mortgagee, lender, or property manager of the subject property.
Vent Stack	Pipes supplying a drainage system with air to prevent siphonage of water from the traps.
Vermiculite	Lightweight inert material made of steam exploded mica used as an aggregate in plaster. Also used as ceiling insulation in some older structures.
Walk-through Survey	Conducted during the field observer's site visit of the subject property, that consists of nonintrusive visual observations, survey of readily accessible, easily visible components and systems of the subject property. Concealed physical deficiencies are excluded. Such a survey should not be considered technically exhaustive. It excludes the operation of equipment by the field observer and is to be conducted without the aid of special protective clothing, exploratory probing, removal of materials, testing, or the use of equipment, such as scaffolding, metering/testing equipment, or devices of any kind, etc. It is literally the field observer's visual observations while walking through the subject property.

Water Hammer	The concussion of water in enclosed pipes caused by a sudden stoppage of flow.
Waterproofing	A treatment of a surface or structure, which prevents the passage of water.
Weep Hole	A hole formed in a retaining wall or screed to release water from behind the wall.