

1 LEASE

2 35431

3 THIS LEASE is made and entered, in duplicate, as of ~~November~~ December 5, 2019

4 pursuant to a minute order of the City Council of the City of Long Beach adopted at its
5 meeting held on November 12, 2019, by and between the CITY OF LONG BEACH, a
6 municipal corporation, whose address is ~~333~~ 411 W. Ocean Boulevard, ~~3rd~~ 10th Floor, Long Beach,
7 California 90802, Attention: Department of Economic and Property Development
8 ("Landlord"), and the UNITED STATES VETERANS INITIATIVE, a California nonprofit
9 corporation, whose address is 2001 River Avenue, Long Beach, CA 90810 ("Tenant").

10 Landlord and Tenant, in consideration of the mutual terms, covenants, and
11 conditions herein, agree as follows:

12 1. Premises. Landlord hereby leases to Tenant and Tenant hereby
13 accepts and leases from Landlord those certain premises containing approximately 5,400
14 rentable square feet (the "Premises") located within the building located at 1718-1722
15 Hayes Avenue, Long Beach, California (the "Building"), such premises being more
16 particularly depicted in Exhibit "A" attached hereto. The Premises shall be leased in "as
17 is" condition.

18 2. Term. The term of this Lease shall commence on December 1, 2019,
19 and shall terminate at midnight on March 31, 2020.

20 3. Rent. In lieu of monthly rent, Tenant shall make a one-time payment
21 to Landlord in order to reimburse Landlord for reasonably documented gas, water,
22 electricity and trash removal expenses incurred by Landlord in connection with the
23 Premises during Tenant's occupancy, due and payable on or before May 1, 2020, in an
24 amount not to exceed Thirteen Thousand Seven Hundred Fifty Dollars (\$13,750).

25 4. Use. The Premises shall be used as a temporary winter homeless
26 shelter.

27 5. Tenant's Maintenance Obligations. Tenant shall keep the Premises
28 in a neat, safe and sanitary condition, and otherwise perform all "day-to-day" and

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 West Ocean Boulevard, 9th Floor
Long Beach, CA 90802-4664

1 operational maintenance at its own cost and expense. All other maintenance and repairs
2 not specifically described immediately above shall be the responsibility of Landlord
3 pursuant to Section 6.

4 6. Landlord's Maintenance Obligations. Landlord shall manage and
5 maintain the Building and make necessary repairs to the Premises, including without
6 limitation all surface and structural elements of the roof, bearing walls and foundations of
7 the Building, all electrical, plumbing, HVAC systems and all other elements of the Building.
8 Tenant shall notify Landlord of necessary repairs in writing, and Landlord shall thereafter
9 promptly complete such repairs. Notwithstanding the foregoing, if Landlord determines
10 that the costs of such repairs are more than Landlord is willing to pay, then Landlord shall
11 not be obligated to complete such repairs, such failure by Landlord to complete repairs
12 shall not constitute a default under Section 13, and Tenant's sole remedy for such failure
13 shall be to promptly terminate this Lease without further obligation by either party to the
14 other.

15 7. [RESERVED].

16 8. Taxes. Landlord shall be responsible for payment of all real property
17 taxes.

18 9. Hazardous Materials.

19 A. In the event any Hazardous Materials are detected during the
20 Lease term, such materials shall be removed promptly in accordance with applicable
21 law at the sole cost and expense of Landlord. In the event Landlord determines it
22 is cost prohibitive to remove such materials, Tenant shall have the option of
23 terminating this Lease by giving written notice.

24 B. No goods, merchandise, supplies, personal property, materials,
25 or items of any kind shall be kept, stored, or sold in or on the Premises which are in
26 any way explosive or hazardous. Tenant shall comply with California Health and
27 Safety Code Section 25359.7 or its successor statute regarding notice to Landlord
28 on discovery by Tenant of the presence or suspected presence of any hazardous

1 material on the Premises. "Hazardous Materials" means any hazardous or toxic
2 substance, material or waste which is or becomes regulated by the City of Long
3 Beach ("City"), the County of Los Angeles, the State of California or the United
4 States government.

5 10. Insurance. Concurrent with the execution of this Lease and as a
6 condition of obtaining occupancy of the Premises, Tenant shall procure and maintain the
7 following types of insurance at Tenant's sole expense for the duration of this Lease,
8 including any extensions, renewals, or holding over thereof, from insurance companies that
9 are admitted to write insurance in the State of California or from authorized non-admitted
10 insurers that have ratings of or equivalent to an A:VIII by A.M. Best Company:

11 A. Commercial general liability insurance equivalent in coverage
12 scope to ISO form CG 00 01 10 93 in an amount not less than One Million Dollars
13 (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) annual
14 aggregate. Such coverage shall include but is not limited to broad form contractual
15 liability coverage, cross liability protection, and products and completed operations.
16 The City of Long Beach, and its officials, employees, and agents shall be added as
17 additional insureds by endorsement equivalent in coverage scope to ISO form CG
18 20 26 11 85 and such endorsement shall protect the City, and its officials,
19 employees, and agents from and against claims, demands, causes of action,
20 expenses, costs, or liability for injury to or death of persons, or damage to or loss of
21 property arising out activities performed by or on behalf of Tenant or from
22 maintenance or use of the Premises. The coverage shall contain no special
23 limitations on the scope of protection afforded to the City, and its officials,
24 employees, and agents, and Tenant agrees to obtain and furnish evidence to City
25 of the waiver of Tenant's liability insurance carrier of any right of subrogation against
26 the City.

27 B. If applicable, All Risk property insurance with the exception of
28 earthquake and flood insurance, in an amount sufficient to cover the full replacement

1 value of all buildings and structural improvements erected on the Premises. City
2 shall be named as an additional insured under a standard loss payable
3 endorsement.

4 C. All Risk property insurance, with the exception of earthquake
5 and flood insurance, in an amount sufficient to cover the full replacement value of
6 Tenant's personal property, improvements and equipment on the Premises.

7 D. Workers' compensation insurance required by the State of
8 California and employer's liability insurance in an amount not less than One Million
9 Dollars (\$1,000,000) per accident or occupational illness.

10 E. With respect to damage to property, Landlord and Tenant
11 hereby waive all rights of subrogation, one against the other, but only to the extent
12 that collectible commercial insurance is available for said damage.

13 F. Any self-insurance program or self-insured retention must be
14 approved separately in writing by Landlord and shall protect Landlord, and its
15 officials, employees, and agents in the same manner and to the same extent as they
16 would have been protected had the policy or policies not contained retention
17 provisions.

18 G. Each insurance policy shall be endorsed to state that coverage
19 shall not be cancelled, nonrenewed or changed by either party except after thirty
20 (30) days prior written notice to Landlord and shall be primary to Landlord. Any
21 insurance or self-insurance maintained by Landlord shall be excess to and shall not
22 contribute to insurance or self-insurance maintained by Tenant.

23 H. Tenant shall deliver to Landlord certificates of insurance and
24 the required endorsements for approval as to sufficiency and form prior to
25 commencement of this Lease. The certificates and endorsements for each
26 insurance policy shall contain the original signature of a person authorized by that
27 insurer to bind coverage on its behalf. Tenant shall, at least thirty (30) days prior to
28 expiration of such policies, furnish Landlord with evidence of renewals. Landlord

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reserves the right to require complete certified copies of all said policies at any time.

I. Such insurance as required herein shall not be deemed to limit Tenant's liability relating to performance under this Lease. The procuring of insurance shall not be construed as a limitation on liability or as full performance of the indemnification and hold harmless provisions of this Lease. Tenant understands and agrees that, notwithstanding any insurance, Tenant's obligation to defend, indemnify, and hold Landlord, and its officials, agents, and employees harmless hereunder is for the full and total amount of any damage, injuries, loss, expense, costs, or liabilities caused by the condition of the Premises or in any manner connected with or attributed to the acts or omissions of Tenant, its officers, agents contractors, employees, licensees, vendors, patrons, or visitors, or the operations conducted by or on behalf of Tenant, or Tenant's use, misuse, or neglect of the Premises.

J. Any modification or waiver of the insurance requirements herein shall be made only with the written approval of Landlord's Risk Manager or designee.

11. Indemnification.

A. Tenant shall indemnify, protect and hold harmless Landlord, its Boards, Commissions, and their officials, employees and agents ("Indemnified Parties"), from and against any and all liability, claims, demands, damage, loss, obligations, causes of action, proceedings, awards, fines, judgments, penalties, costs and expenses, including attorneys' fees, court costs, expert and witness fees, and other costs and fees of litigation, arising or alleged to have arisen, in whole or in part, out of or in connection with (1) the use of the Premises by Tenant, its officers, employees, agents, subcontractors, or anyone under Tenant's control, or (2) Tenant's breach or failure to comply with any of its obligations contained in this Lease (collectively "Claims" or individually "Claim").

B. In addition to Tenant's duty to indemnify, Tenant shall have a

1 separate and wholly independent duty to defend Indemnified Parties at Tenant's
2 expense, from and against all Claims, and shall continue this defense until the
3 Claims are resolved, whether by settlement, judgment or otherwise. No finding or
4 judgment of negligence, fault, breach, or the like on the part of Tenant shall be
5 required for the duty to defend to arise. Landlord shall notify Tenant of any Claim,
6 shall tender the defense of the Claim to Tenant, and shall assist Tenant, as may be
7 reasonably requested, in the defense.

8 C. If a court of competent jurisdiction determines that a Claim was
9 caused by the sole negligence or willful misconduct of Indemnified Parties, Tenant's
10 costs of defense and indemnity shall be (1) reimbursed in full if the court determines
11 sole negligence by the Indemnified Parties, or (2) reduced by the percentage of
12 willful misconduct attributed by the court to the Indemnified Parties.

13 D. The provisions of this Section 11 shall survive the expiration or
14 termination of this Lease, up to and through the date of any applicable statute(s) of
15 limitation.

16 12. Default by Tenant.

17 A. The occurrence of any of the following acts shall constitute a
18 default by Tenant:

19 i. Failure to pay rent or any other amounts payable
20 hereunder when due after ten (10) days written notice;

21 ii. Failure to perform any of the terms, covenants, or
22 conditions of this Lease if said failure is not cured within thirty (30) days after
23 written notice of said failure; or

24 iii. Any attempted assignment, transfer, or sublease except
25 as approved by Landlord.

26 B. If Tenant does not comply with each provision of this Lease or
27 if a default occurs, then Landlord may terminate this Lease and Landlord may enter
28 the Premises and take possession thereof provided, however, that these remedies

1 are not exclusive but cumulative to other remedies provided by law in the event of
2 Tenant's default, and the exercise by Landlord of one or more rights and remedies
3 shall not preclude Landlord's exercise of additional or different remedies for the
4 same or any other default by Tenant.

5 13. Default by Landlord.

6 A. The occurrence of any of the following acts shall constitute a
7 default by Landlord:

8 i. Failure to perform any of the terms, covenants, or
9 conditions of this Lease if said failure is not cured within thirty (30) days after
10 written notice of said failure.

11 B. If Landlord does not comply with each provision of this Lease
12 or if a default occurs, then Tenant may terminate this Lease, provided, however,
13 that this remedy is not exclusive but cumulative to other remedies provided by law
14 in the event of Landlord's default, and the exercise by Tenant of one or more rights
15 and remedies shall not preclude Tenant's exercise of additional or different
16 remedies for the same or any other default by Landlord.

17 14. Right of Entry. Landlord shall have the right of access to the Premises
18 during normal business hours and with reasonable advance notice to inspect the Premises,
19 to determine whether or not Tenant is complying with the terms, covenants, and conditions
20 of this Lease, to serve, post, or keep posted any notice, and for any other legal purpose.
21 Landlord shall also have the right to enter in case of emergencies.

22 15. Condemnation. If the whole or any part of the Premises shall be taken
23 by any public or quasi-public authority under the power of eminent domain, then this Lease
24 shall terminate as to the part taken or as to the whole, if taken, as of the day possession of
25 that part or the whole is required for any public purpose, and on or before the day of the
26 taking Tenant shall elect in writing either to terminate this Lease or to continue in
27 possession of the remainder of the Premises, if any. All damages awarded for such taking
28 shall belong to Landlord, whether such damages be awarded as compensation for

1 diminution in value to the leasehold or to the fee provided, however, that Landlord shall not
2 be entitled to any portion of the award made for loss of Tenant's business.

3 16. Assignment. Tenant shall not assign or transfer this Lease or any
4 interest herein, nor sublease the Premises or any part thereof (collectively referred to as
5 "transfer") without the prior written approval of Landlord.

6 17. Signs. Tenant may, at its own cost, install exterior signage on the
7 Premises subject to Landlord's reasonable approval as to design, size and location.

8 18. Access. Tenant shall have access to the Premises twenty-four (24)
9 hours per day, seven (7) days per week.

10 19. Holding Over. If Tenant holds over and remains in possession of the
11 Premises or any part thereof after the expiration of this Lease with the express or implied
12 consent of Landlord, then such holding over shall be construed as a tenancy from month
13 to month at the monthly rent then in effect and otherwise on the same terms, covenants,
14 and conditions contained in this Lease.

15 20. Surrender of Premises. On the expiration or sooner termination of this
16 Lease, Tenant shall deliver to Landlord possession of the Premises in substantially the
17 same condition that existed immediately prior to the date of execution hereof, reasonable
18 wear and tear excepted.

19 21. Notice. Any notice required hereunder shall be in writing and
20 personally served or deposited in the U.S. Postal Service, first class, postage prepaid to
21 Landlord and Tenant at the respective addresses first stated above. Notice shall be
22 deemed effective on the date of mailing or on the date personal service is obtained,
23 whichever first occurs. Change of address shall be given as provided herein for notice.

24 22. Waiver of Rights. The failure or delay of Landlord to insist on strict
25 enforcement of any term, covenant, or condition herein shall not be deemed a waiver of
26 any right or remedy that Landlord may have and shall not be deemed a waiver of any
27 subsequent or other breach of any term, covenant, or condition herein. The receipt of and
28 acceptance by Landlord of delinquent rent shall not constitute a waiver of any other default

1 but shall only constitute a waiver of timely payment of rent. Any waiver by Landlord of any
2 default or breach shall be in writing. Landlord's approval of any act by Tenant requiring
3 Landlord's approval shall not be deemed to waive Landlord's approval of any subsequent
4 act of Tenant.

5 23. Successors in Interest. This Lease shall be binding on and inure to
6 the benefit of the parties and their successors, heirs, personal representatives, transferees,
7 and assignees, and all of the parties hereto shall be jointly and severally liable hereunder.

8 24. Force Majeure. Except as to the payment of rent, in any case where
9 either party is required to do any act, the inability of that party to perform or delay in
10 performance of that act caused by or resulting from fire, flood, earthquake, explosion, acts
11 of God, war, strikes, lockouts, or any other cause whether similar or dissimilar to the
12 foregoing which is beyond the control of that party and not due to that party's fault or neglect
13 shall be excused and such failure to perform or such delay in performance shall not be a
14 default or breach hereunder. Financial inability to perform shall not be considered cause
15 beyond the reasonable control of the party.

16 25. Partial Invalidity. If any term, covenant, or condition of this Lease is
17 held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder
18 of the provisions hereof shall remain in full force and effect and shall in no way be affected,
19 impaired or invalidated thereby.

20 26. Time. Time is of the essence in this Lease, and every provision
21 hereof.

22 27. Governing Law. This Lease shall be governed by and construed in
23 accordance with the laws of the State of California.

24 28. Integration and Amendments. This Lease represents and constitutes
25 the entire understanding between the parties and supersedes all other agreements and
26 communications between the parties, oral or written, concerning the subject matter herein.
27 This Lease shall not be modified except in writing signed by the parties and referring to this
28 Lease.

1 29. Joint Effort. This Lease is created as a joint effort between the parties
2 and fully negotiated as to its terms and conditions and nothing contained herein shall be
3 construed against either party as the drafter.

4 30. No Recordation. This Lease shall not be recorded.

5 31. Attorney's Fees. In any action or proceeding relating to this Lease,
6 the prevailing party shall be entitled to its costs, including a reasonable attorney's fee.

7 32. Captions and Organization. The various headings and numbers
8 herein and the grouping of the provisions of this Lease into separate sections, paragraphs
9 and clauses are for convenience only and shall not be considered a part hereof, and shall
10 have no effect on the construction or interpretation of this Lease.

11 33. Relationship of Parties. The relationship of the parties hereto is that
12 of Landlord and Tenant, and the parties agree that nothing contained in this Lease shall be
13 deemed or construed as creating a partnership, joint venture, association, principal-agent
14 or employer-employee relationship between them or between Landlord or any third person
15 or entity.

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OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 West Ocean Boulevard, 9th Floor
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IN WITNESS WHEREOF, the parties have executed this Lease with all of the formalities required by law as of the date first above written.

UNITED STATES VETERANS INITIATIVE, a California nonprofit corporation

December 3, 2019

By [Signature]
Name Larry Williams
Title Interim Executive Director / V.P. Programs

_____, 2019

By _____
Name _____
Title _____

"Tenant"

CITY OF LONG BEACH, a municipal corporation

Dec. 5, 2019

By [Signature]
Thomas B. Modica
Acting City Manager

"Landlord" **EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER**

This Lease is hereby approved as to form on December 5, 2019.

CHARLES PARKIN, City Attorney

By [Signature]
Deputy

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 West Ocean Boulevard, 9th Floor
Lona Beach, CA 90802-4664

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EXHIBIT "A"
PREMISES

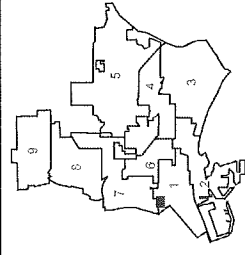


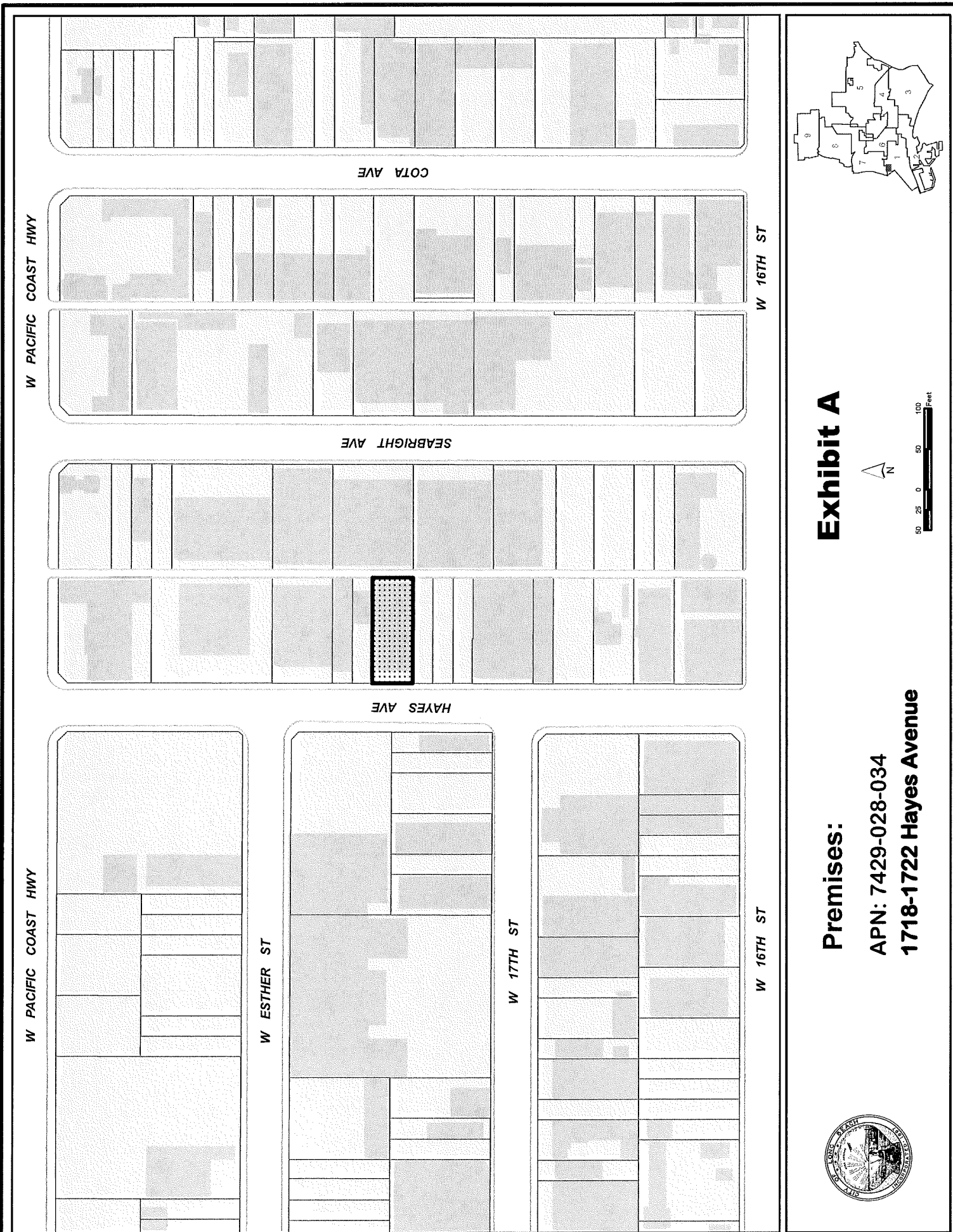
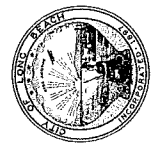
Exhibit A



Premises:

APN: 7429-028-034

1718-1722 Hayes Avenue





Long Beach Fire Department Bureau of Fire Prevention

OPERATIONAL FIRE PERMIT
NO. 2.033 05/17

RELATED TO SPECIAL EVENTS AND FILMING

Applicant Name United States Veterans Initiative Phone (562) 200 7355
Address 2001 River Ave Fax (562) 388 7991
City Long Beach State CA Zip Code 90810
Email KLiggins-Tompkins@usvetsinc.org

TYPE OF ACTIVITY

PARADE FESTIVAL OTHER temporary shelter

Event Name / Description Winter Shelter: temporary shelter for homeless population

Event Location 1718 Hayes Ave, Long Beach, CA 90813

Event Date(s) Dec 5, 2019 - March 30, 2020 Estimated Daily Attendance 135

Event Time(s) Start 4:00 am/pm am Finish 8:00 am/pm am

1. A plot plan showing location of all grandstands, stages, tents, temporary fencing, cooking areas, etc., must be submitted to the Bureau of Fire Prevention for approval **48 hours prior to the event.**
2. Emergency access for fire equipment must be provided.
3. Fire Safety Officer's for the event may be required at the discretion of the Fire Marshal.
4. If this Permit includes any open fires, applicant must notify Fire Dispatch at (562) 591-7631, when fire is started. A garden hose or other approved fire extinguishing appliance must be available on site.
5. **Final approval of all permits may be subject to field inspection by a Captain/Inspector from this Bureau.**

Applicant's Signature & Title *Ken Uggins-Tompkins* *Ken Uggins-Tompkins Operations Mgr.* Date 12/3/19

NOTE: Conditions, surroundings and arrangements shall be in accordance with the Long Beach Municipal Code. Non-compliance of same and/or the conditions and restrictions of this permit shall render this permit null and void. **A fee shall be assessed based upon the most current fee schedule.**

For Dept. Use Only

Approved Denied By: Captain/Inspector _____

Remarks: _____

Building Inspection Report



1718 & 1722 Hayes Ave, Long Beach CA.

Inspection Date:
May 11, 2018

Prepared For:
Ken Huss

Prepared By:
Inspection Masters Corp
324 S. Diamond Bar Blvd. # 125
Diamond Bar Ca 91765

1-800-655-8566
1-909-396-7739 Fax
Inspectionmasters@gmail.com

Inspector:
John Cooper

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Report Overview

THE HOUSE IN PERSPECTIVE

CONVENTIONS USED IN THIS REPORT

For your convenience, the following conventions have been used in this report.

Major Concern: a system or component which is considered significantly deficient or is unsafe. Significant deficiencies need to be corrected and, except for some safety items, are likely to involve significant expense.

Safety Issue: denotes a condition that is unsafe and in need of prompt attention.

Repair: denotes a system or component which is missing or which needs corrective action to assure proper and reliable function.

Improve: denotes improvements which are recommended.

Monitor: denotes a system or component needing further investigation and/or monitoring in order to determine if repairs are necessary.

Discretionary Improvements: Please note that those observations listed under "Discretionary Improvements" represent logical long term improvements that should be considered of anticipated.

The summary page is provided to allow the reader a brief overview of the report only. This page is not encompassing. Reading this page alone is not a substitute for reading this report in its entirety as agreed to in the inspection contract.

The client understands and agrees that if they are not present at the time of the inspection and therefore do not sign the inspection agreement/contract, then by accepting this report and payment by the Client therefore constitutes acceptance of the terms and conditions of the inspection agreement/contract.

IMPROVEMENT RECOMMENDATION HIGHLIGHTS / SUMMARY

The following is a synopsis of the potentially significant improvements that should be budgeted for over the short term. Other significant improvements, outside the scope of this inspection, may also be necessary. Please refer to the body of this report for further details on these and other recommendations.

It is strongly recommended that **any and all** deficiencies and the components/systems related to these deficiencies noted in the report be **evaluated/inspected** and repaired by a **licensed contractor/professional** related to those areas **prior to the close of escrow**. Further evaluation **prior** to the close of escrow is recommended so a properly licensed professional can evaluate our concerns and further and inspect the remainder of the system(s) or component(s) for additional concerns that may be outside our area of expertise or scope of our inspection.

1. **Monitor: Repair:** The roof material shows evidence of surface damaged and deterioration. This indicates an older roof that may be approaching the end of its service life. Repairs to the roof are recommended and possibly a "silver coat to prolong the roof's service life. All roof penetrations should be examined and sealed as necessary.
2. **Monitor:** Ceiling stains were found in unit # 1722 and # 1718. This may indicate a past or present roof leak. Recommend consulting the seller for an explanation and/or recommend further evaluation by a licensed roofing professional.
3. **Repair:** Recommend removing the vegetation from the surface of the roof. Any damaged roofing material uncovered should be repaired as needed.
4. **Repair:** The tree at the north side of the building is in contact with the roof. Removal is recommended to prevent damage to the roof and the building
5. **Monitor: Repair:** The fiberglass skylights are in poor condition. Replacement should be anticipated for the long term.
6. **Repair:** The door framing at the east side of the building are damaged and rotted. Repairs are recommended.

7. **Repair:** A pellet hole is present in the west window glass of unit # 1718. Repairs are recommended.
8. **Repair:** Circuits within the auxiliary distribution panels for unit #1718 and unit #1722 that are doubled up (referred to as "double taps") should be separated. Each circuit should be served by a separate fuse or breaker.
9. **Repair:** The neutral wires inside the electrical sub panel in unit #1718 show evidence of overheating. Recommended further evaluation and repairs as needed.
10. **Repair:** The transformer on the south wall of unit #1718 is not connected to the electrical system. Repairs are recommended as needed.
11. **Repair:** The electrical outlets on the north, east, and west wall of unit #1718 tested with hot and ground reversed (backwards wiring). Repairs are recommended.
12. **Repair:** The electrical 240 volt outlets on the east wall of unit #1722 did not respond to testing. Recommend further evaluation and repair as needed.
13. **Repair:** Recommend installing an outlet to service the overhead garage door opener for both units. Repairs are recommended as needed.
14. **Repair:** The heating and air conditioning system for unit #1718 and unit #1722 is disconnected. A qualified heating and cooling technician should be consulted to further evaluate of this condition and the remedies available.
15. **Safety Issue:** Recommend installing conforming seismic water heater restraint. Water heaters in seismic zones should be anchored or strapped to resist movement during earthquake conditions.
16. **Repair: Safety Issue:** The discharge piping serving the Temperature and Pressure Relief (TPR) Valve for the water heater should be installed and run to the exterior of the structure.
17. **Repair:** Recommend installing a drip pan under the water heater to prevent damage in the event of a leak. A drain line should be attached to the pan and run to the exterior of the structure. This was required when the water heater was installed.
18. **Monitor:** The water heater was inoperative at the time of the inspection, possible due to the electrical issues that are present. Recommend further evaluation.
19. **Monitor:** The water heater is an old unit that has exceeded the normal range of its service life. One cannot predict when replace will be necessary, however it would be wise to budget for replacement.
20. **Monitor:** The bathroom sinks in unit 17218's restrooms are loose. Repairs are recommended.
21. **Repair:** The toilet in the west restroom of unit # 1718 bathroom is loose. Repairs are recommended.
22. **Repair:** The toilet in the east restroom of unit # 1718 runs on after flushing. Improvement to the tank mechanism is likely to be needed.
23. **Repair:** The toilet seat in the east restroom of unit # 1718 is broken. Replacement is needed.
24. **Monitor:** The restrooms in unit # 1718 are non-ADA compliant. Recommend further evaluation for improvement.
25. **Monitor:** The restrooms are not present in unit # 1722.

THE SCOPE OF THE INSPECTION

All components designated for inspection in the ASHI® Standards of Practice and the CREIA® Standards of Practice are inspected, except as may be noted in the "Limitations of Inspection" sections within this report which may be beyond the scope or restricted at the time of the inspection

Because our inspection takes place in the beginning stages of the pre-purchase and escrow process, there is a strong possibility that within those 15-45 days other defects which were not present at the time of this inspection may occur. It is strongly recommended that all component, including but not limited to, appliances, heating and air conditioning systems, plumbing system, including fixtures and drainage, electrical components, evidence of roof leakage and/or damage, be tested and evaluated during the final walk through prior to the closing of the escrow and of the taking possession of the property be performed. It is your (our client) responsibility to exercise your (our client) due-diligence in deciding to closing escrow and accepting the property in its present condition.

It is the goal of the inspection and Inspection Masters Corp. to put a home buyer in a better position to make a buying decision. Not all improvements, defects or conditions will be identified during this inspection. Unexpected repairs and defects should still be anticipated. The inspection should not be considered a guarantee or warranty of any kind that the subject property is free of defects. Any issue that is not included in this report is the sole responsibility of the selling party.

Please refer to the pre-inspection contract for a full explanation of the scope of the inspection.

Structural Components

DESCRIPTION OF STRUCTURE

Foundation:	•Slab on Grade
Floor Structure:	•Concrete
Wall Structure:	•Wood Frame Rook / Block Walls
Ceiling Structure:	•Joist
Roof Structure:	•Rafters/Trusses

STRUCTURE OBSERVATIONS

RECOMMENDATIONS / OBSERVATIONS

LIMITATIONS OF STRUCTURE INSPECTION

As we have discussed and as described in your inspection contract, this is a visual inspection limited in scope by (but not restricted to) the following conditions:

- Structural components concealed behind finished surfaces could not be inspected.
- Only a representative sampling of visible structural components were inspected.
- Furniture and/or storage restricted access to some structural components.
- Engineering or architectural services such as calculation of structural capacities, adequacy, or integrity are not part of a home inspection.
- The stability and possibly of slippage of the hill sides around the property and surrounding area and/or flooding of any kind is beyond the scope of this inspection. The client is urged to seek other professionals concerning this issue prior to the end of the contingency period.

Please also refer to the pre-inspection contract for a detailed explanation of the scope of this inspection.

Roofing System

DESCRIPTION OF ROOFING

Roof Covering:	•Flat Roofing Material • Number of Layers Visible: One
Roof Flashings:	•Metal • Roofing Material
Roof Drainage System:	• None
Method of Inspection:	•Walked on roof

ROOFING OBSERVATIONS

RECOMMENDATIONS / OBSERVATIONS

1. **Monitor:** Prior repairs to the roofing are evident. This would suggest that problems have been experienced in the past. This area should be monitored. Also recommend consulting the seller for an explanation for the repairs.
2. **Monitor: Repair:** The roof material shows evidence of surface damaged and deterioration. This indicates an older roof that may be approaching the end of its service life. Repairs to the roof are recommended and possibly a "silver coat to prolong the roof's service life. All roof penetrations should be examined and sealed as necessary.
3. **Monitor:** Ceiling stains were found in unit # 1722 and # 1718. This may indicate a past or present roof leak. Recommend consulting the seller for an explanation and/or recommend further evaluation by a licensed roofing professional.
4. **Repair:** Recommend removing the vegetation from the surface of the roof. Any damaged roofing material uncovered should be repaired as needed.
5. **Repair:** The tree at the north side of the building is in contact with the roof. Removal is recommended to prevent damage to the roof and the building
6. **Monitor: Repair:** The fiberglass skylights are in poor condition. Replacement should be anticipated for the long term.

LIMITATIONS OF ROOFING INSPECTION

As we have discussed and as described in your inspection contract, this is a visual inspection limited in scope by (but not restricted to) the following conditions:

- Not all of the underside of the roof sheathing is inspected for evidence of leaks.
- Evidence of prior leaks may be disguised by interior finishes.
- Estimates of remaining roof life are approximations only and do not preclude the possibility of leakage. Leakage can develop at any time and may depend on rain intensity, wind direction, ice build up, and other factors.
- Antennae, chimney/flue interiors which are not readily accessible are not inspected and could require repair.
- Roof inspection may be limited by access, condition, weather, or other safety concerns.
- Roof leaks present or past are beyond the scope of this inspection. Only a licensed roofing professional can determine if roof leakage is present or ongoing. We recommend further evaluation by a licensed roofing professional for any and all observations contained in this report. So they can further evaluated our concerns and inspection the remainder of the roof for issues and defects that are beyond the scope of this inspection.
- Due to the method of the roof inspection, some sections of the roofing surface were concealed from view. Other defects may be present that are not disclosed in this report.
- Leaking scuppers and water damage that may be present inside the wall from a leaking scupper is beyond the scope of this inspection. Recommend further evaluation.

Please also refer to the pre-inspection contract for a detailed explanation of the scope of this inspection.

Exterior Components

DESCRIPTION OF EXTERIOR

Wall Covering:	•Block
Exterior Doors:	•Metal
Windows	• Metal •Wood
Overhead Roll Up Door:	• Metal • Automatic Opener Installed
Entry Driveways:	•Concrete
Fencing/Gates:	• None

EXTERIOR OBSERVATIONS

RECOMMENDATIONS / OBSERVATIONS

1. **Repair:** The wood siding at the west side of the house is damaged. Repairs are recommended.
2. **Improve:** The driveways show evidence of cracking. Improvements are needed, but not considered a high priority.
3. **Repair:** The door framing at the east side of the building are damaged and rotted. Repairs are recommended.
4. **Repair:** A pellet hole is present in the west window glass if unit # 1718. Repairs are recommended,

LIMITATIONS OF EXTERIOR INSPECTION

As we have discussed and as described in your inspection contract, this is a visual inspection limited in scope by (but not restricted to) the following conditions:

- A representative sample of exterior components was inspected rather than every occurrence of components.
- The inspection does not include an assessment of geological, geotechnical, or hydrological conditions, or environmental hazards.
- Screening, shutters, awnings, or similar seasonal accessories, fences, recreational facilities, outbuildings, seawalls, break-walls, docks, erosion control and earth stabilization measures are not inspected unless specifically agreed-upon and documented in this report.

Please also refer to the pre-inspection contract for a detailed explanation of the scope of this inspection.

Electrical System

DESCRIPTION OF ELECTRICAL

Size of Electrical Service:	•Service Size: 50-400 Amps (3 Phase present)
Service Drop:	•Overhead
Service Equipment & Main Disconnects:	•Breakers • At the South Walls Inside Each Unit
Service Grounding:	•Ground Connection Not Visible
Sub-Panel(s):	•At the South Wall inside Each Unit
Distribution Wiring:	•Copper
Switches & Receptacles:	•Grounded
Ground Fault Circuit Interrupters:	• None Found
Smoke Detectors:	• None Found
Carbon Monoxide Detectors:	•None Found

ELECTRICAL OBSERVATIONS

RECOMMENDATIONS / OBSERVATIONS

1. **Repair:** Recommend clearly labeling the electrical panels for each unit so the each circuit is identifiable.
2. **Repair:** Recommend sealing all openings in the electrical panels for each unit for safety.
3. **Repair:** Circuits within the auxiliary distribution panels for unit #1718 and unit #1722 that are doubled up (referred to as "double taps") should be separated. Each circuit should be served by a separate fuse or breaker.
4. **Repair:** The neutral wires inside the electrical sub panel in unit #1718 show evidence of overheating. Recommended further evaluation and repairs as needed.
5. **Repair:** The transformer on the south wall of unit #1718 is not connected to the electrical system. Repairs are recommended as needed.
6. **Safety Issue:** The dead front cover for the electrical panel in unit #1718 is not installed. Repairs are recommended as needed.
7. **Repair:** The utility box on the south exterior wall of unit #1718 is damaged. Repairs are recommended as needed.
8. **Repair:** Recommend installing a cover plate on the junction boxes on the south east exterior wall of unit #1722 and in the ceiling of unit #1718. Repairs are recommended as needed.
9. **Safety Issue: Repair:** Ungrounded 3-prong outlet was found on the southeast wall of unit #1722 (this outlet has been marked with an X) should be grounded or replaced with 2-pronged outlets for safety. (approx. 1 was found)
10. **Safety Issue: Repair:** Recommend installing ground fault circuit interrupters (GFCI) outlets in the bathrooms.
11. **Repair:** Recommend installing an outlet to service the overhead garage door opener for both units. Repairs are recommended as needed.
12. **Repair:** The electrical outlets on the north, east, west wall of unit #1718 tested with hot and ground reversed (backwards wiring). Repairs are recommended.
13. **Repair:** The electrical 240 volt outlets on the east wall of unit #1722 did not respond to testing. Recommend further evaluation and repair as needed.
14. **Repair:** The electrical outlet on the north wall of the lobby in unit #1718 did not respond to testing. Recommend further evaluation and repair as needed.
15. **Repair:** The ceiling light fixture in the lobby of unit #1718 and inside unit #1718 and unit #1722 are inoperative if the blubs are not burn out the circuits should be investigated.

LIMITATIONS OF ELECTRICAL INSPECTION

As we have discussed and as described in your inspection contract, this is a visual inspection limited in scope by (but not restricted to) the following conditions:

- Electrical components concealed behind finished surfaces are not inspected.
- Only a representative sampling of outlets and light fixtures were tested.

- Furniture and/or storage restricted access to some electrical components which may not be inspected.
- The inspection does not include remote control devices, alarm systems and components, low voltage wiring, systems, and components, ancillary wiring, systems, and other components which are not part of the primary electrical power distribution system.
- Due to the occupants belonging several wall outlets were not accessible/ visible for testing. Recommend further evaluation.

Please also refer to the pre-inspection contract for a detailed explanation of the scope of this inspection.

Heating System

DESCRIPTION OF HEATING

Energy Source: •None

HEATING OBSERVATIONS

RECOMMENDATIONS / OBSERVATIONS

- **Repair:** The heating and air conditioning system for unit #1718 and unit #1722 is disconnected. A qualified heating and cooling technician should be consulted to further evaluate of this condition and the remedies available.

LIMITATIONS OF HEATING INSPECTION

As we have discussed and as described in your inspection contract, this is a visual inspection limited in scope by (but not restricted to) the following conditions:

- The adequacy of heat supply or distribution balance is not inspected.
- The interior of flues or chimneys which are not readily accessible are not inspected.
- The furnace heat exchanger, humidifier, or dehumidifier, and electronic air filters are not inspected.
- Solar space heating equipment/systems are not inspected.
- The system data plate on the heating system was not visible/ legible. Recommend further evaluation.

Plumbing System

DESCRIPTION OF PLUMBING

Water Supply Source:	•Public Water Supply (Reported By Real Estate Representative and to be verified by the Buyer/Client)
Main Water Valve Location:	• At the West Exterior
Water Pressure:	• 55
Interior Supply Piping:	• Copper
Waste System:	•Public Sewer System (Reported By Real Estate Representative and to be verified by the Buyer/Client) Cleanout Located: Not Located
Water Heater:	•Electric •Manufacturer: Craftmasters •Approximate Capacity (in gallons): 12 (EST) •Age: 15 Yrs. (EST)
Gas Meter:	•Natural Gas • Located: At the Southwest Exterior (meter not installed)

PLUMBING OBSERVATIONS

RECOMMENDATIONS / OBSERVATIONS

1. **Safety Issue:** Recommend installing conforming seismic water heater restraint. Water heaters in seismic zones should be anchored or strapped to resist movement during earthquake conditions.
2. **Repair: Safety Issue:** The discharge piping serving the Temperature and Pressure Relief (TPR) Valve for the water heater should be installed and run to the exterior of the structure.
3. **Repair:** Recommend installing a drip pan under the water heater to prevent damage in the event of a leak. A drain line should be attached to the pan and run to the exterior of the structure. This was required when the water heater was installed.
4. **Monitor:** The water heater was inoperative at the time of the inspection, possible due to the electrical issues that are present. Recommend further evaluation.
5. **Monitor:** The water heater is an old unit that has exceeded the normal range of its service life. One cannot predict when replace will be necessary, however it would be wise to budget for replacement.
6. **Monitor:** A clean out for the main drain was not found. Clean outs are useful when attempting to remove obstructions within the drainage piping. Recommend verifying its location with the existing owner/seller or licensed plumbing professional.

LIMITATIONS OF PLUMBING INSPECTION

As we have discussed and as described in your inspection contract, this is a visual inspection limited in scope by (but not restricted to) the following conditions:

- Portions of the plumbing system concealed by finishes and/or storage (below sinks, etc.), below the structure, or beneath the ground surface are not inspected.
- Shower pans are beyond the scope of this inspection and therefore are not inspected or tested for leaks. This portion of the inspection must be performed by a licensed termite or other qualified professional.
- Water quantity and water quality are not tested unless explicitly contracted-for and discussed in this or a separate report.
- Clothes washing machine connections are not inspected.
- Interiors of flues or chimneys which are not readily accessible are not inspected.
- Water conditioning systems, solar water heaters, fire and lawn sprinkler systems, and private waste disposal systems are not inspected unless explicitly contracted-for and discussed in this or a separate report.
- Due to the potential liability involved in disrupting the water service, the serviceability of the main supply valves and other valves to individual components could not be determined. The Client is urged to have the selling party demonstrate this portion of the plumbing system prior to the close of escrow.

- The operation of the sprinkler system is beyond the scope of this inspection due to the potential liability. The Client is urged to have the selling party demonstrate this portion of the plumbing system prior to the close of escrow.
- Obstructions, blockages or damage in or to the main waste and/or sewage lines is beyond the scope of this inspection. The Client is urged to consult the selling party and/or seek further evaluation of the system by a licensed professional concerning the condition of the system prior to the close of escrow.

Please also refer to the pre-inspection contract for a detailed explanation of the scope of this inspection.

Interior Components

DESCRIPTION OF INTERIOR

Wall and Ceiling Materials:	•Drywall/Plaster •Block
Floor Surfaces:	•Carpet •Tile •Vinyl/Resilient
Window Type(s) & Glazing:	•Double Hung • Fixed Pane
Doors:	•Wood-Hollow Core

INTERIOR OBSERVATIONS

RECOMMENDATIONS / OBSERVATIONS

Wall / Ceiling Finishes

1. **Repair:** Recommend patching all the holes in the drywall in both units.

Flooring

1. **Repair:** The flooring material in the restrooms of unit # 1722 is damaged and lifting. Replacement is recommended.

Stairways

1. **Safety Issue:** The hand railing on the stairways leading to the upper off ice in unit # 1722 is very loose. Repairs are recommended for safety.

Restrooms (s)

1. **Monitor:** The bathroom sinks in unit 17218's restrooms are loose. Repairs are recommended.
2. **Repair:** The toilet in the west restroom of unit # 1718 bathroom is loose. Repairs are recommended.
3. **Repair:** The toilet in the east restroom of unit # 1718 runs on after flushing. Improvement to the tank mechanism is likely to be needed.
4. **Repair:** The toilet seat in the east restroom of unit # 1718 is broken. Replacement is needed.
5. **Monitor:** The restrooms in unit # 1718 are non-ADA compliant. Recommend further evaluation for improvement.
6. **Monitor:** The restrooms are not present in unit # 1722.

LIMITATIONS OF INTERIOR INSPECTION

As we have discussed and as described in your inspection contract, this is a visual inspection limited in scope by (but not restricted to) the following conditions

- Furniture, storage, appliances and/or wall hangings are not moved to permit inspection and may block defects.
- Carpeting, window treatments, central vacuum systems, household appliances, recreational facilities, paint, wallpaper, and other finish treatments are not inspected.
- Due to the scope of this inspection, occupant's belongings in the interior, exterior, storage areas, attic and other areas in occupied dwellings prevent full view and accessibility of the surfaces, components, and systems. Other defects may be present which are not disclosed in this report. The Client is urged to obtain further evaluation of these area and the condition therein prior to the close of escrow.
- Water intrusion, seepage, water damage and its contents, mold, mildew, bacteria and all other biological contaminants and the present of these conditions are beyond the scope of this inspection, as this inspection does not include any laboratory testing which may be necessary to identify these condition. Recommend further evaluation by licensed professional specializing in these trades.

Please also refer to the pre-inspection contract for a detailed explanation of the scope of this inspection.

