

Check It Out Property Inspections

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CONFIDENTIAL INSPECTION REPORT

PREPARED FOR:

Kearny Family Trust

INSPECTION ADDRESS

1717 Coronado Avenue, San Diego, CA 92154

INSPECTION DATE

8/31/2011 9:00 am to 4:15 pm

REPRESENTED BY:

David Stevenson
DSD Real Estate



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

GENERAL INFORMATION

Inspection Address: 1717 Coronado Avenue, San Diego, CA 92154
Inspection Date: 8/31/2011 Time: 9:00 am to 4:15 pm

Weather: Clear and Dry - Temperature at time of inspection: 70-75 Degrees

Inspected by: Richard Zak

Client Information: Kearny Family Trust
P.O. Box 23456, San Diego, CA 92107
EMail: kearnytrust@gmail.com

Buyer's Agent: David Stevenson
DSD Real Estate
544 5th Avenue, Suite 101
San Diego, CA 92101
Phone: 619/200-5432
Mobile: 619/929-1311
Email: David@StevensonRealEstate.com

Structure Type: Wood Frame
Foundation Type: Slab
Furnished: Yes
Structure Occupied: Yes
Number of Stories: Two

Structure Style: 16 unit building

Structure Orientation: West

Estimated Year Built: 1970
Unofficial Sq.Ft.: 17500

People on Site At Time of Inspection: Buyer(s)
tenants
Buyer's Agent
Seller's Agent

General Property Conditions

PLEASE NOTE:

This report is the exclusive property of Check It Out Property Inspections and the client whose name appears herewith, and its use by any unauthorized persons is strictly prohibited.

You have contracted with Check It Out Property Inspections to perform a real estate inspection in accordance with the standards of practice established by the California Real Estate Inspection Association [CREIA], attached hereto, and is limited to those items specified herein.

Please acknowledge that the inspector is a generalist, and that further investigation of a reported condition by an appropriate specialist may provide additional information which can affect your decisions in the real estate transaction. If this is a real estate purchase, you should obtain further evaluation of reported conditions before removing any investigation contingency and prior to the

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close of the transaction. This report is of a building inspection and not an environmental evaluation. Our inspection is not intended to detect, identify or disclose any health or environmental conditions regarding this building or property, including, but not limited to: the presence of asbestos, radon, lead, urea-formaldehyde, fungi, molds, mildew, PCBs, or other toxic, reactive, combustible, or corrosive contaminants, materials, or substances in the air, water, soil, or building materials. We are not liable for injury, health risks, or damage caused or contributed to by these conditions.

This written report will document any material defects discovered in the building's systems and components which, in the opinion of the inspector, are safety hazards, are not functioning properly, or appear to be at the end of their service lives. As client, it is your duty to read the entire written report when it is received and promptly call the inspector with any questions or concerns regarding the inspection or this written report. This written report shall be the final and exclusive findings of the inspector.

Photographs - During the physical inspection, the inspector will take digital photographs. The photos may be close-ups of specific components or devices, or wider angle images of a room or area. Not all photographs taken at the time of the inspection are necessarily used in the report, and all defects noted in the report may not be photographed. The photos are utilized in various ways; a visual aid in describing conditions and material defects within the report, as a note-taking tool for the inspector, and/or a record of the conditions of the property at the time of the inspection. Photographs included in the report are not meant as a substitute for written words.

It is the client's duty to insure that any material defects, and the related components and/or systems noted in the report, be evaluated or inspected and repaired as needed by appropriately licensed or qualified contractors or specialists, before removing any investigation contingency and prior to the close of any transaction. Licensed and qualified specialists may well identify additional defects, or recommend upgrades, that could affect your evaluation of the property.

Report File: Multi-Unit (sample)

SCOPE OF WORK

The real estate inspection performed for our client(s) is a survey and basic operation of the systems and components of a building in accordance with the Standards of Practice established by the California Real Estate Inspection Association [CREIA]. The Standards of Practice are included in the contract signed by the client(s) before completion of our inspection service, a copy of which is attached herein. The inspector will meet and usually exceed these minimum standards by surveying the basic operation of systems and components which can be reached, entered, or viewed without difficulty, without moving obstructions, or requiring any action which may result in damage to the property or personal injury to the inspector. The purpose of the real estate inspection is to provide our client(s) with a written report containing information on the general condition of the building(s). Cosmetic and aesthetic conditions are not considered.

This written report will document any material defects discovered in the building's systems and components which, in the opinion of the inspector, are safety hazards, are not functioning properly, or appear to be at the end of their service lives. The observations and opinions expressed within this report are those of Check It Out Property Inspections and supercede any alleged verbal comments. As client, it is your duty to read the entire written report when it is received and promptly call the inspector with any questions or concerns regarding the inspection or this written report. This written report shall be the final and exclusive findings of the inspector.

It is the client's duty to insure that any material defects, and the related components and/or systems noted in the report, be evaluated or inspected and repaired as needed by appropriately licensed or qualified contractors or specialists. Any further evaluations recommended or advised (as denoted below) within the report shall be completed before removing any inspection or investigation contingencies and prior to the close of the real estate transaction. Licensed and qualified specialists may well identify additional defects, or recommend upgrades, that could affect your evaluation of the property.

Narratives within the report are color-coded and separated into four types; "Informational", "Functional Components", "Recommendations", and "Safety Hazard or Needs Service". The categorization of narrative comments should not be the sole determining factor in making decisions for actions, lack of actions, further investigations, and/or repairs.

Narrative Color Legend: *Informational ❖Safety Concern or Needs Service
○Functional □Recommendation

Structures

Structures are dependent on the soil beneath them for support. Soils, particularly clay-based soils, can expand with the influx of water and move structures, fracturing foundations and other hard surfaces. Some soils that might appear to be firm and solid can liquefy and become unstable during seismic activity. Foundations are not uniform. Foundations built with a permit would likely conform to the standards of the era in which they were built. While excellent at load bearing, wood framed structures are known to settle as conditions change and humidity levels fluctuate. Cracks in the wall finishes of interior and exterior surfaces are common. Cracks which may indicate movement beyond common settling will be noted if clearly visible. Exterior walls should be capable of shedding water much the same as a roof. Exterior wall cladding should include a moisture barrier beneath it, though the presence and condition of any moisture barrier is not normally visible during our inspection. Holes or other openings in exterior walls and any damaged surfaces should be repaired to insure that moisture is directed away from the wall structure. In the absence of any major defects we may not advise you to consult with a foundation contractor, an engineer, or a geologist but this should not deter you from seeking the opinion of any such expert.

Structural Components

Wall Structure

Informational Comment

- * The walls are conventionally framed with wooden studs.

Floor Structure

Informational Comment

- * The floor structures are poured concrete slabs. The presence of reinforcing steel within the concrete was not verified as it was not visible.

Ceiling Structure

Informational Comment

- * The ceiling framing was not visible due to drywall and upper story floor covering, but is assumed to be standard joists.
- * The ceiling framing at second story was not visible due to drywall and lack of accessible attic. The framing is assumed to be standard joists.

Foundations

Slab Foundation

Informational Comment

- * Many slabs are found to contain cracks when the floor coverings are removed. Cracks most often result from concrete shrinkage, a deficient mixture of concrete, deterioration over time, seismic activity, adverse soil conditions, and/or poor drainage. There is no absolute standard for evaluating cracks. Those that are less than 3/16" wide and without significant vertical or horizontal displacement may not warrant repairs, however, a professional engineer would need to make that determination. Some cracks may need to be sealed as they can allow moisture and wood destroying pests to enter, particularly if the site drainage is deficient and run-off is directed to the slab.

Method of Evaluation

Informational Comment

- * We evaluated the slab foundations on the exteriors by examining the slabs' edges that project above the footings at the bases of the building walls where visible. The interior portions of the slab, also known as the slab floor, are covered with flooring and not visually accessible. Aside from any obvious and accessible defects in the covered flooring, the condition of the interior slabs is beyond the scope of our inspection.
- * Some of the exterior portions of the slab foundations were not visible due to soil/gravel and hardscape blocking the edges of the slabs that project above the slabs' footings.

Slab Foundation Observations

Informational Comment

- * The slab foundation at front right (under units 1 and 3) has no visible structural abnormalities. The presence of seismic anchor bolts could not be verified due to wall sheathing and siding.

Recommendation

- There was one crack noted at the rear/east side stem wall. The crack was less than 1/16" wide and did not appear to present separation or offsets. Cracks in a slab stem wall, while not common, do not necessarily have serious structural significance, however we are not qualified to determine this and you may wish to have the slab foundation evaluated by a qualified professional engineer.



- Request information from the sellers or their representatives about any know conditions of the interior slab floor. Cracks or defects in a slab foundation are often found when floor covering is removed.

Wall Cladding and Trim

Identification of Wall Finishes

Informational Comment

- * The house walls are finished with a combination of stucco and wood siding.

Wall Finish Observations

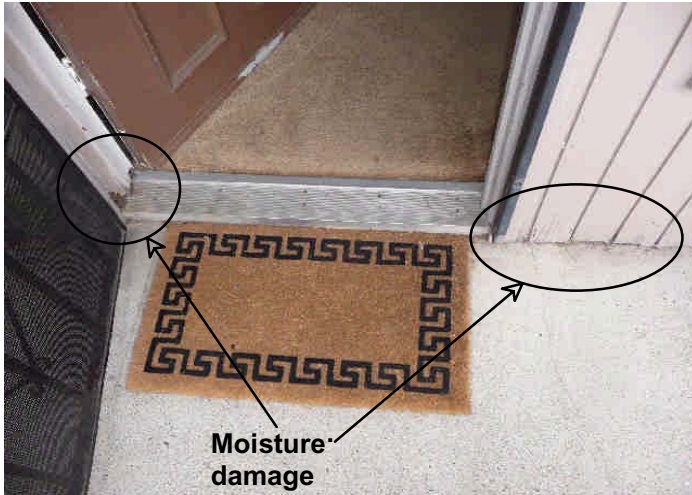
Informational Comment

- * The house wall finish is in acceptable condition overall.

Needs Service or Safety Item

- ❖ Moisture damage was noted at the walls of the residence at second floor at entry door of unit 10. Repair is needed.

Moisture damage - Continued



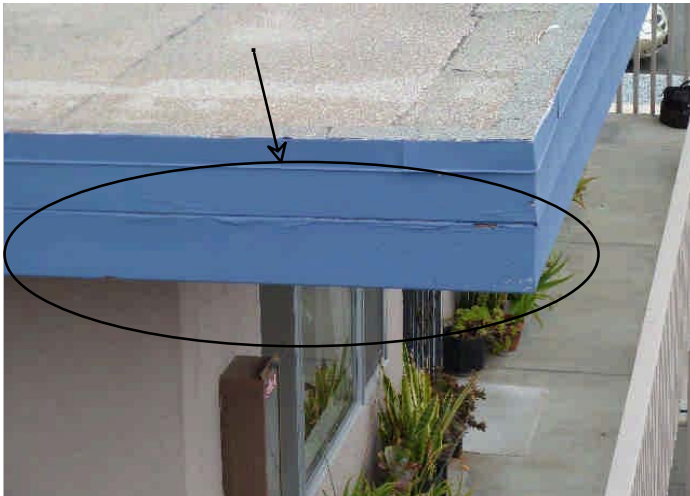
Recommendation

- The exterior walls appeared to be recently painted. Evidence of any past stains, damage or repairs may be hidden by painting. Request information from the sellers or their representatives regarding the history of any material defects or repairs at the exterior walls.

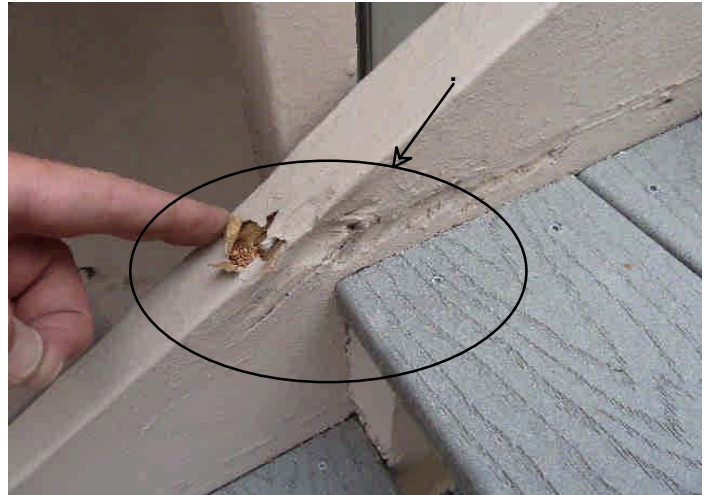
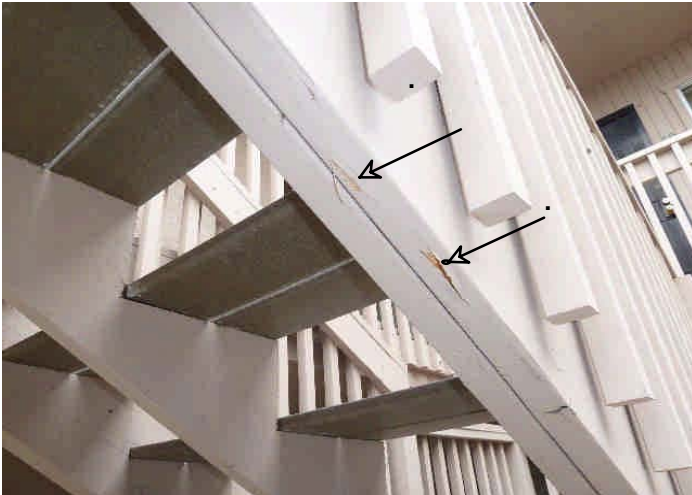
Trim and Fascia

Needs Service or Safety Item

- ❖ There is moisture damage and deterioration to the wood trim at eaves/fascia board. Repairs are needed. A qualified licensed contractor should evaluate the wood and trim features and replace any damaged wood. A qualified termite inspector should evaluate the wood features of the building and take action as needed.



Damage eave-fascia-stair stringers and handrails Repairs needed Termite inspection advised - Continued



Attached Features

Balconies

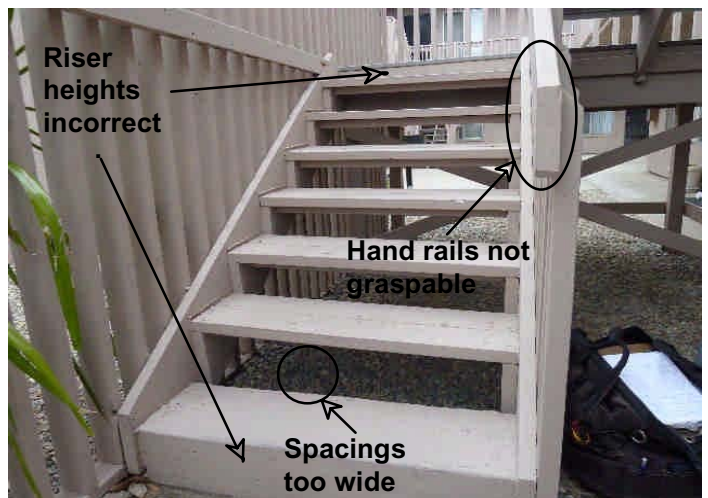
Recommendation

- There are cracks in the lightweight concrete balcony surfaces, points susceptible to moisture intrusion. The presence of metal flashing between the balcony and walls was not visible. While no moisture damage was noted at undersides, we recommend your attention to the balconies and maintaining waterproofing. Seek evaluation of the balcony surfaces and balcony-to-wall connections if moisture is evident.

Steps and Handrails

Needs Service or Safety Item

- ❖ The stair hand rails are not graspable types and we advise upgrading the handrails for safety. Modern safety standards require stair handrails to be grippable and have a circular cross section of between 1 and 1/4" - 2 and 5/8" so that a person can grab the hand rail in the event they need to steady or catch themselves while ascending/descending stairs.



- ❖ The spacings between the step risers are wider than modern safety standards allow. For child safety, current standards require spacing in open design stairs to be no more than 4" apart. While the steps and handrails

design may have met the requirements for the era in which the residences were built, we recommend modifying to today's standards.

Doors and Windows

Window Types

Informational Comment

- * The windows are single-paned, aluminum framed types.

Window Observations

Informational Comment

- * The windows were serviceable for the most part at the time of the inspection.
- * Refer to comments below and within the report for specific defects and/or recommendations.

Needs Service or Safety Item

- ❖ The second floor openable windows at the eight upstairs residences and the laundry room have sill heights of less than 24" from the finished floor and an unsupervised child may fall through and out. Modern building standards prohibit windows above grade level location open no more than 4" for child safety. The windows may have conformed to past building standards, however safety standards have changed and the windows' sill heights will obviously be a safety hazard. Consult a qualified licensed contractor for a solution which meets the needs for safe egress from bedrooms while restricting openings.



- ❖ The window adjacent to the entry doors of many units are potential safety hazards as the glazing in the windows did not appear to be tempered glass. Windows within 24" of the strike/closing side of a door are to be tempered glass for safety as a locked out tenant or burglar may attempt to break the window to gain access. Replacement with tempered glass is advised. Consult a licensed glazing contractor for further evaluation.

Not tempered Within 24 inches of door - *Continued*



Exterior Doors

Informational Comment

- * The exterior doors are wood framed types.

Exterior Door Observations

Functional Component or Condition

- The exterior doors are in acceptable condition overall.

Exterior Electrical

Outlets

Needs Service or Safety Item

- ❖ The exterior outlets did not appear to be GFCI (ground fault circuit interrupter) protected. This important safety feature is required and upgrading to GFCI protection is needed.



Recommendation

- Note; exterior outlets employed with permanent devices should be the proper type for full time use. A wet location type outlet with waterproof cover for plugs is needed when a yard appliance, such as an irrigation timer, lighting or pump is to be plugged in full time.

Lights

Functional Component or Condition

- The exterior lights outside the doors of the residence are functional.

Needs Service or Safety Item

- ❖ A light was missing its globe or cover. Replacement is needed.

Grounds

The inspection of exterior grounds includes the visible condition of site grading and drainage, and features directly adjacent to the structure such as driveways, walkways, and patios. Soil levels should be at least 6" below, and hardscape 4" below, the top of a structure's foundation. Exterior surfaces should slope away from the structure to avoid foundation and wall damage. A functional rain gutter or roof drain system connected to a sub-surface drainage system should be in place in order to direct water away from a structure and its components.

Subterranean drainage systems are not fully visible, and this inspection does not include using devices to see inside them. Silt, vegetation, and roots in drain systems can impede drainage and require the pipes to be cleared by a roofer service. Sump pumps if present are not tested as part of the inspection service. Built-in features such as site walls, fences and gates, retaining walls, steps, decks, handrails and guardrails, patio covers, and carports are evaluated unless noted. The inspection of landscape components such as trees, shrubs, fountains, ponds, statuary, etc. is not included although factors which may directly impact structures or the safety of inhabitants may be noted. Decorative or low-voltage lighting, irrigation and equipment are excluded from the inspection.

Grading and Drainage

Site Topography

Informational Comment

- * The property sits on a flat and level pad.

Drainage Mode

Informational Comment

- * Drainage is facilitated by a partial rain gutter system, area and sub-surface drains, soil percolation, and hard surfaces. The central courtyard drains were routed to the rear/east side alley.

Needs Service or Safety Item

- ❖ There are areas at the front walkway where water will be directed toward the structure instead of away from it as required. The possibility of differential settling of foundation and hard surfaces, and moisture intrusion to walls and floors exists. Concrete/hardscape and soils should slope away from the structure at a rate of 6" in 10' (or 5% where area is restricted), to prevent moisture damage and differential settling. A qualified contractor should correct as needed.

Slope is neutral or towards house - *Continued*



Drain Systems

Needs Service or Safety Item

- ❖ One of the drains has a missing grate or cover and may be a trip hazard. Also the drain will be subject to debris and may become blocked. A proper grate should be added.
- ❖ The sump pump motors do not appear to be equipped with ground fault circuit interrupter (GFCI) protection and should be retrofitted to include this important safety feature.

Recommendation

- The drainage system includes two sump pumps at the front/west side. The testing of sump pumps is not included in this inspection. Sump pumps must be kept clean and monitored periodically or drainage problems could result. Consider having the sump pumps evaluated by a qualified plumber.

Interior-Exterior Elevations

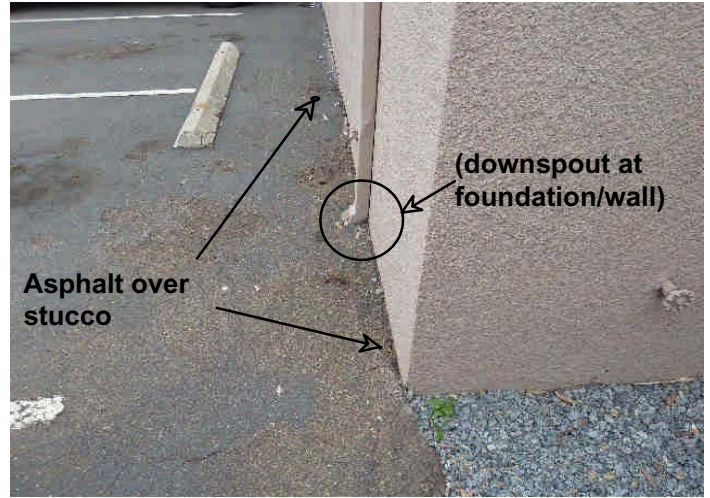
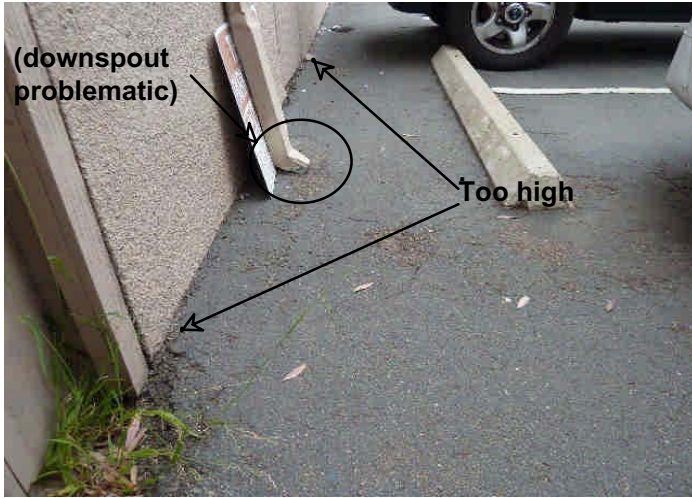
Functional Component or Condition

- Interior floor elevations of the living space were above the levels of the exterior grade at most locations.

Needs Service or Safety Item

- ❖ The exterior grade is too high adjacent to the residence at the front left/west side asphalt driveway hardscape location and moisture intrusion will remain a possibility. Hard surfaces should originate 2" below the bottom edge of the stucco's weep screed (4" below the elevation of interior floors). The slope of exterior surfaces should be consistently away from the residence. Proper exterior surface elevations and slope are vital in keeping moisture away from the footings and house's siding. We advise further evaluation and correction from a qualified grading and drainage contractor.

Hardscape high Correction advised - Continued



Recommendation

- The interior walls may be subject to moisture intrusion in some places adjacent to the gravel-finished grade areas and the surface elevation and grade should be considered for modification. The grade is set too high: Soil, ground cover and gravel should originate 4" below the bottom edge of any siding or stucco weep screed (6" below level of interior slab). The siding will be subject to some moisture and over time the interior walls may suffer damage. Although re-grading would be a significant undertaking, it is one that should be considered for the well being of the areas of living space.



Fences Gates and Walls

Fencing and Gates

Functional Component or Condition

- The wrought iron fencing and gate at right/south side are serviceable.

Recommendation

- The west side gate does not close to latch and repair service may be desired to allow the gate to close or latch.

- Earth to wood contact was noted at the wood fencing. This will speed deterioration, and we recommend that the fencing material be replaced with moisture proof (such as synthetic wood) fencing.

Roof

There are many different roof types and all roofs eventually leak. Every roof will wear differently relative to its age, quality of material and installation, exposure to direct sunlight and weather conditions, and the regularity of cleaning and maintenance. The material on the majority of pitched roofs is not designed to be waterproof, only water-resistant. A roof's condition can be evaluated, but it is virtually impossible for anyone to detect a leak except as it is occurring or by specific water tests, which are beyond the scope of our service. Water stains on ceilings or on the framing within attics may be old and will not necessarily confirm an active leak. Only the installers of the roof can credibly guarantee that a roof will not leak. We will not predict a roof's remaining life expectancy, or guarantee that it will not leak. The sellers or the occupants of a residence will generally have the most intimate knowledge of the roof and its history and any known defects should be disclosed by the sellers. A comprehensive insurance policy for the roof should be maintained, and obtaining a roof certification from an established local roofing company is also recommended.

We evaluate roofs by walking on the roof surfaces if they are readily and safely accessible from a single story level staging area and there is no risk of damage to the roofing material. If we are unable or unwilling to do this for any reason we will indicate the method of evaluation.

Low-Sloped Roof

General Comments and Description

Informational Comment

- ★ The roof is a low-sloped, modified bitumen type with torched down seams. Low-sloped roofs are designed to be waterproof, not just water resistant, and to last approximately 15 - 20 years. Though sometimes referred to as "flat roofs" they should not be flat, rather they should slope towards drains or roof edges at eaves. Drains should include primary surface drains at the low points and secondary drains at the perimeter or surrounding parapet walls. Water ponds on many of these roofs, and will only be dispersed by evaporation. For this and related reasons, low-sloped roofs have always been problematic and must have regular maintenance service. Modified bitumen membrane roofs are comprised of asphalt or acrylic impregnated and mineral-finished rolled roofing material, the seams of which are heat fused with a torch or adhered at seams with adhesive method stipulated by the manufacturer to form a moisture proof surface. The materials expand and contract in the daily temperature extremes and eventually buckle, split, separate, and finally deteriorate. When this happens, the roof is susceptible to leaks. Though gradual decomposition of the roofing materials is inevitable, most leaks result from poor maintenance. A low-sloped roof should be cleaned and inspected seasonally and serviced as needed.



Method of Evaluation

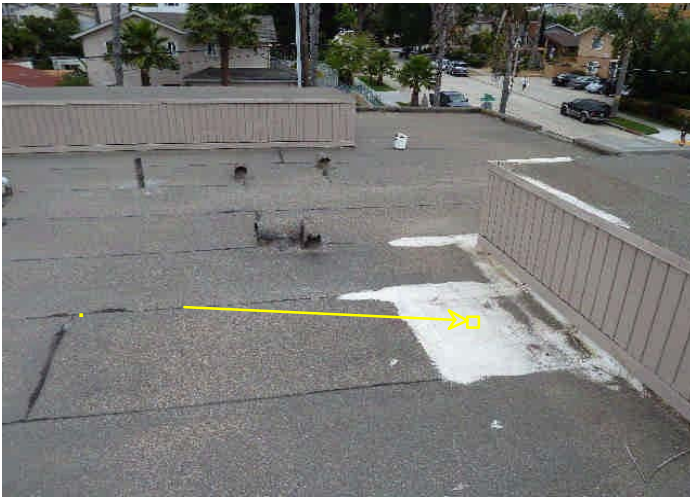
Informational Comment

- ★ We evaluated the roof and its components by walking on its surface.

Roofing Material

Recommendation

- The roof is in the primary stages of decomposition, which means that the roof is beyond the mid-point of its service life and in decline. The roof will become susceptible to leaks over the near term and we recommend that a plan be put into reserve to prepare for its replacement. The roof should be maintained and closely monitored by a qualified licensed roofing contractor as it is nearing the end of its serviceable life. You may wish to obtain a second opinion of the roof system from a qualified licensed roofing contractor before the removal of inspection contingencies and close of any transaction.
- There are moisture stains within the residences that appeared to be dry at the time of the inspection. Repairs or patching was noted at the roof in a few places. Active leakage can be difficult to trace and confirm when it is not raining however. Ask the sellers about the stains, repairs and any history of leaks or material defects. Obtain written documentation of past roof service and repairs and request a transferable warranty if possible. In lieu of sufficient documentation, have the roof evaluated by your own expert/licensed roofing contractor before the conclusion of your inspection period and close of escrow.



Parapet Walls

Functional Component or Condition

- The parapet walls of the low-sloped roof are in acceptable condition.

Flashing

Informational Comment

- ★ The roof flashing is in acceptable condition.

Gutters and Drainage

Informational Comment

- ★ Primary and secondary drains are present on the low-sloped roof and the drains appear to be in acceptable condition. However, without water testing them it is difficult to determine if the drains are properly located and the roof correctly pitched to remove water.

Plumbing

Plumbing systems have various components. In addition to fixtures, these components include gas pipes, potable water pipes, drain and vent pipes, shut-off valves, pressure regulators, pressure relief valves, and water-heating devices. (Note; Shut off valves not intended for daily use are not tested or turned) The water pressure within pipes is commonly confused with water volume; Whereas high water volume is good, high

water pressure is not. Whenever the utility-provided water pressure exceeds 80 pounds per square inch, a regulator is recommended. Regulators typically come factory preset between 45 and 65 psi. Regardless of the pressure, leaks will occur in any system. Waste and drainpipe pipes materials range from modern ABS [acrylonitrile butadiene styrene] pipes to older ones made of cast-iron, galvanized steel, or clay. The condition of drain pipes is usually related to their age. As significant portions of drainpipes are concealed, we can only infer their condition by observing the functional drainage at drains. Blockages can occur in the life of any system. We recommend having drain pipes video-scanned to verify their condition and also confirm that the system is connected to the public sewer system. All private waste systems (septic systems) are not included in our inspection and must be evaluated by specialists.

Water Supply Pipes

Hose Bibs

Needs Service or Safety Item

- ❖ The hose bibs/faucets leak at the handles to varying degrees when operated, and should be repaired.

Recommendation

- ☐ The hose bibs have had their handles removed or are otherwise missing their handles. You may wish to install handles and locking devices as a better method to prevent unwanted use of hose bibs on the property.

Water Main Locations

Informational Comment

- * The main water shut-off valve is located in a box at the street in front of the residence. The piping material at the valve is copper, and the size is 1 and 1/2".

Pressure Regulator

Informational Comment

- * The water pressure at the time of the inspection was 75 psi.

Copper Water Pipes

Informational Comment

- * The potable water pipes are copper where visible.

Drain - Waste Pipes

General Comments and Description

Informational Comment

- * We attempt to evaluate drain pipes by flushing every drain that has an active fixture while observing its draw and watching for blockages or slow draining. This is not a conclusive test and only a video-scan of the main line would confirm its actual condition.

Type of Material

Informational Comment

- * The drain piping is a modern ABS plastic where visible. The material and condition of the main drain piping was not visible.

Drain Pipes Waste Pipes and Vent Pipes

Functional Component or Condition

- Based on industry recommended functional drainage tests, the drainpipes are functional at this time. Refer to individual sections within the report for any comments on localized leaking or stoppages.

Informational Comment

- * Drain waste clean-outs were noted at west and south sides, and various branch clean-outs were noted at other sides of the building. We do not use device to view inside the pipes and the function of clean-outs is not verified.

Gas Components

Gas Main Shut-Off Location

Informational Comment

- * The gas meter (for water heater and clothes dryers) and main shut-off is located at the right/south side of the building. Gas leaks are not uncommon, particularly underground leaks. They can be difficult to detect without the use of sophisticated instruments. Gas lines are not checked for leaks and pipes concealed from view are not inspected.

Gas Main Observations

Informational Comment

- * The gas lines were corrosion-protected at grade level at the meter.

Gas Supply Pipes

Informational Comment

- * The visible portions of the gas pipes appear to be in acceptable condition.

Water Heaters - Gas

General Gas Water Heater Comments

Informational Comment

- * Water heaters can be expected to last at least as long as their warranty periods, usually from five to eight years, but they will generally last longer. Water heaters eventually leak so it is wise to have them installed over a drain pan plumbed to the exterior. Manufacturers recommend flushing them annually to remove minerals (including calcium chloride, the bi-product of many water softening systems). Set water temperature at a minimum of 110 degrees Fahrenheit to kill microbes, and a maximum of 140 degrees to prevent scalding. For safety, water heaters are to be seismically secured, and equipped with a temperature/pressure relief valve and discharge pipe plumbed to the exterior.

Capacities and Locations

Informational Comment

- * Hot water for the 16 units and laundry is provided by a 100 gallon water heater that is located in the laundry room.

Condition

Needs Service or Safety Item

- ❖ The water heater was estimated to be approximately 18 yrs old or manufactured in 1993, as determined from the serial # on the label. There are rust particulates within the combustion chamber, which indicates deterioration to tank. There is corrosion to the exterior of tank. The water heater appears to be beyond its service life and we advise replacement at this time. You may wish to seek a second opinion from a qualified licensed plumbing contractor.



Combustion Chambers

Recommendation

- The water heater was functioning at the time of the inspection, but is likely beyond its warranty period (see above). While no leaking was noted, it is recommended to take appropriate steps to prepare for its eventual failure.

Water Shut-Off Valves and Connectors

Functional Component or Condition

- The shut-off valve and water connectors appeared to be functional.

Informational Comment

- * A re-circulating pump was present and appeared to be operational. We do not evaluate re-circulating pumps for their performance. The inspection of these devices is limited to a visual survey for evidence of leaking obvious damage.

Recommendation

- It was noted that there was no insulation on the water connector pipes and heat or energy loss will occur. Heat is transferred from the water heater to both hot and cold supply pipes and we recommend adding insulation.

Gas Shut-Off Valves and Connector

Functional Component or Condition

- The gas control valve and its connector at the water heater appeared functional.

Vent Pipes and Caps

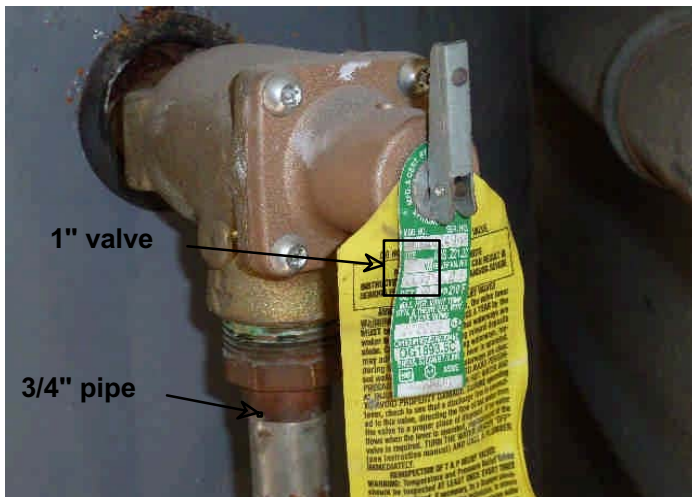
Functional Component or Condition

- The vent pipe and cap appeared to be serviceable where visible.

Relief Valves and Discharge Pipes

Needs Service or Safety Item

- ❖ The TPR pipe was improperly reduced in size and correction is needed. The temperature pressure relief valve is a 1" sized valve and a 3/4" discharge pipe was installed.



Drip Pans and Overflow Pipes

Informational Comment

- * The water heater is on the second floor, an interior location, and appears to be equipped with a floor drain. The floor drain was not tested and the drain pipe was not confirmed as routed to the exterior.

Seismic Straps

Functional Component or Condition

- The water heater is seismically secured.

Combustion Vent Ports

Functional Component or Condition

- The water heater has appropriate combustion-air vents.

Electrical

A representative number of switches and outlets are tested. We do not perform load-calculations to determine if the supply meets the demand. In the interest of safety, we regard every electrical deficiency and recommended upgrade as a latent hazard that should be serviced as soon as possible. Electrical defects discovered may involve unseen components and would require the evaluation of the entire system by an electrician. Any recommendations made for service or upgrades should be completed before the removal of inspection contingencies and the close of escrow. A licensed electrician could reveal additional deficiencies or recommend upgrades. Outlets near wet locations should have ground fault (referred to as GFCI or ground fault circuit interrupter) protection. This is a relatively inexpensive but essential safety feature and, generally speaking, have been required in many locations for more than thirty years.

Main Panels

Service Entrance

Informational Comment

- * The main conductor lines are underground, or part of a lateral service entrance. This is characteristic of modern electrical services and as the service lines are underground and cannot be seen, they are not evaluated as part of our service.

Size and Location

Informational Comment

- * The main disconnects and points of ground are located at the meter faces; sizes are 90 amp.

Grounding

Informational Comment

- * The main panel appears to be double-grounded; to a driven rod and to a water pipe.

Sub Panels

General Comments

Informational Comment

- * Sub-panels are often located inside residences, but they should not be located inside clothes closets where they might be concealed and could impede an emergency disconnect. Electrical panels are required to be unobstructed and easily accessible and their circuits should be clearly labeled.

Locations

Recommendation

- The sub-panels are located in the bedroom closets. In unit with two bedrooms, the panel are in the guest bedroom closet. Maintain access to panels in the event of an emergency.

Panel Covers Observations

Functional Component or Condition

- The sub-panels' covers were in acceptable condition.

Sub Panels Observations

Functional Component or Condition

- The electrical sub-panels at units 1, 3, 4, 6, 7, 8, 9, 11, 14, 15, and 16 have no visible deficiencies.

Recommendation

- The electrical sub-panels at units 2 and 12 could not be accessed for inspection; furnishings and closet doors blocked the inspector's ready access. The electrical panels should be made accessible and checked by a qualified electrician.

Circuit Breakers

Needs Service or Safety Item

- ❖ Circuit ("Heat") breakers in sub-panels at units 5, 10, and 13 and are tripped and should be evaluated further. If circuit breaker is tripped and cannot be reset it may mean that the breaker is defective or that

there is an in-line short within the system. This should be determined by an electrician. The inspector does not attempt to reset breakers.

Grounding

Functional Component or Condition

- The sub-panels' grounds are correct where inspected.

Heat

Every dwelling unit shall include permanently-installed heating facilities capable of maintaining a minimum room temperature of 68 degrees Fahrenheit at a point 3 feet above the floor and 2 feet from exterior walls, in all habitable rooms. The installation of portable space heaters does not provide for this requirement. In accordance with the terms of our contract, it is essential that any recommendation that we make for service or a second opinion be scheduled before the removal of inspection contingencies and the close of escrow, because a specialist could reveal additional defects or recommend further upgrades that could affect your evaluation of the property. Our service does not include any form of warranty or guarantee.

Radiant Heat Systems

Locations

Informational Comment

- * The inspector evaluates radiant heat systems by before and after temperature readings: the inspector measures temperatures at the ceilings with an infrared thermometer before and after turning the systems on with normal controls.
- * Heat for the residences is provided by a radiant heating systems comprised of concealed electrical conduits within the acoustic finish or ceilings' drywall. Radiant heat systems are located in sleeping rooms and living rooms (i.e.; 2 bedroom units have 3 systems; 1 in living room and 1 in each bedroom). The heating systems are assumed to be original installations and the same age as the building.

Radiant Heat Observations

Functional Component or Condition

- All of the electric radiant heat systems at units 1, 3, 4, 6, 7, 8, 11, 12, 14, 15 and 16 responded to controls and appeared to be functional at the time of the inspection. The heat systems in two of the three rooms in unit 2, one of the two rooms in unit 13 responded to controls and are functional.

Needs Service or Safety Item

- ❖ The radiant heat systems at units 5 and 10 were found to be switched off at the circuit breakers at the time of the inspection. The inspector does not switch circuit breakers on. A qualified licensed electrician should evaluate the circuit breakers and heat systems to determine if they are safe and operable.
- ❖ The radiant heat systems at one room of unit 2 (guest bedroom), both rooms of unit 9, and one room of unit 13 did not respond to the controls and should be evaluated by a qualified licensed electrician and serviced as needed.

Interiors

Our inspection of living space includes the visually accessible areas of walls, floors, cabinets and closets, and includes the testing of a representative number of windows and doors, switches and outlets, including the verification of a switched light source for habitable rooms. We do not evaluate window treatments, mechanical or otherwise. We do not move furniture, lift carpets or rugs, empty closets or cabinets, and we do not comment on cosmetic deficiencies. Also, we may not comment on the cracks that appear around windows and doors, or which follow the lines of framing members and seams of drywall and plasterboard. These cracks are a consequence of movement, such as wood shrinkage, settling, and/or seismic activity, and will often reappear if they are not correctly repaired. Such cracks can become the subject of disputes, and are therefore best evaluated by a specialist. There are a number of environmental pollutants, the specific identification of which is beyond the scope of our service, but which can become equally contentious. The presence of environmental pollutants, and persons' sensitivity to contaminants is not

uniform. Determine for yourself if environmental evaluations are needed and schedule such evaluations and whatever remedial services may be deemed necessary before the removal of inspection contingencies and the close of escrow.

Floors Walls Ceilings

Furnished Residence Comment

Informational Comment

- * The residences are furnished, and in accordance with CREIA standards we only inspect those surfaces that are exposed and readily accessible. We do not move furniture, lift carpets, nor remove or rearrange items within closets and cabinets.

Floor Covering Types

Informational Comment

- * The floor coverings are carpet and vinyl.

Floor Covering Observations

Recommendation

- The carpet flooring is stained and worn in some units, particularly units 5, 9 and . You should view for yourself and decide if replacement is necessary.

Wall and Ceiling Covering Types

Informational Comment

- * The walls and ceilings are drywall, ceilings with acoustic spray.

Wall and Ceiling Observations

Recommendation

- Moisture stains were noted at the ceilings at many of the upstairs units ceilings. The adjacent roof above may have been the points of moisture intrusion (see "Roof" also). Check with the sellers for information regarding the history of any material defects relating to ceilings and walls.



Environmental

Recommendation

- Note; the interior walls, floors and floor coverings in unit 8 should be considered for cleaning, re-painting and replacement due to strong odor and staining from (cigarette?) smoke.

Interior Components

Ceiling Fan(s)

Informational Comment

- * Ceiling fans are located at some of the dining rooms. The inspector did not itemize or inventory ceiling fans. We observe the fans' operation at speed to check balance, and audible and visible motor performance.

Needs Service or Safety Item

- ❖ The ceiling fan at unit 11 did not respond - control switch not functional. Further evaluation and repair is needed.

Living Rooms

Lights

Functional Component or Condition

- The switched outlets are functional where accessible for testing.

Informational Comment

- * The living rooms included switched outlets as nighttime entry light sources. A switched light source for each and every living room could not be verified due to seller's furnishings, electronics and/or belongings blocking what may be the switchable outlet.

Dining Rooms

Lights

Functional Component or Condition

- The lights are functional.

Bedrooms

In accordance with the standards of practice our inspection of bedrooms includes the visually accessible areas of walls, floors, cabinets and closets. We test a representative number of windows and doors, and switches and outlets. We evaluate windows to ensure that they meet light and ventilation requirements and facilitate an emergency exit or egress. Window treatments are not inspected. We do not move furniture, lift carpets or rugs, empty closets or cabinets. Common cosmetic deficiencies may not be noted in the report.

Bedrooms - All units

Lights

Functional Component or Condition

- The switched outlets are functional where accessible for testing.

Informational Comment

- * The bedrooms included switched outlets as nighttime entry light sources. A switched light source for each and every bedroom could not be verified due to seller's furnishings, electronics and/or belongings blocking what may be the switchable outlet.

Windows

Functional Component or Condition

- All but one of the bedrooms included windows appropriately sized and located for light and ventilation and emergency egress.

Needs Service or Safety Item

- ❖ The window at the guest bedroom of unit 3 is too small to facilitate an emergency exit or egress. The openable space of at least one bedroom window should measure 5.0 square feet with a minimum width of 20" (which would dictate a 36" height), and a minimum height of 24". This requirement is designed to facilitate an emergency exit by the occupant, and emergency egress for a firefighter wearing breathing apparatus. Although the windows may have met the requirements for the era in which the home was constructed, we advise you to have this potentially dangerous condition corrected.



Closets

Needs Service or Safety Item

- ❖ The closet doors are off track and need repair to operate/open and close easily.

Bathrooms

In accordance with industry standards, we do not comment on common cosmetic deficiencies, and do not evaluate window treatments. We do not leak-test shower pans unless a moisture stain indicates a leak test necessary. The possibility of moisture damage from errant leaking during the course of a normal inspection exists, though the inspector takes every precaution to protect property.

Master Bathrooms

Description and Locations

Informational Comment

- * The master bathrooms are three-quarter baths.

Sinks and Faucets

Functional Component or Condition

- The sinks and faucets are serviceable unless noted below.

Water Supplies and Drain - Sinks

Needs Service or Safety Item

- ❖ Hot and Cold water supplies are reversed at bathroom sink of unit 3 which is a potential safety hazard. Hot water should be at the left side for the user. The water supplies should be corrected to prevent accidental scalding.
- ❖ The sink drain is slow or partially blocked in unit 5 and should be serviced.

Sink Countertops and Cabinets

Informational Comment

- * Some of the countertops have cosmetic damage.

Stall Showers

Needs Service or Safety Item

- ❖ There are cracks or openings in the molded fiberglass floors of the stall showers at units 1, 5, 15 and 16 that should be professionally repaired and confirmed as sealed to prevent moisture damage. Tiles are loose or cracked in units 1 and 5 and repairs are needed. The shower enclosures need to be cleaned in these units and in unit 11 and evaluated for repair or resealing to forestall moisture damage. Moisture stains and damage to the base of adjacent walls was noted, which confirms that the enclosures are not properly sealed.



- ❖ The showerhead drips at unit 11 and it should be serviced.

Toilets

Needs Service or Safety Item

- ❖ Moisture was noted at the base of the toilet in unit 5. The toilet-to-drain connection should be evaluated by a qualified plumbing contractor to forestall moisture damage.

Moisture at base of the toilet - *Continued*



- ❖ The toilet tank top at unit 4 is cracked. Cracks or chips in porcelain toilet components go beyond cosmetic concerns sharp edges can cause serious injury. Replacement of any damaged component is needed. Note; tank covers should be exact fit for a given tank so that they do no fall or allow fill water to escape.



Recommendation

- ❑ Most of the toilet do not appear to be or were not identified as being a low-flush type toilets. We recommend upgrading all old toilets to modern devices which use 1.6 gallons or less to flush.

Exhaust Fans

Informational Comment

- * Most of the exhaust fans are operational.

Needs Service or Safety Item

- ❖ The exhaust fan at unit 11 is at the end of its service life and replacement is needed.

Recommendation

- ❑ Some of the exhaust fans are functional but noisy and may be near the end of their service lives. We recommend planning for replacement of fans in the near term.

Outlets

Functional Component or Condition

- The sink outlet in unit 1 is functional and GFCI (ground-fault circuit interrupter) protected.

Needs Service or Safety Item

- ❖ The outlets in all master bathrooms except unit 1 should be upgraded to have GFCI (ground-fault circuit interrupter) protection.

Lights

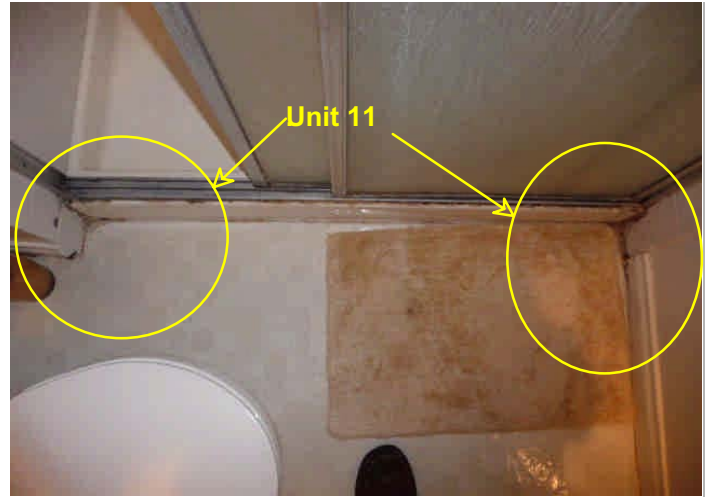
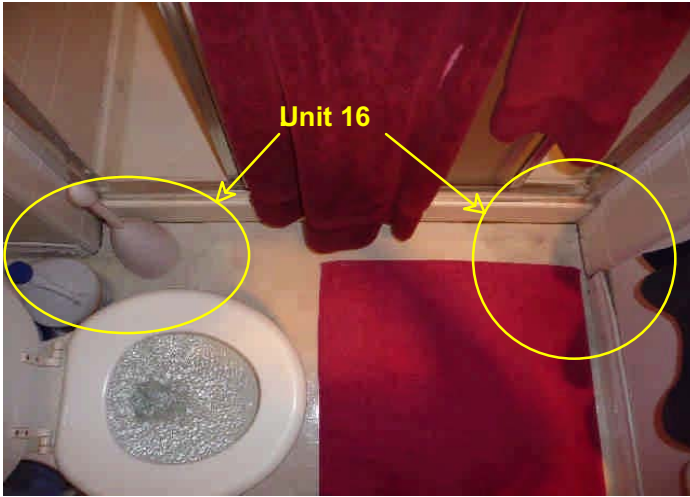
Functional Component or Condition

- The bathroom lights are functional.

Floor and Walls

Needs Service or Safety Item

- ❖ There is moisture damage adjacent to the shower at units 1, 11 and 16 which should be evaluated and repaired. The source of any moisture causing damage should be repaired also.



Hall Bathrooms

Description and Locations

Informational Comment

- ★ The hall bathrooms are full baths.

Sinks and Faucets

Functional Component or Condition

- The sinks and faucets are serviceable.

Water Supplies and Drain - Sinks

Functional Component or Condition

- Most of the sinks' water supply valves and connectors, and traps and drain piping were observed and found to be serviceable at the time of the inspection.

Needs Service or Safety Item

- ❖ A shut-off valve beneath the sink in nit 4 is missing its handle and repair is needed.
- ❖ The sink drain at unit 10 is slow or partially blocked and should be serviced, to ensure that the blockage has not progressed beyond the trap and involved the main waste line.

Sink Countertops and Cabinets

Functional Component or Condition

- The bathroom sink countertop and cabinet are serviceable at this time.

Tub-Showers

Needs Service or Safety Item

- ❖ The tub/shower enclosures and doors are corroded at unit 8 and the tub to wall connection of unit 14 are separated. These and other joints and appear to be allowing moisture to escape. The tub/shower enclosures and doors will need service to their hardware to be sealed to properly contain moisture.

Enclosure doors are corroded Leaking Tub to wall should be sealed - *Continued*



- ❖ The tub/shower's diverter valve in unit 2 leaks and should be serviced by a licensed plumber.
- ❖ The tub/shower valves at unit 6 are stiff and should be serviced by a licensed plumber.
- ❖ The tub/shower at unit 4 drains too slowly, and should be serviced, because such blockages can progress beyond the drain trap and involve the main waste line.

Recommendation

- Cracks or chips in the surfaces of nearly all the tubs/showers were noted. Sealing or repair of any openings is advised to forestall moisture damage to the tub surround.

Toilets

Needs Service or Safety Item

- ❖ The toilet in unit 4 runs or loses water through its flush mechanism. Repair is needed.
- ❖ Moisture was noted at the base of the toilet unit 5. The toilet-to-drain connection should be evaluated by a qualified plumbing contractor to forestall moisture damage.



- ❖ The toilet tank is cracked, and should be replaced before it breaks completely and causes water damage.

Tank is cracked and should be replaced - *Continued*



Exhaust Fans

Needs Service or Safety Item

- ❖ The exhaust fan in units 3 and 7 appear to be at the end of their service lives and should be replaced.

Recommendation

- ☐ The exhaust fans are functional but noisy and may be near the end of their service lives. We recommend planning for replacement of fans in the near term.

Outlets

Functional Component or Condition

- The sink outlet in unit 1 is functional and GFCI (ground-fault circuit interrupter) protected.

Needs Service or Safety Item

- ❖ The outlets in all bathroom except unit 1 should be upgraded to have GFCI (ground-fault circuit interrupter) protection.

Lights

Functional Component or Condition

- The bathroom lights are functional.

Kitchens

We test kitchen appliances for their functionality, but do not evaluate them for their performance or settings or cycles. Appliances older than ten years may well exhibit decreased efficiency. We do not inspect free-standing appliances, like portable microwave ovens and refrigerators. Built-in refrigerators and trash-compactors are not included in our inspection. Instant hot-water dispensers, water-purifiers, grills or rotisseries, timers, clocks, thermostats, and the self-cleaning capability of ovens are not evaluated. Concealed or countertop lighting is often installed after the initial construction, and cannot always be verified as wired to national electrical standards.

Kitchens - All units

Dishwashers

Functional Component or Condition

- Dishwashers were present in all units. The dishwashers were operational and appeared to progress through all of the cycles unless noted below.

Needs Service or Safety Item

- ❖ The dishwasher in unit 8 does not progress through its cycles -appliance did not appear to take in water. It should be evaluated by a qualified technician and repaired or replaced as needed.

Recommendation

- ❑ Some of the dishwashers are old such and interior components (racks) are corroded. Replacement will be needed in the near term.
- ❑ We could not activate the dishwasher in unit 4 due to stored items within and recommend that it be cleared out and demonstrated as operable.

Sinks & Faucets

Functional Component or Condition

- Most of the sinks and faucets are functional.

Needs Service or Safety Item

- ❖ The sink in unit 7 has heavy staining and damage and should be replaced.



- ❖ The faucets in units 1 and 9 leak around the base either above or below sink while in use, and should be repaired or replaced.

Valves and Connectors

Functional Component or Condition

- The shut off valves and connectors below the sink appeared to be in serviceable condition. Note; As the shut off valves are not in daily use, they will inevitably become stiff or frozen. They were not tested or turned.

Traps and Drains

Needs Service or Safety Item

- ❖ The sink drain at unit 7 is blocked/slow and should be serviced. Further evaluation and repair of the drain piping by a qualified plumber is advised.
- ❖ The drain lines below the sinks at units 8 and 15 are negatively pitched (run uphill) and should be evaluated and repaired by a qualified plumber.

Garbage Disposals

Functional Component or Condition

- Most of the garbage disposals are functional.

Needs Service or Safety Item

- ❖ The garbage disposals at unit 7 and 15 are frozen, probably from inactivity. Repair is needed. It is not uncommon for them to continue freeze up, in which case they must be replaced.
- ❖ The garbage disposal blade or blades at units 9 and 11 appear to be frozen as evident by the unusual noise.
- ❖ The garbage disposal at unit 3 is noisy which may be due to worn components. Replacement is advised.

- ❖ Foreign debris is stuck within the garbage disposal at unit 5, which should be removed.

Countertops

Functional Component or Condition

- The counter tops are in serviceable condition.

Cabinets

Functional Component or Condition

- The cabinets are functional, and do not have any significant damage.

Built-in Microwaves

Functional Component or Condition

- The built-in microwaves are functional. Note; We do not test microwaves for leakage which would require a specialized instrument.

Informational Comment

- ★ (Microwaves in units 4, 8 and 14 portable and not part of the inspection)

Exhaust Fans

Functional Component or Condition

- The exhaust fans are functional for the most part and all but one (unit 2) appeared to be vented to the exterior. See comments below for specific defects.

Needs Service or Safety Item

- ❖ The exhaust fan's duct is loose or not connected and electrical connection is exposed and unsafe in unit 7. A qualified contractor should secure the wiring in a proper junction box and seal the exhaust duct as needed.



Electric Range-Ovens

Needs Service or Safety Item

- ❖ A control knob on the electric oven in unit 8 is missing or damaged and the oven could not be tested. The knob or range oven needs to be repaired or replaced.

Recommendation

- The ranges in units 8, 12, 14 are old and should be considered for replacement.
- Anti tip brackets are recommended for safety. These devices will prevent the appliance from being pulled forward by the weight of a child climbing on the oven door or other physical force.

Outlets

Needs Service or Safety Item

- ❖ The countertop outlets should be upgraded to include ground fault (GFCI) protection. GFCI protection at kitchen counters may not have been a requirement at the time this home was constructed, however it is mandated by current standards and is an important safety feature. We recommend upgrading.

Lights

Functional Component or Condition

- Most of the lights are functional.

Needs Service or Safety Item

- ❖ Some of the sink lights or ceiling lights did not respond or need bulb replacement. The lights should be serviced.

Flooring

Informational Comment

- * The vinyl floor covering in most units is serviceable though cosmetically damaged.

Needs Service or Safety Item

- ❖ The vinyl flooring in unit 1 is torn and should be replaced.

Hallways

Our evaluation of hallways is identical to that of living space, except that we pay particular attention to safety issues, such as those involving lighting and smoke alarms.

Hallways - All units

Smoke Alarms

Informational Comment

- * There is a smoke alarm present at the primary bedroom hallway in units 1, 3, 5 6 10 11.
Note ; we do not push the test buttons or otherwise verify the function of a smoke or carbon monoxide alarm.

Needs Service or Safety Item

- ❖ The smoke alarms at units 2, 7, 8, 9, 12 and 16 are older and were not tested. Replacement of the smoke alarms is advised. Manufacturers rate the life span of a smoke detector at about 10 years. The audible response from the test button may not guarantee actual performance in the event of a fire.
- ❖ There are no smoke alarms in the primary bedroom hallways at units 13, 14, and 15 which are mandated and should be installed.

Recommendation

- Add combination carbon monoxide and smoke alarms in the bedroom hallways and within the bedrooms for greater safety.

Lights

Functional Component or Condition

- Most of the hallway lights are functional.

Needs Service or Safety Item

- ❖ The ceiling light in units 5, 12 and 15 did not respond and should be serviced.

Attics

Attics

Access Location & General Condition

Informational Comment

- * No attics.

CERTIFICATIONS AND AFFILIATIONS

Richard Zak, CCI

Certified CREIA (California Real Estate Inspection Association) Inspector

Inspector Member of ASHI (the American Society of Home Inspectors)

REPORT CONCLUSION

1717 Coronado Avenue, San Diego, CA 92154

Thank you for hiring us to evaluate your property, whether a home purchase, investment property, or for pre-sale purposes. In addition to any safety recommendations made in the report we ask you to follow these general safety recommendations: install smoke and carbon monoxide detectors in locations stipulated by the device manufacturer; identify all emergency escape routes and rehearse an emergency evacuation of the home; test GFCI (ground-fault circuit interrupter) outlets at least once per year; regulate the temperature of water heaters to prevent scalding; insure that substances containing caustic or poisonous compounds such as bleach, drain cleaners, and nail polish removers be stored where small children cannot reach them; check garage door safety devices regularly, particularly if they are the heavy wooden type; and install child-safe barriers and alarms on the exterior doors of all pool and spa properties.

We have made every effort to provide you with an accurate assessment of the general condition of the property and its components and to alert you to any significant defects or adverse conditions. We may not have tested every outlet or opened every window and door, or identified every minor defect. Also, because we are not specialists and our inspection is essentially visual, latent defects could exist. Please do not regard our inspection as conferring a guarantee or warranty. It does not. It is simply a report on the general condition of a particular property at a given point in time. As a homeowner, you should expect problems to occur. Roofs will leak, drain lines will become blocked, and components and systems will fail without warning. For these reasons, you should take into consideration the age of the house and its components and keep a comprehensive insurance policy current. If you have been provided with a home protection policy, read it carefully. Such policies may only cover insignificant costs, such as that of roofer service, and insurance companies may deny coverage on the grounds that a given condition was preexisting, or not covered because of building standards violation or a manufacture's defect.

Please take the time to read this entire report, and call us if you have any questions or observations whatsoever. A residential dwelling and its components are complicated, and because of this and the limitations of our visit, we offer consultation and encourage questions. Candid and forthright communication between all parties is vital in avoiding disputes and costly litigation. We orally summarize our findings on site whenever possible, however, it is essential that you read all of the written report.

Inspection Address: 1717 Coronado Avenue, San Diego, CA 92154
Inspection Date/Time: 8/31/2011 9:00 am to 4:15 pm

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