



Date

Contact Name
Company Name
Street Address
City, State, Zip

**RE: Building Renovation Inspection 5217-5227 Hollywood Blvd., Los Angeles, CA
AllWest Project xxxxx.67**

Dear Client,

AllWest has been authorized to verify the completion of a portion of the building renovations underway at the Guardian Arms facility referred to above. AllWest visited the site on February 11, 2015 and interviewed the Resident Manager.

AllWest reviewed Draw Documents provided to us to obtain an overview of the renovations. The scope of inspection was limited to those areas where renovations were identified as essentially complete by the Contractor.

Building Description

The subject property consists of three buildings; a seven-story reinforced concrete residential building, a two-story brick building with commercial occupancy at the first floor and residential apartments at the second floor, and a brick parking garage. The current renovations are to the residential units in the seven story residential building and the retail spaces in the two story building. No renovations are underway in the brick parking garage.

Residential Renovations

Renovations to the following residential units are essentially complete:

- 418
- 526

The scope of these renovations consisted generally of:

- Renovation of kitchens, including installation of compact kitchen units, kitchen counter fabrications, ceramic tile backsplashes, plumbing and electrical work;
- Renovation of bathrooms, including installation of new bathroom fixtures and accessories, reglazing the porcelain tub surround, plumbing and electrical work;
- Electrical upgrades, including new fans and light fixtures and replacement of electrical outlets and switches;
- Interior surface upgrades, including concrete floor refinishing, new baseboard and door casings, refinish and repainting walls.

Non-Residential Renovations

Renovations to the following non-residential spaces are essentially complete:

- Painting of hallways and lobby area;
- Repair of main boiler;

- Replacement of lighting fixtures in common areas;
- Phase I structural upgrade;
- Retail façade/interior renovation.

The scope of the renovations consisted generally of:

- Paint the hallways and lobby area;
- Remove and replace damaged or worn out parts of the Ajax boiler;
- Removal of old light fixtures and replace with new upgraded fixtures;
- Seismic upgrade of façade of the building;
- Removal of concrete slab and walls to accommodate seismic upgrade.

Documentation

AllWest was provided with Draw Documents indicating that invoices have been submitted for the following inspected areas:

Residential Units - 100% completion billed for Units 418 and 526;

Non-Residential Spaces - 100% completion for painting, light fixtures and boiler repair. Seismic upgrade and retail space renovation (percentage completion unknown).

See attached spreadsheet that documents the invoicing included in the Draw Documents related to the spaces inspected.

AllWest relied upon the client review of checks and invoices to verify totals.

Cost of Repairs

No.	Item	Estimated Cost*	Current Cost	Remarks
1	Interior painting and renovation	\$250,000	\$62,562.30	Both buildings
2	Boiler repair	OSW	\$12,565	Both buildings
3	Interior lighting	\$5,000	\$3,585.30	Both buildings
4	Seismic upgrade and retail space renovation	OSW	\$139,300	Both buildings
	TOTAL	\$255,000	\$218,012.60	

(*) AllWest-recommended cost estimates; OSW = Out of Scope of Work

Documents Reviewed

AllWest reviewed the following documents:

1. Borrower's Partial Certificate of Completion
2. Invoice and payment check to **Urban Maintenance Services**
 - a. Unit renovation – Ck - 148 (Units: 418) – 50% \$4,910.00
 - b. Unit renovation – Ck - 150 (Units: 418) – 50% \$4,910.00
 - c. Unit renovation – Ck - 152 (Units: 526) – 50% \$6,933.60
 - d. Unit renovation – Ck - 154 (Units: 526) – 50% \$6,933.70
 - e. Total **\$23,687.30**
3. Invoice and payment checks to **Destination Lighting**
 - a. Lighting Fixtures – 100% **\$3,585.30**

4.	Invoice and payment checks to City Control Maintenance Company	
a.	Corridor Painting Deposit (check 166)	\$10,000.00
b.	Corridor Painting – 50% (check 167)	\$15,500.00
c.	Corridor Painting – 100% (check 169)	\$10,000.00
d.	Lobby Painting Deposit (check 170)	\$3,375.00
e.	Total	\$38,875.00
5.	Invoice and payment checks to DB Sales	
a.	Boiler Repair – 50% (check 171)	\$6,237.50
b.	Boiler Repair – 50% (check 175)	\$6,237.50
c.	Total	\$12,475.00
6.	Invoice and payment checks to JB General Contractors	
a.	Phase I Structural – Deposit (check 172)	\$32,500.00
b.	Retail Façade/Interior Renovation (check 174)	\$106,800.00
c.	Total	\$139,300.00

Conclusions

All work AllWest observed was of good quality conforming to standard construction practices.

1. AllWest was unable to match invoices and payments with the AllWest-estimated costs. Some invoices itemize costs for work of different classification;
2. The total value of available invoices and payments is **\$218,012.60**. Invoices and payment checks other than those made available (if any) should be submitted to AllWest for inclusion in this report.

Recommendations

AllWest recommends the property owner verify and determine if there are other invoices related to the work inspected by AllWest that have not been submitted for review.

Should there be any questions regarding our evaluation, please do not hesitate to call either our San Francisco Office at 415.391.2510 or Santa Ana Office at 714.541.5303.

Respectfully yours,

Project Manager

Attachments

Limitations

This Review was prepared in accordance with AllWest's proposal, with respect to the Subject Property. The report is in general accordance with industry standards, except as set forth in the proposal. The work conducted by AllWest is limited to the services agreed to with the client in accordance with the Terms and Conditions associated with our Work Authorization. No other services beyond those explicitly stated should be inferred or are implied.

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The professional opinion set forth in this Review is based solely upon and limited to AllWest's interpretation of our findings, interviews with personnel knowledgeable about the site, and other readily available information as provided in the reviewed documents.

This Review is complete and accurate only to the extent that cited documents and recollections of persons interviewed are complete and accurate. Where access to areas or structures on site was unavailable or limited, AllWest is unable to render an opinion as fully informed as if we had enjoyed complete access. AllWest did not attempt to independently verify the accuracy or completeness of all information received or reviewed during the course of the work. The scope of work did not include material testing or engineering calculations.

The opinions and recommendations in this Review apply to site conditions and features as they existed at time of our site visit. They cannot necessarily apply to conditions and features of which AllWest is unaware of and has not had the opportunity to evaluate.

AllWest's Review was prepared for the sole and exclusive use of the client, its successors and assigns, the only intended beneficiary of our work. Our review is intended exclusively for the purpose outlined herein and the site location and project indicated and is intended to be used in its entirety. No excerpts may be taken to be representative of our findings. The scope of services performed in execution of this review may not be appropriate to satisfy other users, and any use or reuse of this document or its findings, conclusions or recommendations presented herein is at the sole risk of the user.