building inspection service, inc.

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CONFIDENTIAL INSPECTION REPORT

Property Inspected
123 Main Street
Clifton, New Jersey

Requested By:	John Doe Address New York, New York 10018
Style of Building:	Commercial Building
Age of Building:	Approximately 50+ Years
Date/Time of Inspection:	March 6, 2016 / 9:30 AM
Duration of Inspection:	5 Hours
Weather:	Sunny - 38° F
Client Present:	Yes
Attorney:	Attorney
Inspector:	Anthony J. Chimko

QUALIFICATIONS

State of New Jersey Home Inspector License #24GI00029200
State of New Jersey Licensed Building Inspector RCS #007587
State of New Jersey Licensed Commercial 7A, 7B Exterminator #61627
State of New Jersey Radon Measurement Technician License #MET10514
American Society of Home Inspectors (ASHI) Member #098946

THIS REPORT RELATES TO CONDITIONS EXISTING AT THE TIME OF THE INSPECTION

This report is not an engineering report, code compliance report, OSHA report, fire safety report, elevator report or an environmental inspection report. It is a commercial property building inspection reporting on significant defects in the building that were clearly visible at the time of inspection. Specific equipment used for the function of the business or company occupying this building, such as but not limited to, cooking, cleaning, air compressors, hydraulic or other lifting equipment, heat treating, heating, tire removal, parts cleaning, salon equipment, computer equipment, sound or recording equipment, etc., are not inspected and should not be considered part of this report. This report is a special modified New Jersey Administrative Code N.J.A.C. & 13:40-15.16 Standards of Practice. Copies of these standards were given to our clients at the time of the inspection and/or are available on our website at www.dicoinspect.com. Any mention of engineering, code, environmental or other issues in this report was done to alert the client that they might wish to conduct other more in-depth inspections.

1. ROOF

All roof areas are visually inspected from either the ground, the ground with binoculars, from a ladder at the roof eaves or from the roof when walked on, providing the inspector or the roofing material is not put at risk. Steep roofs, roofs that are heat cupped, heat blistered or that have some other deteriorated condition, as well as roof covering materials that are slate, cement asbestos or tile are not walked on. Roofs cannot be walked on when weather conditions are not permitting such as rain, snow or icy conditions. Snow and icy conditions may also limit and/or prevent the roof covering from being inspected. Roofs that are beyond the view of the inspector and therefore cannot be inspected are listed as such and should be inspected by a roofing contractor with the proper equipment prior to contractual limitations. These factors, which limit an inspection, are excluded from an inspection by the NJAC 13:40-15.16 Standards of Practice. Solar heating equipment, lightening arresters, satellite dishes and other antennae are not inspected and should not be considered as part of this report.

The roof was of flat style of construction. As viewed from the roof when walked on the polyurethane roofing material roofing material was in overall serviceable condition for its age, however, defects were observed that will require correction. This type of roofing material is a spray-on finish to coat the previous damaged roof from Super Storm Sandy. This was applied to the entire roof, including all roof penetrations.

The roof covering material was approximately 5+ years old as per the building's owner and the warranty and roofing repair company's paperwork provided by the building's owner, with approximately 5 years of useful life remaining provided all of the defects outlined in each of the Roof sections of this report are immediately corrected and the roofing material is properly maintained. The estimated useful life expectancy for this type of roofing material is 10 years provided it is properly maintained.

Defects

Areas of deteriorated, damaged and/or rusted areas of metal roof decking were noted on the interior of the warehouse. See photo #'s 336, 337, 340, 341 & 343. Repairs will be required to help prevent roof and further damage to the metal support decking.

Holes in the roofing material were noted in numerous areas of the roof. See photo #'s 10, 11, 13, 21, 22, 28, 35, 42, 44 – 46, 56 & 63. Repairs will be required to prevent water entry, leaks and damage from occurring.

Soft areas and large air bubbles were noted in numerous areas. See photo #'s 30 & 60 -62. A further inspection is required to determine the cause, required repairs and costs associated with repairs prior to contractual limitations.

Ponding water was noted in numerous areas, as noted by standing water and sediment filled low areas of the roof. See photo #'s 5, 7 – 9 & 48. This condition is the result of insufficient slope to the roof drains, clogged roof drains, building settlement, structural movement of the roofing material, failure of the insulation board, or a failure of the roof sheathing. Any water remaining on a roof for more than 48 hours should be considered as ponding water. Repairs to eliminate the ponding of water will be required to prevent leaks from occurring. Draining of the ponding water may be necessary to determine the cause for this condition.

Holes in the roofing material installed over the parapet walls were noted on the rear right. Repairs will be required to prevent water entry, leaks and damage from occurring.

Debris was noted on the roof surface. Removal of the debris will be required to prevent damage of the roofing material and clogging of the roof drains and gutters. See photo # 34.

Advisory Recommendations and Observations
Repairs to all of the defects listed under the Roof/Defects sections will be required.

A further evaluation of the roof and the reported defects by a roofing contractor will be required to determine the costs for the required repairs / replacement.

Repairs to all of the defects listed under the Roof section of this report will be required. If these conditions are not repaired water leakage, damage, and shortened life expectancy of the roofing material could occur. Cost estimates should be obtained from local roofing contractors prior to contractual limitations.

The roof had multiple layers of roofing material installed. The current building standard only allows a maximum of two layers of roofing material. Removal of all layers of roofing material will be required prior to the installation of new roofing material.

Flat roofs and low-sloped roofs require periodic and yearly inspections for signs of deterioration, removal of debris, and patching of cracks or wear areas to prevent leaks from occurring.

Obtaining a copy of the contract/warrantee and/or the building permit for this installation is recommended for warrantee and maintenance reasons.

Tree branches were either touching or too close to the roof material. Trimming of these branches will be required to prevent damage from storms, ice and snow and to prevent clogging g of the roof gutters and roof drains. See photo #'s 31, 33 & 34. Additionally, squirrels were using these trees to gain access into the building via broken windows and openings in the walls of the ware house area.

FLASHINGS

All roof penetrations, including, but not limited to, plumbing pipes, vents, chimneys, old skylights, air and ventilation shafts etc, had their flashings coated with the polyurethane roofing material. Therefore, they are covered and not visible for inspection. A further inspection by a roofing contractor may be desired. Inaccessible areas are excluded from a Building Inspection by the New Jersey Administrative code NJAC 13:40-15.16 Standards of Practice.

VENTILATION

The roof ventilation was adequate for this building.

SKYLIGHTS

The skylight on the rear was in overall serviceable condition with defects noted that will require correction.

Defects
The skylight was cracked with its repair or replacement required for safety reasons. See photo # 55. Obtaining cost estimates for the replacement of the skylight will be required prior to contractual limitations.

Advisory Recommendations and Observations
Caulking the perimeter of the skylight with silicone or urethane caulk is recommended to help prevent leaks from occurring.

2. GUTTERS & LEADERS

The purpose of the gutters and leaders/downspouts is to collect water draining from the roof and to direct it away from the foundation of the building. The guttering system helps to prevent: water entry into the interior of the building; water and freeze thaw cycle damage to the foundation; damage to siding materials; damage to shrubbery; and damage to soil around the perimeter of the building. For a gutter and leader system to function properly it must be maintained.

Debris from trees can clog gutters both in the Spring and Fall seasons. Buds and pollen sacs must be cleaned in the Spring after the leaves have fully developed on surrounding trees. The gutters must again be cleaned in the fall after most of the leaves have fallen from the trees. Snow and ice tend to build up inside gutters, which can pull them away from a building and cause them to lose their pitch. Flushing the gutters with a garden hose is helpful in removing small debris as well as allowing you to observe how the water is draining. Gutters should not retain any water.

GUTTERS

As viewed from the roof when walked on the aluminum gutters on the front, right, left and rear of the roof were defective.

The roof drains on all sides of the roof were defective.

Defects

Aluminum Gutters: The gutters on the building were clogged especially on the right side of the building where trees and vines are over growing onto the building. See photo #'s 14, 32, 36, 37, 43, 57 & 58. Cleaning of the gutters will be required to prevent water entry into the building from occurring.

The gutters were damaged in various areas with repairs or replacement of the damage areas required. See photo # 15 & 78.

The gutters were leaking in the seams and corners on all sides. Repairs to the leaking seams by cleaning and caulking or replacement of the gutters with seamless gutters will be required. See photo #'s 74, 77 – 80 & 82.

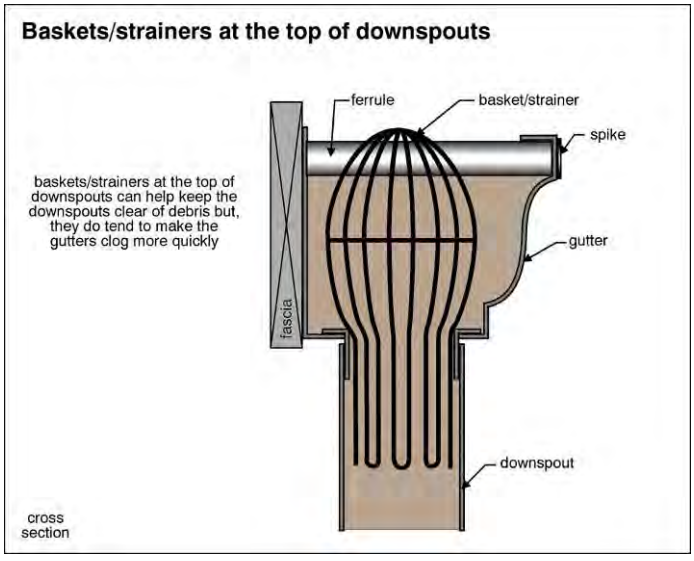
Roof Drains: The roof drains were clogged in areas with the water backing up onto the roof, especially on the rear right roof area. See photo #'s 19, 20 & 23, 50 – 53. Repairs will be required to properly drain water off the roof and to prevent leaks from occurring.

Advisory Recommendations and Observations

The gutters were clogged with debris. Cleaning of the gutters is required to prevent water back up into the building.

Cleaning of debris and sealing of all integral roof drains, as a routine maintenance task, will be required to prevent leaks from occurring.

The installation of leaf / debris baskets inside all of the leader openings is recommended to prevent clogging from occurring. See illustration below.



Repairs and or replacement of the gutters will be required. Obtaining cost estimates for any repairs or replacement will be required prior to contractual limitations.

LEADERS

The aluminum and plastic leaders were in overall serviceable condition with defects noted that will require correction.

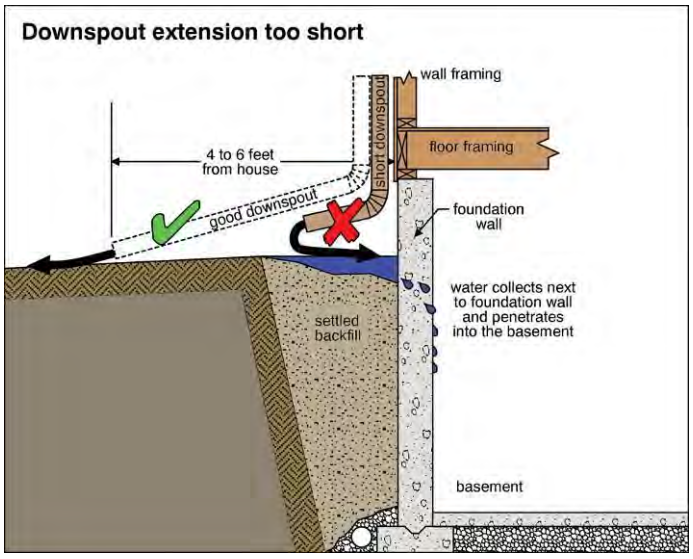
Defects
Damaged leaders were noted on the left and rear sides of the building. See photo #'s 72, 73 & 75.

The leader on the front left was missing with replacement required. See photo #'s 83 & 84.

The leader on the left was disconnected from the underground drain line with repairs required. See photo # 76.

The leaders on all sides in numerous areas were not properly attached to the building with repair required for proper drainage of roof run off and to prevent water entry into the building from occurring.

Some of the roof leaders incorrectly terminated at the foundation of the building. See photo #'/s 83, 85, 117 & 119. They should discharge 4 to 6 feet away from the foundation. This will help to prevent water entry and excessive moisture in the foundation walls. The installation of 4 inch diameter PVC pipe extensions will be required. See illustration below.



Advisory Recommendations and Observations
It is recommended that the leaders and drain lines be flushed to insure that they are free flowing.

The underground roof / gutter drain pipes cannot be inspected for clogs, breaks, for their performance during normal rains or heavy storms and in many cases where their termination / discharge point is located. It is therefore recommended that a discussion with the seller as to their past performance as well as where they discharge, be conducted. Video camera inspection of these underground drain pipes prior to contractual limitations may also be conducted which, would help to prevent water entry through the foundation. Many plumbers and septic system inspection companies conduct these inspections. Contact our office for a list of these companies.

3. SIDING

All exterior wall coverings, flashings, trim, eaves, soffits and fascias that are accessible from ground level are inspected. Because flashings are sometimes concealed behind the siding material, are painted over, or are too high to be properly observed from the ground, even with the use of binoculars, it may be desirable and prudent to have a painter or siding contractor inspect these areas in more detail. Holes not visible from the ground can allow insect, water and animal entry to occur. Buildings painted prior to 1978 may have been painted with lead based paints. Additional testing for the presence of lead based paints may be desired prior to contractual limitations. DICO Building Inspection Service, Inc. does not test for the presence of lead and this type of inspection is excluded from an Inspection by the NJAC 13:40-15.16 Standards of Practice.

The brick and masonry block siding on all sides was defective.

Defects
Replaced and/or repaired areas of cement block were noted on the right and rear. The older cement blocks on top of the repaired blocks are not level and are angled and not set straight. See photo #'s 135 – 137. Cracks were noted at the repaired areas in numerous locations. See photo #'s 140, 146 – 149, 151 & 153.

Loose flashings material was noted in areas. See photo # 144. Repairs will be required.

Holes were noted in the siding material on the rear of the building along the area for the loading dock from trucks striking the wall. See photo #'s 165 – 167. Repairs will be required.

The siding material was cracked and damaged on all sides. Repairs will be required.

Structural cracking was noted on the rear. See photo # 156. The entire block wall has moved outward 3 to 4 inches, as noted from the exterior and interior of the building. Some repair attempts were conducted. However, they were inadequate and poorly conducted. See photo #'s 156 – 160 & 169. Repairs will be required.

Removal of the plants growing on the building is required. See photo # 6, 31 – 36, 71, 92, 106 – 110, 112, 118, 121, 122, 124 & 125, 340. Plant roots can grow into the building, keeping moisture against the building and is a condition conducive to wood destroying insect infestations and is allowing squirrels to gain access into the building. It also prevents a thorough inspection of the building from being performed. A further inspection when the plants are removed from the building is therefore recommended.

Missing or crumbling mortar joints were noted in multiple areas of the building. See photo #'s 150, 163 & 164. Tuck pointing of these deteriorated mortar joints will be required to waterproof the building and to prevent settling from occurring.

As viewed from the roof, the top of the masonry block walls in the majority of the areas, including the top of the cement blocks and bricks, has cracked cement, damaged bricks and/or missing areas. This is allowing water entry into the block walls both on the interior and exterior surfaces, leaving water stains, damaged masonry and efflorescence on the interior and exterior surfaces. The water entry into the block walls of the building and will require a further inspection and cost estimates for repairs of the water damaged areas. Because of the numerous defects found with the brick and block walls of the building, its condition would be considered a 'material defect'. As per its definition in the NJ Home Inspection Administrative Code, NJAC 13:40-15.2 a 'material defect' is a condition or a functional aspect of a structural component or system that is readily ascertainable during a building inspection that substantially affects the value, habitability, or safety of the building and/or can be considered a possible expensive repair or replacement and should be evaluated by a structural engineer. In our opinion, the exterior walls of the building should be further evaluated prior to contractual limitations.

See photo #'s 38, 39, 81, 86, 130 – 132, 145, 155, 161 – 164, 168 – 177, 180 – 189, 264, 266, 272, 289 – 292, 304, 354, 355, 398 & 399 for the above siding defects.

Advisory Recommendations and Observations
It is recommended that all areas where different siding materials join or where open seams exist in the siding or trim be caulked and repaired to prevent water damage from occurring. We recommend Lexel caulk for this repair.

A further evaluation by a structural engineer will be required prior to contractual limitations to determine the extent of the damage to the block walls and to determine if repairs are required as well as the costs for those repairs.

Sealing/caulking of gaps around any pipes, wires, faucets or vents going through the exterior of the building will be required to prevent insect, rodent and water entry as well as to prevent energy loss.

Caulking/sealing of any openings in the trim, siding, eave areas and/or flashings will be required to prevent water entry, rot, insect and animal entry as well as energy loss from occurring.

Many buildings, which were painted before 1978, may have been painted with lead based paints. When considering or conducting renovations especially where demolition of or where demolition of parts of older structures is concerned, or when scraping, sanding and/or stripping of older painted surfaces testing for the presence of lead in these areas are required. Obtaining information, from local government agencies, regarding lead paint is additionally recommended. In April of 2010, all contractors must be certified under the EPA's Renovation, Repair and Painting rule. The following link is for 'The Lead Safe Certified Guide to RENOVATE RIGHT', the EPA's new lead guidelines effective October 2010. http://www.epa.gov/lead/pubs/renovaterightbrochure.pdf

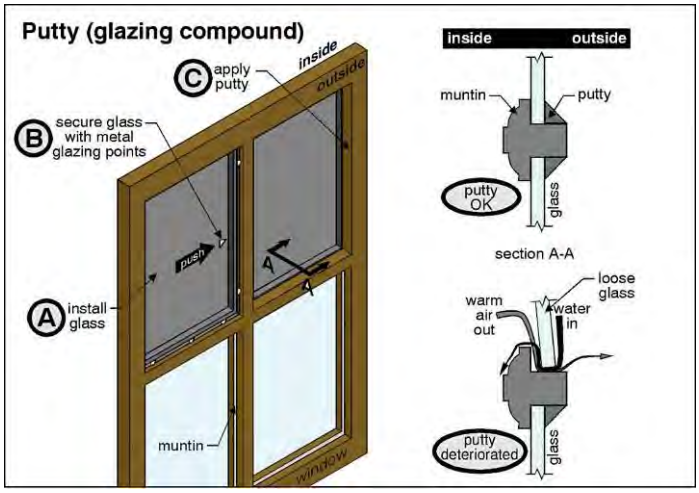
The masonry on this building has been painted over. The longevity of painted over masonry is dependent on the preparation of the masonry before painting as well as the use of the correct paint. The new paint will peel if dirt was painted over or if paints that do not breathe were used. The only paint/finish we know of that can successfully be used to paint over masonry, is Elastocote finish. This material as well as application information can be obtained from California Stucco in Hackensack - www.californiastucco.net, (888) 455-1300. We cannot determine the quality of the preparation or the type of paint/finish that was used. It is therefore recommended that the name and phone number of the painting contractor be obtained as well as warrantee information regarding the paint job prior to contractual limitations.

4. WINDOWS

A representative number of windows are inspected from both the exterior and interior of the building. This section of the report describes the style, condition, defects and observations/recommendations of the exterior portion of the windows only. The interior portions of the windows' defects are listed in each of the Interior Rooms section of this report. Storm windows, screens, awnings and other similar seasonal accessories are excluded from Inspection by the New Jersey NJAC 13:40-15.16 Standards of Practice.

The steel and aluminum casement windows in the offices and warehouse were defective and in poor condition. Because of the numerous defects found with the buildings windows, its condition would be considered a 'material defect'. As per its definition in the NJ Home Inspection Administrative Code, NJAC 13:40-15.2 a 'material defect' is a condition or a functional aspect of a structural component or system that is readily ascertainable during a building inspection that substantially affects the value, habitability, or safety of the building and/or can be considered a possible expensive repair or replacement and should be evaluated by a window contractor. In our opinion, the windows on all sides of the building should be further evaluated prior to contractual limitations.

Defects
The window glazing compound was loose and/or missing on many windows. Repair or replacement of the glazing compound will be required. See illustration below.



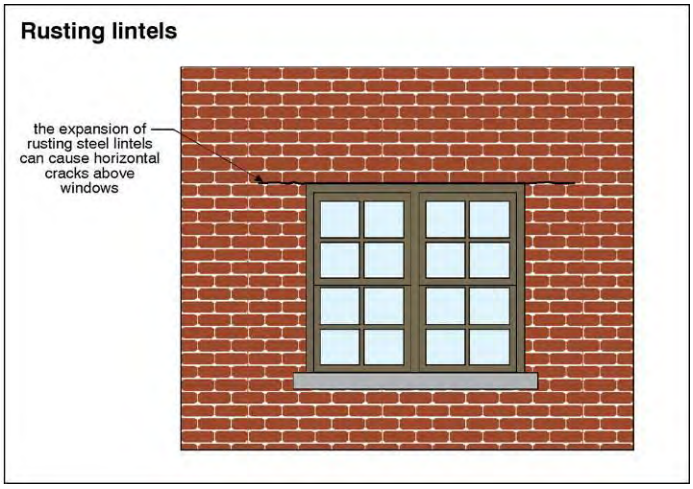
Broken glass was noted in multiple windows with replacement of the broken glass required.

The majority of the windows are leaking in numerous areas and plant growth from the exterior can be seen inside the windows on the interior of the building. Repairs will be required.

See photo #'s 86 – 99, 102 – 105, 111 & 121, 344, 338 & 339 for the above window defects.

Advisory Recommendations and Observations
Obtaining cost estimates for any repairs or replacement will be required prior to contractual limitations.

Painting of the steel window lintels, as well as entry door and loading dock door lintels with a rust preventative paint is recommended to prevent deterioration from occurring. See photo # 100 & 101 and illustration below.



5. STEPS & WALKWAYS

Because these components are located on the exterior of the building, their maintenance is often overlooked by the owners. They are inspected and reported on for safety reasons. It is recommended that the defects and recommendations listed below be corrected because of safety concerns.

The front masonry street sidewalk was in overall serviceable condition.

The left masonry street sidewalk was in overall serviceable condition with defects noted that will require correction.

The left masonry walkway was in overall serviceable condition with defects noted that will require correction.

The front masonry walkway was in overall serviceable condition with defects noted that will require correction.

The left masonry sidewalk / walkway was in overall serviceable condition with defects noted that will require correction.

The front masonry steps were in overall serviceable condition with defects noted that will require correction. See photo # 217.

The rear masonry steps were defective and in poor condition.

The rear right masonry steps were defective.

Defects

Left Sidewalk / Walkway: Multiple heaved, settled and/or cracked areas were noted. See photo #'s 193 – 198. It is required that repairs or replacement be conducted for safety reasons.

Front Walkway: Multiple heaved, settled and/or cracked areas were noted. See photo #'s 226 & 227. It is required that repairs or replacement be conducted for safety reasons.

Left Walkway: The left walkway has deteriorated. See photo # 228. Its complete reconstruction and/or replacement will be required. Cost estimates should be obtained from local contractors prior to contractual limitations.

Front Steps: The handrails posts are rusted away and damaged masonry was noted. See photo #'s 222 – 225. Repairs will be required for safety reasons.

Rear Steps: The rear steps have deteriorated. Their complete reconstruction and/or replacement will be required. Cost estimates should be obtained from local contractors prior to contractual limitations. See photo #'s 237 – 239.

Rear Right Steps: The steps are settled away from the building. See photo # 242. Repairs will be required.

Advisory Recommendations and Observations

Obtaining cost estimates for any repairs or replacement will be required prior to contractual limitations.

6. ENTRY DOORS

Entry doors are inspected for their overall operation and condition. Weather seals are checked and deterioration is reported on. Doors are subject to changes in weather conditions, therefore doors, which operated perfectly one day, may be sticking or difficult to operate another day. Locking mechanisms and door hardware are not inspected and should not be considered as part of the Inspection Report. If an inspection of door locking mechanisms and hardware is desired, contacting a lock smith prior to contractual limitations will be required.

The majority of the exterior doors to the warehouse were in overall poor condition with loose hinges, poorly sealing doors and rusted doors. See photo #'s 229, 240 & 273. Repair or replacement will be required.

The steel lintels on the right side warehouse door were badly rusted. See photo # 116. Repairs to or replacement of these steel lintels will be required to prevent damage to the masonry and the wall framing from occurring.

Advisory Recommendations and Observations
Improved exterior door weather stripping on all doors including the loading dock doors is recommended to help conserve energy.

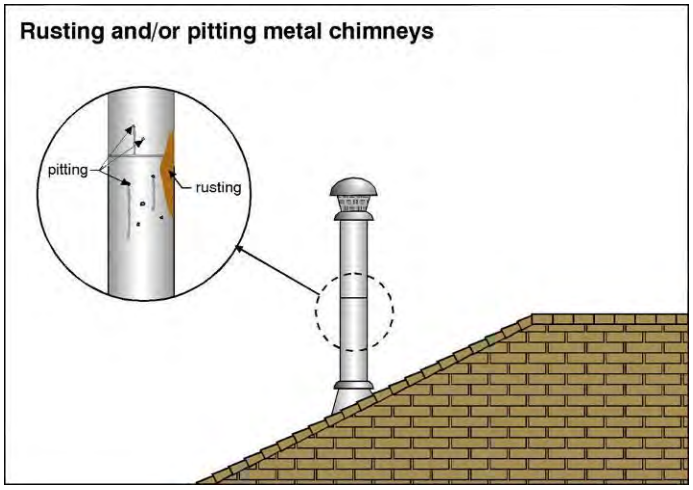
7. CHIMNEYS

All Chimney exteriors are visually inspected from either the ground, the ground with binoculars, from a ladder at the roof eaves, from the roof when walked on and/or from the attic. Draft characteristics, fire screens, doors, seals and gaskets are not inspected. The interior flues of most chimneys cannot be inspected because of their construction and lack of visibility. Buildings older than 40 years should have a Level II video camera internal inspection of the chimney and their flues inspected by a licensed chimney sweep to reveal any hidden defects that may exist. Buildings over 60 years old may not have any flue liners installed. This is a safety concern, which would require the installation of a new flue liner. A Level II video camera inspection of chimneys older than 40 years by a licensed chimney sweep should therefore be conducted prior to contractual limitations.

The exterior of the single wall metal chimneys which were located on all sides of the roof, were viewed from the roof when walked on and were in overall serviceable condition with defects noted that will require correction. (This type of chimney must be a minimum of 6-inches from combustible materials for fire safety reasons.)

Defects
The chimney on the rear right, where it exits the roof, was missing, leaving a large opening where water can enter and the flue gases to re-enter the building. See photo #s 54 & 324. It is required that repairs or replacement be conducted for safety reasons and to prevent water entry and damage.

Advisory Recommendations and Observations
The sheet metal flue pipes/chimneys, including ventilation shafts, were rusting above the roofline. See photo #'s 24 – 27 & 29. Painting the flue pipes/chimneys with a rust preventative paint to prolong their life is recommended. See illustration below.



8. EXTERIOR FOUNDATION

The foundation of the building is designed to support the load of the building including its contents. The foundation is usually constructed of masonry although other material such as wood can also be used. The foundation transmits the load of the building downward to the footing. The footing must be below the frost line. It transmits and spreads the load of the building to the soil under the footing. Since the foundation is rigid, normal stress settling cracks usually develop. Because most of the foundation is located under the ground, only the portion above the ground on the exterior and only the visible portion inside the basement can be inspected and reported on. Inaccessible areas are excluded from a Building Inspection by the New Jersey Administrative code NJAC 13:40-15.16 Standards of Practice. Soil conditions and the stability of the soil to support the building are beyond the scope of this inspection and can only be performed by a licensed professional engineer. Structural components are probed where deterioration is suspected unless such probing would damage any finished structure. Hydrostatic loading (water pressure) against the foundation walls of a building can have detrimental effects. Attention to the recommendations given in the Property Drainage and Gutters and Leaders sections of this report will help to prevent and/or correct the negative effect of hydrostatic loading.

The masonry block and poured concrete exterior foundation is in overall serviceable condition with defects noted that will require correction.

Defects

Stress-settling cracks were noted on all sides. See photo #'s 152 & 154. These cracks are typically considered normal stress-settling cracks. They do not appear to be of any major structural significance at this time; however, stress-settling cracks in a foundation will allow water seepage into the basement and are conducive to termite infestations. It is therefore recommended that these cracks be sealed. Termite preventative measures prior to sealing of these cracks and/or yearly inspections of this area are also recommended. A further evaluation by a structural engineer may be desired prior to contractual limitations and especially if these cracks become larger over time.

Large stress settling cracks were noted on the left side. See photo #'s 178 & 179. These cracks have opened beyond a point that would be considered normal and therefore should be evaluated by a structural engineer or architect, prior to contractual limitations, to determine if they have stabilized, if they just need to be sealed, or if structural repairs are required.

Cement parging was loose, cracked and missing on all sides. Repairs to the parging are recommended to waterproof and to protect the foundation as well as to help prevent wood destroying insect infestations.

Sealing/caulking of gaps around any pipes, wires, faucets or vents going through the exterior of the building will be required to prevent insect, rodent and water entry as well as to prevent energy loss. See photo # 139.

Advisory Recommendations and Observations

Repairs will be required. A further evaluation and cost estimates of the above conditions and defects by a structural engineer will be required prior to contractual limitations.

9. PROPERTY DRAINAGE

The lawn and landscaping of this property were not inspected and should therefore not be considered as part of this inspection report. If an inspection of the lawn and landscaping is desired, hiring a trained horticultural specialist or landscaper will be required. Vegetation, grading, drainage and retaining walls with respect to their immediate detrimental effect on the condition of the building are inspected and reported on. Fences, geological and/or soil conditions, sea walls, break-walls, bulkheads and docks, and/or erosion control and earth stabilization are not inspected and should not be considered as part of this report and are excluded from a Building Inspection by the New Jersey Administrative code NJAC 13:40-15.16 Standards of Practice. If an inspection of these items is desired, hiring a professional in their field will be required. The property should slope away from all sides of the building and be allowed to drain naturally off the property. Water leakage through the building foundation is caused in large part by poor property drainage or from the failure of maintaining drainage systems such as gutters, leaders and proper grading of soil around the exterior perimeter of the building. Current building practice is to pitch the soil 1-inch per foot 8-feet to 12-feet away from the building. In other words, the soil should be 8-inches higher at the foundation, completely around the perimeter of the building, then it is 8-feet to 12-feet away from the building. Water is an extremely destructive force. It can find its way through the smallest of cracks in a foundation, therefore, proper grading as well as maintenance of gutters and leaders is very important. If defects in the property drainage are mentioned, they should immediately be corrected to help prevent water entry into the building from occurring. The lawn sprinkler system, if installed, was not inspected and should not be considered as part of the inspection report and is excluded from a Building Inspection by

the New Jersey Administrative code NJAC 13:40-15.16 Standards of Practice. If an inspection of the lawn sprinkler system is required, contacting a lawn sprinkler company, gardener, or having the building owner explain the use of the sprinkler system and testing of the sprinkler system is recommended.

The topography of the land pitched from the front of property toward the rear and right of property.

Defects

The soil grading on the right side of the building was incorrectly sloped into the foundation rather than away from the foundation. See photo #'s 118 & 120. This condition will cause surface water to drain into the building rather than away from the building. Grading of the soil away from the building will be required to help prevent water from draining against the foundation and from entering the interior of the building. The ground adjacent to the foundation wall must be graded to slope away from the building at a ratio of 1:12, meaning that for every 12-foot out horizontally the ground level is to descend 1-foot. This grading requirement is to be applied for a distance of 8-feet or more, measured perpendicular to the foundation wall.

Low property, where water can pond or where a saturated soil condition was visible, was noted on the right side. Re-grading will be required to help prevent a muddy condition in the yard and to help prevent water seepage into the interior of the building. Obtaining cost estimates for any repairs will be required prior to contractual limitations.

The soil level/elevation of the neighboring property on the front street side and along the right side of the property was at a higher level/elevation than the soil level of the property inspected. This means that surface water runoff from the neighboring property could/will have an adverse effect on this property.

Advisory Recommendations and Observations

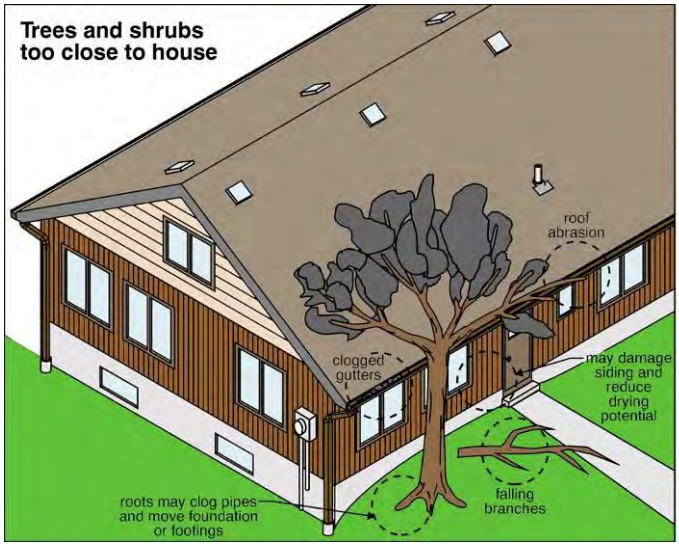
It is recommended that the suggestions given in the Gutters and Leaders section of this report be followed to help prevent water entry into the building from occurring.

Maintaining the proper grade or slope of soil away from the foundation walls of the building will be required to help prevent water from entering into the interior of the building as well as to help prevent freeze thaw damage to the foundation.

The shrubs should be kept trimmed 18-inches to 24-inches away from the building to allow for adequate air circulation, to prevent damage to the siding material and to help prevent mold growth. See photo # 190 & 191.

The majority of the right side exterior is heavily over grown with trees, shrubs, vines, sticker bushes, etc. This is creating a habitat for rodents and animals and makes this exterior area of the building difficult to gain access to. Trimming or removal of the vegetation is strongly recommended to deter animal entry into the building and to provide easy access to this area of the property.

The tree branches overhanging the building should be trimmed approximately 6-feet to 8-feet away from the building to prevent animals and insects from gaining access onto the roof or into the attic and to prevent storm damage to the roofing material from occurring. See illustration below.



The damaged trough drain in front of the main entry is a trip hazard. It is required that repairs or replacement be conducted for safety reasons. Maintenance of the drains on the driveway and front entry area will be required to prevent water entry into the interior of the building from occurring. See photo #'s 219 – 221.

There was no lawn sprinkler system installed.

10. FENCING

The fence is evaluated for its overall condition and not its location or ownership. Evaluating the property survey will be required to insure that the fence was constructed on this property. If a pool has or is to be installed, contacting the local building department is recommended to insure that the fence meets the present code requirements for a pool.

The metal chain link fence on the right side of the property and along the driveway retaining wall was defective.

Defects
Missing sections of the fence were noted, sections were falling down and the fence was near collapse. Repairs to or replacement of the fence will be required.

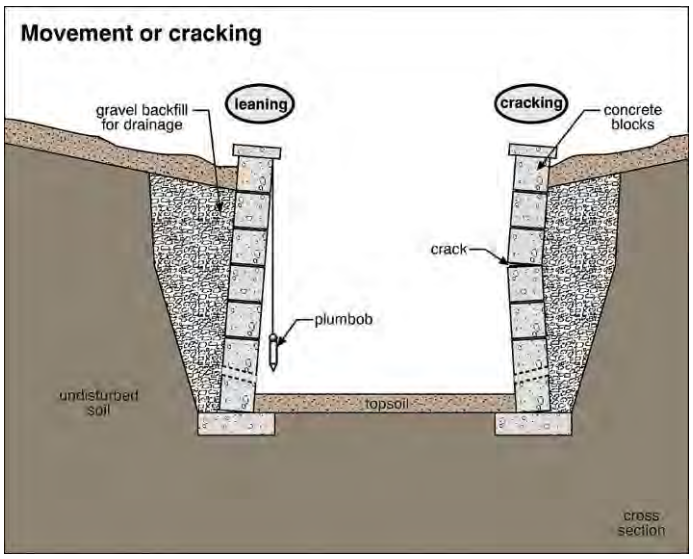
The soil along the chain link fence is eroding and building up against the fence, damaging it. See photo #'s 127 – 129, 199 & 200. Repairs will be required.

11. RETAINING WALLS

Because the inspector does not have a survey of the property and is not qualified as a surveyor, the ownership of side lot retaining walls is unknown and is beyond the scope of the Inspection Report. The freeze thaw cycle and hydrostatic pressure behind retaining walls causes most of their damage and failure. Proper drainage of ground water behind a wall is therefore paramount for its survival. Whether proper drainage was or was not installed can be completely hidden because it is buried behind the wall and is therefore also beyond the scope of the Inspection Report. Retaining walls are inspected for their visible condition and any immediate detrimental effect on the condition of the building.

The poured concrete retaining wall on the property was defective.

Defects
The retaining wall has bowed outward, it has cracked and the top cap on the retaining wall was loose. See photo #'s 201 – 208. It is required that repairs or replacement be conducted for safety reasons. See illustration below.



Damaged and missing fencing was noted in areas along the wall which creates a fall and safety hazard from the upper driveway. See photo #'s 199 & 200. Repairs will be required.

Advisory Recommendations and Observations
Obtaining cost estimates for any repairs or replacement will be required prior to contractual limitations.

12. DRIVEWAY / PARKING AREA

The driveway/parking area is visually inspected for its overall serviceability. The depth of the gravel below the surface of the driveway and the thickness of the surfacing material is not visible and is therefore unknown. Inaccessible areas are excluded from a Building Inspection by the New Jersey Administrative code NJAC 13:40-15.16 Standards of Practice. Driveways should be sloped away from garage openings. If they slope into the garage opening, a drainage swale or catch basin should exist so that surface water is drained away from the interior of the building. Maintenance of these drains to insure that they are free flowing and functional is the responsibility of the building owner. If a more in depth inspection of the driveway/parking area is desired, a paving company specializing in driveway installation and repair should be contacted prior to contractual limitations.

The asphalt and concrete driveway / parking areas were in poor condition.

Defects
Spider web cracking and some loose asphalt were noted in the surface of the driveway. This condition is an indication of the age of the asphalt and possibly a poor gravel bed below the asphalt.

The driveway has settled in traffic lanes. Filling of these areas and sealing of the driveway is required to help prolong its life.

Settled areas of the driveway were noted. Leveling of these areas is required.

Cracks and holes were noted in the surface of the driveway. Sealing of the cracks is required to help prevent further deterioration from occurring.

The driveway has deteriorated and was beyond its useful service life. Repairs to or replacement of the driveways will be required.

See photo #'s 141 – 143, 194 & 209 – 216 for the above driveway defects.

13. GARAGE / LOADING DOCK

Both attached and/or detached garages are inspected. If roofing problems exist, they will be written up in the roofing section of the report. Powered/automatic garage door openers are inspected for their proper operation and to insure that the safety stops are working. Safety stops are adjustable and should be frequently tested by the owner for safety reasons. Remote control devices are not tested and should not be considered as part of this report. These devices should be obtained from the sellers prior to contractual limitations and tested by the buyers for operation.

The loading bay doors were serviceable with defects noted that will require correction.

Advisory Recommendations and Observations
The garage door weather stripping was either missing or damaged. Its installation is required to conserve energy and to help prevent animal and insect entry. See photo # 230.

14. BASEMENT

The basement is a below soil grade area, therefore it is subject to moisture, insect infestations, as well as soil and hydrostatic pressures. Care should be taken to insure that the soil around the exterior perimeter of the building is graded away from the foundation and that surface water and water runoff from the roof is directed to discharge away from the foundation. Hydrostatic pressure (water pressure) from improper grading and/or from ground water can easily damage a foundation and flood the basement and/or below grade areas. Parts of the foundation may not be visible for inspection due to storage, because the basement may be finished, and/or there may be plant growth around or on the exterior foundation walls. We cannot inspect what we cannot see. Inaccessible areas are excluded from an Inspection by NJAC 13:40-15.16 Standards of Practice. This includes subterranean water conditions which can occur at any time without past history of this event being visible to an inspector. If an inspection of foundation walls or framing systems that have permanent coverings over them is desired, removal of the covering materials would be required. Inspections through the use of a tool called a Bora-scope that uses fiber optics may be conducted. This tool requires that 1/4-inch diameter holes be drilled through the permanent covering materials but does not require their removal. If these in-depth inspections are desired, than contacting our company prior to contractual limitations will be required. Written

permission from the owner of the building to drill these inspection holes into the walls of the building would be required. This type of inspection is beyond the scope of a normal building inspection, therefore, additional inspection fees will apply.

There was no basement for the warehouse, loading docks / bays and offices. This building is a concrete slab style of construction. Because this building is constructed on a concrete slab foundation, the interior wood framing of the finished areas of the building is not visible for inspection. The slab style of construction is conducive to termite infestations because of openings in the slab from cracks, plumbing and wiring and because of its direct contact with soil. Even when a thorough visual inspection has been conducted, an active termite infestation or hidden damage within the wood framing of the building could exist. Termites rarely break the surface of the wood or material that they are feeding on. If finished walls, ceilings, flooring materials, appliances, furniture, cabinets, insulation, etc. are covering termite activity or damage, it cannot be seen using normal visual inspection methods. We therefore cannot guarantee or warrantee either expressed or implied that this building is free from an active termite infestation or that the building is free from any structural damage caused by termite activity. Inaccessible areas are excluded from a Building Inspection by the New Jersey Administrative code NJAC 13:40-15.16 Standards of Practice. The following is advised prior to contractual limitations:

It is strongly recommended that prior to purchasing this building, the buyers conduct an additional in-depth termite inspection for termite activity as well as damage. These in-depth inspections can include the use of dogs that have been trained to sniff out the methane gas termites produce, ultra-sensitive listening devices that are used to hear termites eating the building, microwave devises used to locate the movement of active termites and/or the use of a Bora-scope which uses fiber optics to look into the walls of a building through quarter inch diameter holes that are drilled into the wall and ceiling cavities of the building. It should be understood that only the Bora-scope or the actual removal of drywall, plaster, paneling or other covering materials can reveal damage that is contained within the wood framing of the building.

Advisory Recommendations and Observations
It is recommended that the suggestions given in the Gutters and Leaders, Property Drainage, and Exterior Foundation sections of this report be followed to help prevent water entry into the building from occurring.

15. CENTRAL HEATING SYSTEMS

Inspections of heating systems are limited due to weather conditions. During the summer months, or when the temperature is above 80°F, heating systems cannot be fully evaluated. During winter weather conditions heating systems may fail to operate properly leaving areas of the building either too cold or too hot. We cannot evaluate this problem during the summer months. It is beyond the scope of our inspection to determine if heating systems will function properly during extreme winter weather unless they are tested during those extreme weather conditions. The installed heating equipment and energy sources are inspected without determining the correctness of its installation, the heat supply adequacy or distribution balance, without operating automatic safety controls and when weather conditions or other circumstances may cause damage to the heating system. Inspections exclude humidifiers, electronic air filters and solar heating systems. A further inspection by a heating/air conditioning contractor or a heating engineer, who would perform heat loss calculations for each room in the building and conduct air balancing calculations for each room, may therefore be desired prior to contractual limitations. Thermostats are not inspected or tested for accuracy and clock mechanisms are not inspected. Air quality is not tested or inspected for. In forced air heating and air conditioning systems potential contaminants can sometimes be found inside duct work. These contaminants may affect people differently just as allergies to pets affect people differently. Testing of the air quality and/or having the air ducts cleaned are wise investments in environmental hygiene. Temperature / pressure safety relief valves are not tested. This is because when operated, they may not shut off or will drip water. Testing this very important and necessary safety device should only be conducted by a licensed plumber who is capable of immediately replacing it if it fails to shut off.

WAREHOUSE UNITS

The Reznor, Nordine and Becon, gas fired, space heaters were 1 zone heating systems with varying capacities. See photo #'s 295 – 299, 302 – 305, 322, 323, 325 – 334 & 342. (It is recommended that the local utility company be contacted to obtain a worry free service contract. This is a very worthwhile contract that covers many common heating system repairs as well as cleaning any rust scale from the burners.)

The heating systems were in serviceable condition at the time of the inspection with defects noted that will require correction.

The units installed vary in age from newer to older units. Due to the ages of the older units, replacement of these units can be expected in the near future. The normal service life for this type of heating system is 25 to 30 years.

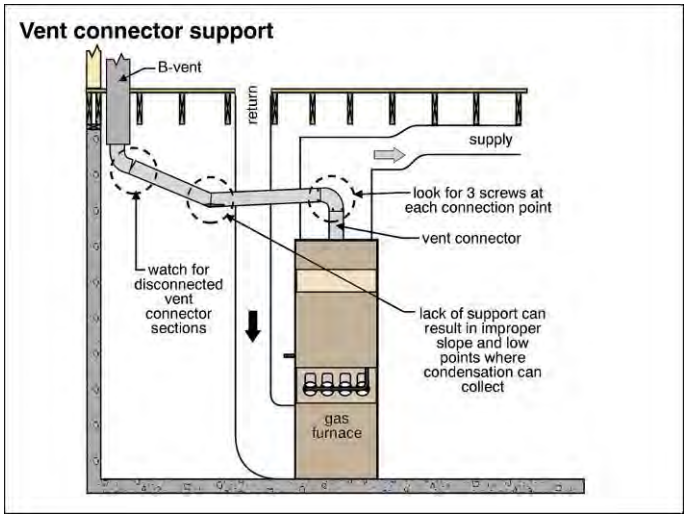
The heater exchanger material was steel.

Heating was supplied to the warehouse through unit heaters

No evidence of combustible gas leakage was detected when tested with the TIF 8800 combustion gas detector.

Defects

The vent connectors were not properly installed. See photo # 300. Screws were either missing or not installed in the sheet metal vent connectors. Three screws are required in every section of the vent connector. Contacting a licensed plumber for cost estimates on the required repairs will be required prior to contractual limitations. See illustration below.

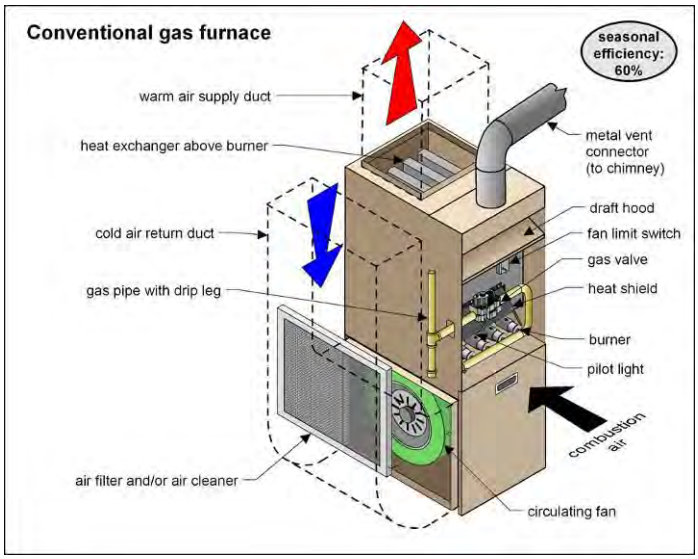


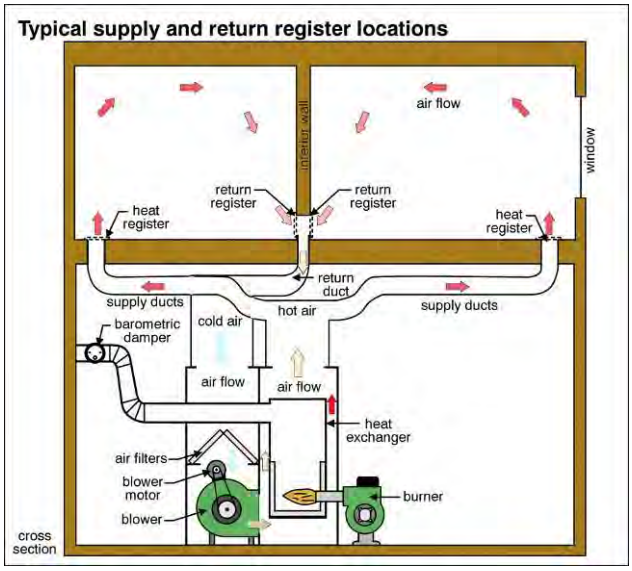
Advisory Recommendations and Observations

It is recommended that the local utility company be contacted to obtain a worry free service contract. This is a very worthwhile contract that covers many common heating system repairs as well as cleaning any rust scale from the burners.

OFFICE AREA UNITS

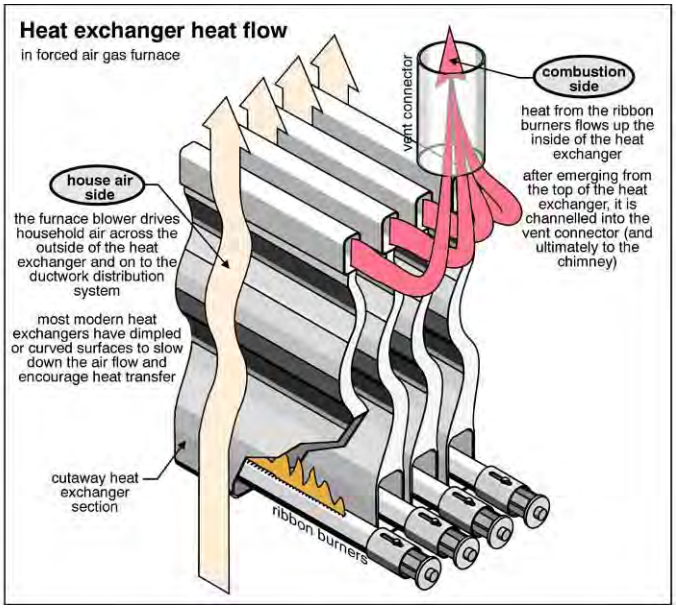
The two Rheem, gas fired, forced air furnaces were 1 zone heating systems with a capacity of 150,000 BTUs each. See photo #'s 371 – 373 and illustrations below. (It is recommended that the local utility company be contacted to obtain a worry free service contract. This is a very worthwhile contract that covers many common heating system repairs as well as cleaning any rust scale from the burners.)





The heating systems were in serviceable condition at the time of the inspection.

No flue gas leakage through the furnace heat exchanger was noted when tested with the TIF 8800 combustion gas detector. The cells of the furnace heat exchanger, which were visible above the burner rack, were visually inspected with a mirror and flashlight. No cracks or holes could be seen. This inspection is not fail safe and cracks or holes could exist in areas, which were not visible to the inspector. Therefore, a further inspection by the local gas utility company or a heating and air conditioning contractor may be desired. See illustration below.



The age of the heating systems is approximately 5+ years. The normal service life for this type of heating system is 25 to 30 years.

The heater exchanger material was steel.

Heating was supplied to the habitable rooms through registers and duct work.

Advisory Recommendations and Observations

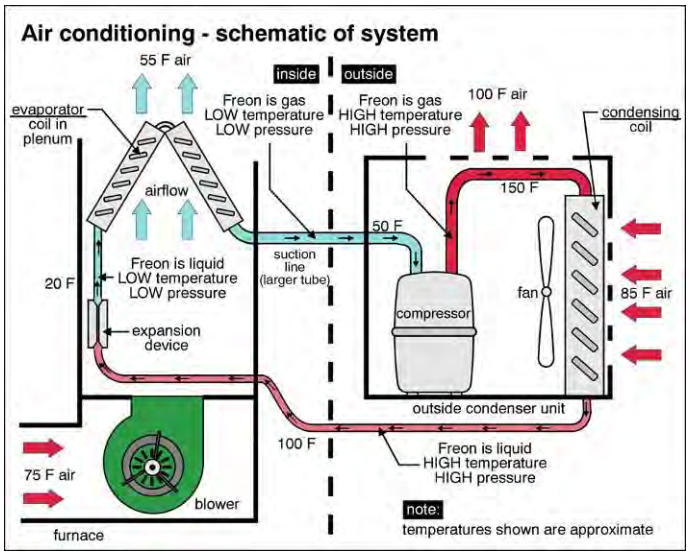
It is recommended that the local utility company be contacted to obtain a worry free service contract. This is a very worthwhile contract that covers many common heating system repairs as well as cleaning any rust scale from the burners.

Sealing all seams, connections and splices in all heating and/or A/C ductwork using a mastic designed for this purpose such as; Glenkote 181, Hardcast Versi-Grip 181, RCD and Uni-Mastic 181 Duct Sealer are recommended to conserve energy and for comfort reason. Duct tape and even silver foil tapes are not approved for this function. See photo # 374.

16. COOLING SYSTEMS

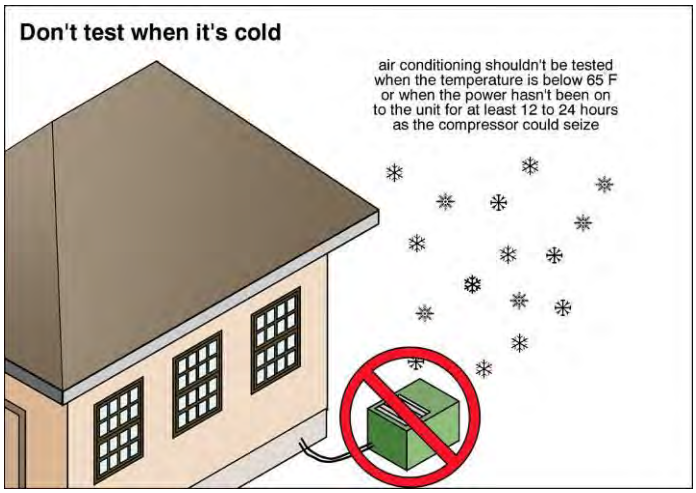
Inspections of cooling systems/heat pump systems are limited due to weather conditions. During the winter months, or when the temperature is below 60 degrees F, cooling systems cannot be fully evaluated. During extreme weather conditions cooling systems/heat pump systems may fail to operate properly leaving areas of the building either too cold or too hot. It is beyond the scope of this inspection to determine if these systems will function properly during extreme conditions. The installed cooling/heat pump equipment is inspected without: determining the correctness of its installation or the cooling/heating adequacy or distribution balance. The interiors of equipment cabinets, the interiors of air handlers, the interiors of ducting systems are not inspected. The compressors/condensing units are not operated when weather conditions or other circumstances may cause damage to these units. A further inspection by a heating/air conditioning contractor or a heating/air conditioning engineer, who would perform heat loss calculations for each room in the building and conduct air balancing calculations for each room may be desired. Only a CFC certified technician is allowed to put gauges on a condenser unit. Electric heating elements inside the air handler are not inspected. An HVAC contractor or a licensed electrician can be hired to test and inspect the heating elements using specialized instruments. These inspections require some disassembly of the system, which is beyond the scope of an inspection. If any further heating or air conditioning inspections are desired or are recommended in our report, they should be conducted prior to contractual limitations.

There was a Carrier central air conditioner condenser installed. See photo #'s 65 – 68. This unit had an approximate 5 ton cooling capacity. See illustration below.



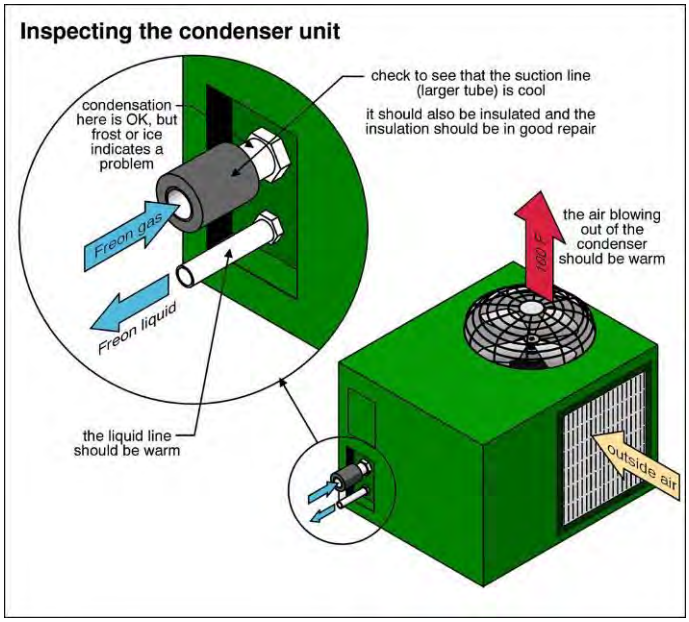
The air conditioner appliance was manufactured approximately 21 years ago. The age of this appliance is the inspector's 'best guess'. It is based on the sometimes sketchy nameplate information if available, by the general appearance of the heating system, or by the age of the building in comparison to the typical life expectancy of the air conditioning system installed. The average life expectancy of a condenser is 10 years for a standard condenser, 15 years for a high quality condenser and 20 to 25 years for a scroll type compressor. The year of manufacture is very close to the installation date. Checking with the owner of the building maybe desired to obtain the contract from the HVAC installation company, which would verify its installation date.

The central air conditioning system was not tested at the time of the inspection because the exterior temperature was below 60 degrees Fahrenheit. It is recommended that a written statement be obtained from the seller to insure the operational condition of this unit in the Spring of the year. See illustration below.



Advisory Recommendations and Observations

The insulation on the freon suction line, leading to the condensing unit, was damaged and or missing. See photo # 69. The suction line gets cold and should be completely covered with closed cell pipe insulation. Repairs or replacement of this insulation where it is missing and/or damaged is therefore recommended. This is a minor repair. See illustration below.



The air conditioning system is an older air conditioning system and is not designed by today's air conditioning standards. Upgrading of this system may be desired to adequately cool the entire dwelling and to conserve energy. A further inspection and cost estimates should be obtained from a heating and air conditioning contractor prior to contractual limitations.

Production and importation of R12 CFC-based coolant (freon) has been banned since 1995 pursuant to an international treaty serving to preserve the earth's ozone layer. You should be aware that in 2011 central air conditioning systems and other appliances (refrigerators, etc.) which utilize R22 CFC refrigerant will have to be modified to accept CFC substitutes such as R410a, or be replaced with newer models in the event that the CFC refrigerant is lost because of refrigerant leakage or as a result of system repairs. Both options will prove to be costly.

The inside cabinet, the air-to-air heat exchanger and the interior of the ducting system were not inspected and are beyond the scope of this building inspection. The interior of many HVAC systems can become contaminated with mold growth. This is because biodegradable dust and moisture present on the interior surfaces. If standard fiberglass 'see-through' filters were used there is an excellent chance that the cabinet, if not the entire system is dust mite and

mold contaminated. In some cases, if the filter holder is not air tight, air can by-pass even the best MERV-8 filters depositing biodegradable dust within the cabinet, coil and duct system. A further evaluation by an HVAC contractor, duct cleaning company or an environmental testing company is therefore recommended prior to contractual limitations.

Sealing all seams, connections and splices in all heating and/or A/C ductwork using a mastic designed for this purpose such as; Glenkote 181, Hardcast Versi-Grip 181, RCD and Uni-Mastic 181 Duct Sealer are recommended to conserve energy and for comfort reason. Duct tape and even silver foil tapes are not approved for this function.

The warehouse did not have a central air conditioning system installed.

An old, deteriorated air conditioning condenser was noted on the roof. It was partially disconnected and no longer in use. Removal of this old system is strongly recommended. See photo # 64.

17. DOMESTIC HOT WATER SYSTEM

The domestic hot water heating system (water heater) was inspected to insure that it is operational, that it is properly vented if required, that it is not actively leaking water and that it has a temperature/pressure safety relief valve installed. The temperature/pressure safety relief valves are not tested because of their high probability of leaking after being operated. We do not turn on water heaters that have been turned off for safety reasons. The current thinking is that the water heater temperature should be at least 140 degrees Fahrenheit inside the water heater tank to help kill bacteria. However, if the hot water temperature coming out of the water heater is raised above 120 degrees Fahrenheit then an anti-scald mixing valve should be installed so that the hot water from the outlet pipe of the water heater is maintained at 120 degrees Fahrenheit. Remember, 135 degrees Fahrenheit is scalding and is dangerous especially for children. The temperature / pressure safety relief valve was not tested. This is because when operated it may not shut off or will drip water. Testing this very important and necessary safety device should only be conducted by a licensed plumber who is capable of immediately replacing it if it fails to shut off.

The water heater was a Rheem, gas fired unit. See photo #'s 356 & 357. The water heater was in serviceable condition at the time of the inspection with defects noted that will require correction.

The hot water heaters capacity was 40 gallons.

The age of the water heater is approximately 3 1/2 years. The life expectancy for this type of unit is approximately 5 to 10 years.

No evidence of combustible gas leakage was detected when tested with the TIF 8800 combustion gas detector.

Defects

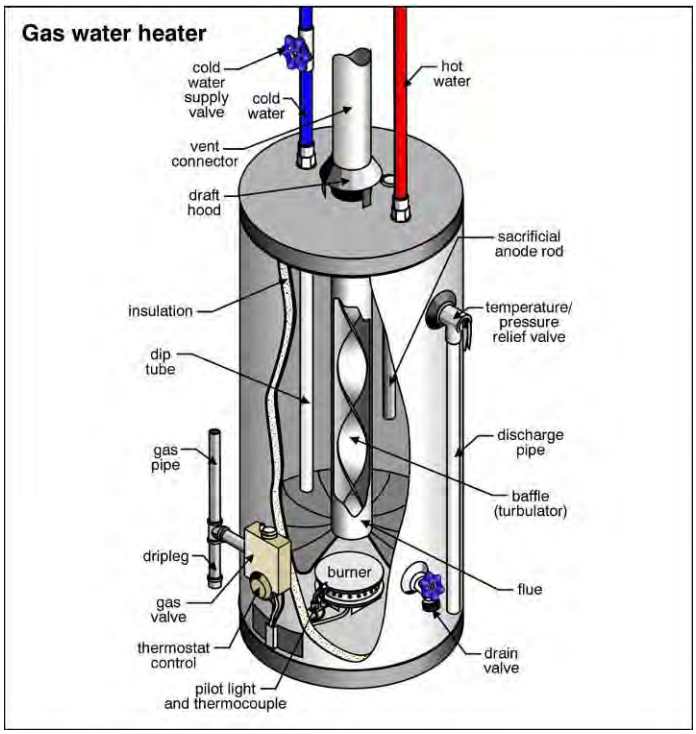
Non-metallic piping (PEX) was incorrectly installed directly into the water heater. See photo # 356. 18 inch lengths of metal piping (copper pipe) are required to be installed above the top of the water heater before the non-metallic piping (PEX) is installed. A bonding jumper cable is also required. A further evaluation and repairs by a licensed plumber will be required.

There was no bonding cable installed on the water heater's water supply piping. Its installation is required by current electrical standards.

Advisory Recommendations and Observations

Repairs to the water heater will be required for safety reasons.

Replacement of the sacrificial Anode about every four years will help to extend the life of the water heater. You can purchase the Anodes from a good plumbing house or online at www.waterheaterrescue.com. They cost about $45 each and take about 30 minutes to install. For the water conditions in northern New Jersey, the magnesium type is preferred over the aluminum type. See illustration below.



18. PLUMBING

Due to the buried or hidden condition of most plumbing systems, their inspection is limited. While conducting your inspection we operated all of the plumbing fixtures and have run waste water through the piping system during the limited time of an inspection. Although this usually allows for the detection of systems already in failure, it may not be enough time to detect a slow leak or a waste pipe that clogs with use or a crack in a pipe or shower floor pan that only leaks after it is in use for some extended amount of time. These conditions are only uncovered by constant use of a system. Interior water supply and distribution systems are inspected for functional water flow and functional drainage, excluding wells, well pumps, well water sample testing or water storage related equipment. The determination of water supply quality or quantity is not inspected nor are water conditioning systems or lawn irrigation systems inspected. The temperature pressure release valve (TPR) installed on the water heaters and boilers are not tested for operation. This is due to their high probability of leaking after being manually operated. Testing of these safety devices is recommended only by a licensed plumber who has the ability to replace the TPR valve if it fails to shut off after being operated. The report will only comment if the TPR valve has not been installed on the water heater or boiler, or if it was improperly installed or if it is actively leaking water. Shut off valves, located in the basement ceiling and below fixtures, are not tested or operated during the inspection. These valves are seldom used and if operated can leak. Further testing by a plumber who could repair these valves should they leak is recommended prior to contractual limitations. Automatic safety controls, computerized temperature sensing controls and solar heating system are not tested or inspected. It is also recommended that if the building you are purchasing is over 50 years old, a video camera inspection of the entire sewer main be conducted. This video inspection will determine if the sewer main has worn, cracked, deteriorated or if tree roots are entering it. This inspection is conducted by many plumbers and should be conducted prior to contractual limitations. If you cannot locate a company to conduct this type of inspection, please contact our office for a referral.

The domestic water was municipal.

The street to building main water supply pipe was in overall serviceable condition. The visually accessible portion of the main water supply pipe was steel. The main water supply pipe was located in the front of the building.

The main water shut off valve was not tested because the building was occupied and in production at the time of the inspection. If testing of the water main is desired, notification to the occupants will be required.

The predominately visible domestic branch water supply piping materials were copper, plastic and PEX and were in overall serviceable condition.

The predominately visible drain, waste and vent piping materials that were cast iron and polyvinyl chloride (PVC) plastic or a similar plastic piping material were in overall serviceable condition.

The predominately visible drain, waste and vent piping materials that were galvanized steel were in overall serviceable condition with defects noted that will require correction. (The normal service life for galvanized steel waste piping systems is approximately 45 years.)

As represented to us at the time of the inspection the sewage system was municipal.

The gas meter and the gas shut off were located in the lower level.

Defects
An open hole was noted in the drain pipe of the main warehouse men's bathroom. See photo # 360. Repairs will be required. Contact a licensed plumber to further evaluate this condition and to give cost estimates to correct.

An active leak in a waste water pipe was noted in the drain for the main warehouse men's bathroom. See photo # 361. Repairs will be required. Contact a licensed plumber to further evaluate this condition and to give cost estimates to correct.

Advisory Recommendations and Observations
The sewage ejector pump was operational at the time of the inspection.

A video camera inspection of the interior of the street sewer main is strongly recommended due to the age of this building. The sewer main appears to be the original pipe. The video inspection will determine if it has worn, cracked, is deteriorated or if tree roots are entering it. This inspection is conducted by many plumbers and should be conducted prior to contractual limitations. If you cannot locate a company to conduct this type of inspection, please contact our office for a referral.

19. ELECTRICAL SYSTEM

The extent of the electrical system inspection is a limited basic primarily visual, but not technically exhaustive, inspection of the installed wiring, receptacles, and switching devices. We are not licensed electricians. The electric power to or inside the building is not turned off or on. We will report on but will not turn on any branch circuits that are found turned off for safety reasons. Tests to determine amperage, impedance or voltage drops, when more than one appliance is used, are not conducted and are beyond the scope of an inspection. Branch wiring is not inspected to determine how many receptacles and / or switching devices are installed on each individual branch circuit. These types of tests and inspections can only be conducted by a licensed electrician who has the equipment and knowledge to inspect and test for these conditions. A representative number of installed lighting fixtures, switches and receptacles are inspected using their normal operation method. Remote controlled devices including outdoor lighting, motion controls, low voltage devices and ancillary wiring systems and components NOT a part of the primary electric power distribution system are NOT inspected. Solar systems / Photovoltaic (PV) power systems and any related equipment are NOT inspected and are beyond the scope of an Inspection and the expertise of the Inspector. Further inspections of the installed electrical system by a licensed electrician (and the fire department if a Solar / PV system is installed) are strongly recommended. It should be noted that furniture, storage and fixed appliances such as stoves, refrigerators, freezers, etc… are not moved in order to inspect the receptacles behind them. Low voltage systems, telephone wiring, intercoms, alarm systems, television cables, timers and computer wiring are NOT inspected and should not be considered as part of this Inspection Report. Hiring the appropriate trade person to test these systems would be required if desired by the buyer. For your understanding of the wording in this report, the estimated amperage and voltage that is listed in this report is for the building / unit that is being inspected, as requested by our client. It is determined by the size of the service entrance wires as well as the size of the main service disconnect device. The service conductors are the cables used for delivering electrical energy from the utility company to the building being serviced. The service drop wires are overhead cables and service lateral conductors are underground cables.

According to the latest statistics from the National Fire Protection Association (NFPA), electrical distribution was the largest cause of property damage wreaking $643.2 million in property damage in home structure fires. According to the latest statistics from the US Consumer Product Safety Commission (CPSC), household wiring tied with small appliances as the leading cause of accidental electrocutions associated with consumer products. For this reason, the Electrical Safety Foundation International (ESFI) is urging homeowners to have their homes electrically inspected by a qualified, licensed electrician particularly if they fall into one of the following categories: 1) owner of a home 40 or more

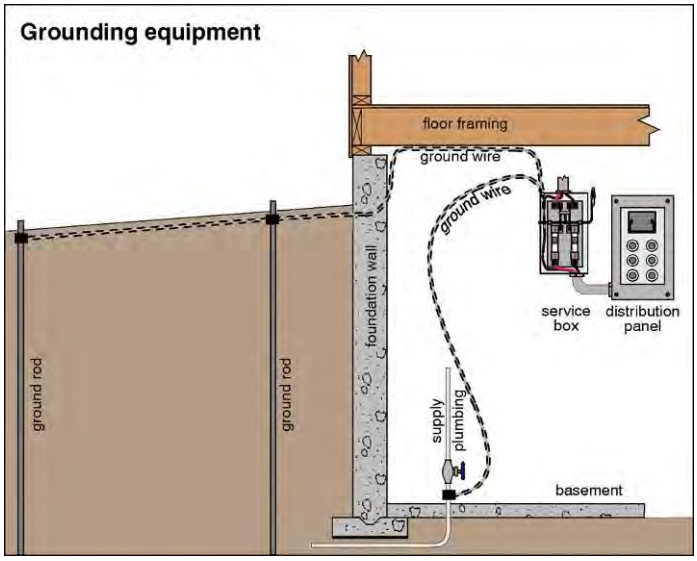
years old; 2) owner of a home 10 or more years old that had had major renovation, addition or major new appliance; or 3) new owner of a previously owner home. These and other electrical safety tips are available at the Foundation's web site at www.electrical-safety.org or by phone at 703-841-3229.

The total estimated ampere service to the building is greater than 2500 three phase amperes and 125/240 volts via two separate service areas. See photo #'s 231 – 234.

The service lateral conductors were installed overhead and were in overall serviceable condition with defects noted that will require correction.

The service entrance conductors were copper and were in overall serviceable condition with defects noted that will require correction.

The electric service had a copper grounding conductor installed. It was in overall serviceable condition with defects noted that will require correction. See illustration below.



The branch wiring that was predominately visible in this building, was non-metallic copper cable (Romex) and copper armored cable (BX) and was in overall serviceable condition with defects noted that will require correction.

Multiple and numerous electrical panels, subpanels, main shutoffs and shutoffs were noted throughout the warehouse areas. Some of these boxes could not be located and/or accessed due to storage blocking them and were located in active production areas. Only the boxes that could be found were visually inspected only. Most of the boxes were poorly labeled and some had completely loose covers. See photo #'s 294, 346 – 351 & 364. Repairs will be required.

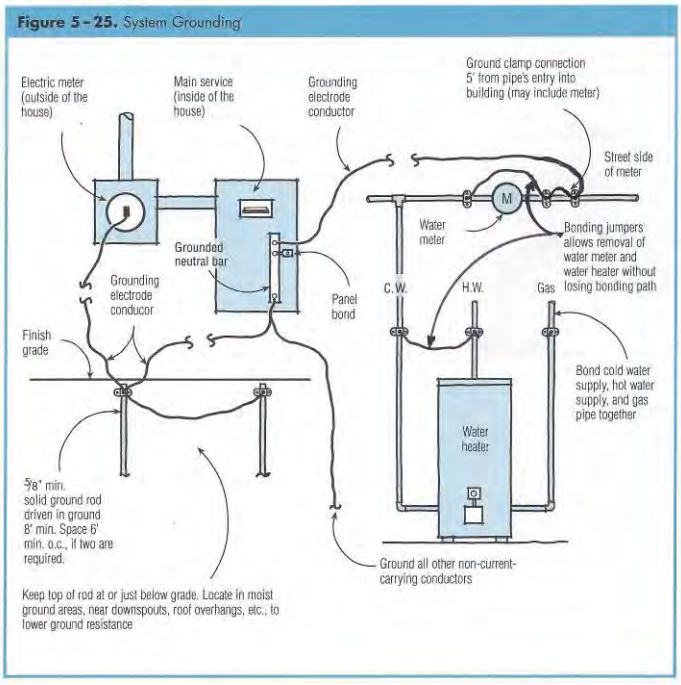
Defects

Bare crimp wire connectors were installed on the electric service drop conductors at the old wiring splices. See photo # 235. This is a potentially dangerous condition. Contacting the local electric company to install insulation on the compression fittings will therefore be required for electrical safety reasons.

The service entrance conductors on the transformers where they enter the buildings supply were frayed with replacement required. See photo #'s 395 & 396. Contact the local electric company to further evaluate this condition and to give cost estimates to correct.

The transition box for the electrical service is rusted away. See photo # 236. Repairs will be required to prevent water entry, electrical shorts and for fire and electrical safety reasons.

There was no bonding cable installed on the water heater's water supply piping. Its installation is required by current electrical standards. See illustration below.



Some ground fault circuit interrupt receptacles were installed however it is recommended that additional GFCI receptacles be installed in all wet locations: exterior, garage, kitchen and bathrooms for safety reasons.

Loose conduit, exposed wires and loose connections were noted in much of the warehouse lighting. See photo #'s 400 – 402. Repairs will be required.

Numerous electrical junction boxes in the warehouse were missing their cover plates with repairs or replacement by a licensed electrician required for safety reasons. See photo #'s 301 & 352.

Old, damaged and/or disconnected wiring conduit or piping was noted on the rear right. See photo #'s 43 & 113 – 115. Repairs will be required by the removal of any non-working areas and securing any active areas.

Dog House, Cord Entrapped or Bubble covers were not installed or were broken on the exterior receptacle outlets. See photo # 138. These covers are required to be installed on all exterior receptacle outlets to protect cords that are plugged into the exterior receptacle outlet from getting wet.

Advisory Recommendations and Observations

Contacting a licensed electrician will be required to make the necessary repairs, which are listed in this report and to inspect this building's entire electrical system. This is to insure the safe operation of the electrical system for life and fire safety reasons. This will require that all the electrical panels are fully accessible and the operation of the building is not in use.

20. INTERIOR ROOMS

Walls, ceilings and floors are inspected for their general condition. Paint, wallpaper, other finish treatments and non-permanent floor coverings are not inspected. Steps, stairways and railings are inspected. Fireplaces and solid fuel appliances are inspected without testing draft characteristics. Fire screens, fireplace equipment, doors, seals, gaskets, automatic fuel feed devices, mantles, non-structural fireplace surrounds, combustion make-up air devices or gravity fed and fan assisted heat distribution systems, and the interior of flues and chimneys are not inspected. These areas fall outside the scope of your inspection. If an inspection of these areas is desired, contacting a licensed chimney sweep or professional in those areas will be required. Installed kitchen wall cabinets are inspected to determine if they are secure but they are not inspected for scratches, wear or variations of colors and shading. All fixtures/faucets are operated and inspected for functional water flow and functional drainage. The tiles in the tub and shower areas are sounded by tapping with the inspector's hand. Any indication of loose tiles or grout is reported on, however, this does not guarantee that moisture has not migrated behind the tiles and is inside the walls nor does it guarantee the future condition of the tub and shower walls. Shower floor pans are not flooded with water to determine if they leak. Any cracks in the shower floor are an indication of potential leakage and water entry under the shower floor. Without the

proper maintenance, walls constructed in wet locations can deteriorate rapidly. It is prudent for the buyer to re-inspect all plumbing fixtures/faucets prior to contractual limitations to insure that problems have not developed between the time of this inspection and the closing.

WAREHOUSE / PRODUCTION / SHIPPING / STORAGE AREAS

An extremely cluttered condition existed in this area due to storage, inventory, machinery and production. This condition is preventing a thorough inspection from being conducted. It is strongly recommended that an inspection of this area be conducted to ensure that no hidden structural defects exist. If an inspection is desired, contacting our office to schedule this inspection will be required. An inspection fee will apply. The cluttered condition must be removed before scheduling the inspection. We cannot be responsible for areas that cannot be seen for inspection purposes. Inaccessible areas are excluded from a Building Inspection by the New Jersey Administrative code NJAC 13:40-15.16 Standards of Practice.

See photo #'s 243 – 263, 265, 278 – 288, 293 & 294.

The concrete floor was in overall serviceable condition with defects noted that will require correction.

The wall finishing material was masonry block and was defective. See the Siding section of this report for additional information.

The doors were defective. See the Exterior Entry Door section of this report for a further discussion and explanation about the condition of the entry doors in this room.

The windows were defective and in poor condition. See the Exterior Windows section of this report for a further discussion and explanation about the condition of the windows in this room.

Defects
Cracks were noted in the flooring. Repair or replacement will be required.

See the roof section of this report for additional roof related defects.

Structural damage was noted at:

1. The pilaster support for the roof support I-beam on the rear. See photo #'s 267 & 268.
2. At the repaired areas on the rear. See photo #'s 156, 269 & 270.
3. The front foundation by the steps to the lower level has settled and cracked from under the metal I-beam support. See photo #'s 275 & 276.
4. The metal decking for the stairway landing is rusted and damaged. See photo # 277.
5. The front pilaster on the front lower level is bowed inward. See photo # 284.
6. The front right corner pilaster is leaning inward. See photo # 345.
7. Cracks foundation material was noted at the loading dock. See photo #'s 403 – 405.

A further inspection / evaluation by a structural engineer is required to determine the cause, the extent of the damage, the required repairs and costs associated with repairs prior to contractual limitations.

Because of the numerous defects found with the masonry block walls / supports / pilasters, its condition would be considered a 'material defect'. As per its definition in the NJ Home Inspection Administrative Code, NJAC 13:40-15.2 a 'material defect' is a condition or a functional aspect of a structural component or system that is readily ascertainable during a building inspection that substantially affects the value, habitability, or safety of the building and/or can be considered a possible expensive repair or replacement and should be evaluated by a structural engineer. In our opinion, the block walls of the building should be further evaluated prior to contractual limitations.

FOYER

The tile floor was in overall serviceable condition with defects noted that will require correction.

The wall finishing material was in overall serviceable condition.

The ceiling finishing material was in overall serviceable condition.

The doors were in overall serviceable condition.

The windows were defective and in poor condition. See the Exterior Windows section of this report for a further discussion and explanation about the condition of the windows in this room.

Defects
The floor was deteriorated with repairs or replacement required. See photo #'s 378 & 379.

OFFICES

See photo #'s 365, 366, 375 – 377 & 381 – 385.

The wall to wall carpet installed over the asbestos containing resilient floor covering commonly known as vinyl asbestos floor tiles was in overall serviceable condition with defects noted that will require correction. Although they are considered to be non-friable, they may release asbestos fibers if broken or disturbed. A further evaluation by an asbestos abatement company may be desired. See photo # 390.

The wall finishing material was in overall serviceable condition.

The ceiling finishing material was a suspended ceiling and was in overall serviceable condition with defects noted that will require correction.

The interior doors were in overall serviceable condition.

The windows were defective and in poor condition. See the Exterior Windows section of this report for a further discussion and explanation about the condition of the windows in this room.

Defects
The wall to wall carpet in the office areas was in overall poor condition. It was dirty, stained and/or worn. Cleaning or replacement of the wall to wall carpet in this area will be required.

Water stains/damage was noted on multiple ceiling tiles in the offices. See photo #'s 380 & 391 – 393. Repairs to the water leakage as well as the ceiling will be required. Obtaining cost estimates for any repairs will be required prior to contractual limitations.

BATHROOMS

The two lower level warehouse bathrooms were out of service and locked. Therefore, they were not inspected. Repairs and remodeling may be desired. See photo #'s 320 & 321.

The two upper level warehouse bathrooms were old, poorly maintained and dirty. Repairs and cleaning will be required.

The two office area bathrooms were in serviceable condition and fully operational.

NOTE: The vent fans in the bathrooms were dirty and poorly maintained. Repair or replacement will be required.

See photo #'s 358 – 363 & 387 – 389.

21. SMOKE DETECTORS

The smoke detectors and carbon monoxide detectors were not inspected. Smoke detectors and carbon monoxide detectors are required to be installed in all buildings in the State of New Jersey and are required to be inspected according to local municipal government regulations prior to contractual limitations. We recommend that you install the photoelectric type of smoke detector and have separate carbon monoxide detectors installed in the appropriate locations for safety reasons. This is because the vast majority of residential fire fatalities are due to smoke inhalation, not actual flames. Ionization alarms respond on average between 15 to 50 minutes slower in a smoldering fire than photoelectric alarms. It is important to remember to change the batteries annually. The sellers should provide you with a smoke detector and carbon monoxide detector certification or certificate of occupancy (CO) should be provided to

you at closing. For more information please read the article 'Silent Alarms; Deadly Differences' on our website: www.dicoinspection.com.

22. SECURITY SYSTEM

A security system appears to have been installed. It was not tested and should not be considered as part of this inspection report. It is recommended that a representative from a security system company be contacted to properly test as well as change the codes of this system prior to contractual limitations. This way any repairs or updates to the system can be conducted prior to moving in. Inspection of security systems is excluded from Inspection by the New Jersey NJAC 13:40-15.16 Standards of Practice.

23. ELEVATOR

An elevator was installed in this building. It was not inspected and therefore should not be considered as part of the Inspection Report. If an inspection of the elevator is desired, contacting a licensed elevator inspection company will be required. Inspection of elevators is excluded from Inspection by the New Jersey NJAC 13:40-15.16 Standards of Practice.

24. FIRE SPRINKLER

A fire sprinkler system was installed in this building. It was not inspected and therefore should not be considered as part of this Inspection Report. If an inspection of the sprinkler system is desired, contacting a sprinkler installation and inspection company will be required. Due to the many recalls on defective sprinkler heads, it is advised that an inspection be conducted. Inspection of fire suppression systems are excluded from Inspection by the New Jersey NJAC 13:40-15.16 Standards of Practice.

See photo # 367.

25. INSECTS/RODENTS/BIRDS

Because of seasonal conditions, the time of the day, as well as noise, animals and/or insects may or may not be present, however, indications that they were or still are present but cannot be seen maybe found. This could be egg casings, animal droppings, dead insects, rub marks, residual chewed debris or some other sign which leads us to this conclusion. Further evaluations of this condition by a licensed exterminator is recommended to eliminate these pest/pests from the building.

Evidence of squirrels was noted in the warehouse as noted by the inspector watching squirrels run around the interior of the building especially on the mezzanine level. The squirrels were entering through the broken windows via the overgrowth on the exterior. Removal of the animal and exclusion from entry will be required.

An unknown type of animal was noted in a burrow under the debris on the right side of the building. See photo # 126.

Evidence of birds was noted behind the loose light fixture on the rear. See photo # 241. Removal of the animal and exclusion from entry will be required.

Evidence of spiders was noted in the warehouse. See photo # 394. Extermination will be required. If a cost estimate for the required extermination is desired, contacting a local extermination company to obtain a formal proposal and contract is recommended.

Advisory Recommendations and Observations

Someone was feeding an animal(s) on the rear right and a habitat box was set up. See photo #'s 133 & 134. Its removal is recommended to prevent animals from being on the property.

Sealing of any opening in the building 1/4-inch in diameter or larger will be required to help eliminate an entry point. This procedure is part of Integrated Pest Management (IPM) and can be conducted by most exterminating companies.

Permanent closure of the opening where the entry point exists will be required.

26. WOOD DESTROYING ORGANISMS

DICO Building Inspection Service does not conduct Wood Destroying Organism Inspections. This includes, but is not limited to, an active or inactive infestation as well as any damage caused by these wood destroying organisms. Wood destroying organisms include, but are not limited to; termites, carpenter ants, carpenter bees, powder post beetles, lucid beetles, wood fungi, wood rot and mold. Our client may have chosen an independent company to conduct that inspection. Please review the wood destroying organism inspection report provided by that company. If an independent inspection for Wood Destroying Organisms was not ordered, DICO strongly recommends that a Wood Destroying Organism Inspection be conducted, prior to contractual limitations. If any wood destroying organisms / insect conditions were observed by DICO at the time of the inspection, (which may or may not be mentioned as part of the independent company's report) they should not be considered as part of a Wood Destroying Insect Inspection or Report.

27. ENVIRONMENTAL

Environmental tests are specific, in-depth inspections that must be conducted by licensed people in these fields. These tests are not covered under the New Jersey Administrative code NJAC 13:40-15.16 Standards of Practice inspection standards and are NOT conducted by DICO during the course of a Home / Building Inspection. If during the course of our Home / Building Inspection we happen to observe a material, substance or condition that in the inspector's opinion appears to be hazardous, we will list that suspect material, substance or condition in the Environmental section of this report. In no way, should it be assumed that our casual observation of a possible hazardous material, substance or condition, takes the place of specific, in-depth, independent, environmental inspections. Other materials and other locations with-in this building, with different or the same hazardous conditions, could exist. Therefore, further testing maybe advised. DICO assumes no liability for tests conducted by independent contractors or independent testing companies, even if the independent contractor or testing company may have been referred by DICO.

NOTE: Multiple well heads were noted on the property. This is usually done for environmental testing of the property. See photo # 218. Further information from the building's owner or environmental inspection company should be obtained.

ASBESTOS

The carpet installed over the asbestos containing resilient floor covering commonly known as vinyl asbestos floor tiles was in overall serviceable condition. Although they are considered to be non-friable, they may release asbestos fibers if broken or disturbed. A further evaluation by an asbestos abatement company may be desired.

FUEL STORAGE TANK

DICO Building Inspection Service, Inc. does not conduct fuel tank testing, search or remediation. For companies that conduct this service you could contact the NJ DEP's environmental hot line at 877-927-6337 or the NJ Bureau of Field Operations at 973-669-3960. Your realtor or our office can also give you a list of local companies that perform this service. However, we do not endorse or receive any benefit from these companies.

LEAD PAINT

There is a strong probability that lead paint was used to paint interior surfaces in this building. Additional testing for the presence of lead may therefore be desired.

There is a strong probability that lead paint was used to paint the building due to its age. Additional testing for the presence of lead may therefore be desired.

In April of 2010, all contractors must be certified under the EPA's Renovation, Repair and Painting rule. The following link is for 'The Lead Safe Certified Guide to RENOVATE RIGHT', the EPA's new lead guidelines effective October 2010. http://www.epa.gov/lead/pubs/renovaterightbrochure.pdf

This property was not inspected for the presence or absence of health related molds or fungi. Further testing for the presence of mold by a qualified mold testing company would therefore be required. DICO Building Inspection Service, Inc. is neither qualified nor licensed to inspect for health related molds or fungi. If you would like more information about health related molds or if you desire an inspection for the presence or absence of health related molds, contacting an environmental specialist or an industrial hygienist, to conduct such an inspection, would be required. For more information you can call the EPA Indoor Air Quality Information Clearing House at 800-438-4318. The New Jersey Health Department of Health and Senior Services Consumer and Environmental Health Services / Indoor Environments Program manages mold problems in the state of New Jersey. They also have a list of mold inspection and mold remediation companies that work in New Jersey. They can be contacted by phone at 609-631-6749 or by email joe.eldridge@doh.state.nj.us. The website address is www.state.nj.us/health/eoh/tsrp. Additional information on mold can be found at the following links: American Industrial Hygiene Association - www.aiha.org; Center for Disease Control - www.cdc.gov/mold; Environmental Protection Agency - http://www.epa.gov/mold/moldresources.html.

28. RADON

A test for the detection of radon gas in the air is available but was not conducted at the time of the inspection as requested by the buyer. The EPA recommends that ALL homes be tested for radon gas.

Radon is a naturally occurring radioactive gas. It results from the radioactive decay process of natural uranium in the soil, and is found in rocks and soil everywhere in varying concentrations.

While radon disperses quickly in the outdoor environment, it can accumulate in enclosed spaces, and can be an unwelcome part of our home or building environment. Long-term exposure to radon has been linked to increased risk of lung cancer. The greater the concentration and the longer the exposure, the greater the risk of lung cancer. Since radon is invisible and odorless, the only way to detect the presence of radon is with a specialized test.

The New Jersey Department of Environmental Protection (NJDEP) recommends that all homeowners test their homes for radon, and consider mitigating (fixing) their homes if tests reveal elevated levels. Even in areas that generally have low radon potential, elevated levels of radon have been found in some homes.

Radon concentration is affected by many factors including: the concentration of uranium in the soil beneath the home; the ease with which radon moves through the soil; and the number and size of openings into the home (such as cracks in the flooring, openings around pipes and sump pits).

In addition, slight differences between indoor and outdoor air pressure will affect the rate at which radon enters the home. Reduced indoor pressure draws radon gas in greater amounts from underlying soil into the building. Since warm air rises, and air in a building is often warmer than the outside air, this 'stack effect' causes lower indoor air pressure. Lower indoor air pressure also results from use of kitchen or attic exhaust fans; venting of air by furnaces, clothes dryers and other appliances; and opening the downwind windows in a home. Lower indoor air pressure increases radon concentrations. Another means of entrance for radon gas is from water supplies, when radon escapes from water during showering, cooking, etc.

All these factors vary greatly from home to home, and the lifestyle of a particular family can affect these factors as well (for example, how much the family uses vented appliances and heating systems). As a result, one home may have a high level of radon while the home next door may have a low level.

The higher the level of radon gas in a home, the greater the amount that is inhaled. As radon goes through the radioactive decay process, it produces other radioactive materials in the form of solids. These decay products can attach to particles in the air, such as dust or cigarette smoke, which can become trapped in the lungs. The decay products continue to emit a type of radiation that has the potential to damage lung cells and possibly start the formation of cancer. The risk of lung cancer from radon is much greater for smokers than non-smokers.

Lung cancer is the only known health effect from radon exposure. The National Academy of Sciences estimates that between 15,000 and 22,000 deaths from lung cancer are caused by radon each year in the United States. Radon is the second leading cause of lung cancer after smoking.

DICO Building Inspection Service, Inc. uses continuous radon monitors (CRMs) and charcoal canisters to test for the presence of radon. The minimum testing time is two days (48 hours). Please refer to the handout 'Radon Testing and Mitigation: The Basics' for additional information on conducting the test and interpreting the results.

29. NOTES

Repairs to all defects listed under the defects sections will be required. Obtaining cost estimates for all repairs is also recommended prior to contractual limitations.

Photos were taken at the time of the inspection. They are on file and were either emailed to our client or included in the report.

DICO Building Inspection Service, Inc. assures the buyer that every reasonable effort was made to ascertain the present condition of the building through a visual inspection. This inspection is the oral and written professional opinion of those conditions which existed at the time of the inspection. We do not, under any circumstances, make any representation, guarantee or warranty as to the reported condition or to the property's future condition. The purchaser should re-inspect the property and all mechanical systems, before closing, with this report in hand. Recommended replacements, repairs, and investigations should be performed prior to contractual limitations, or as advised by your attorney. If the buyer is unable to properly re-inspect the property and its mechanical systems, he/she should consult the proper professional in order to ascertain the conditions of all items at the time of the final walk through.

INSPECTOR'S CERTIFICATION

ANTHONY J. CHIMKO
INSPECTOR
NJ LICENSE #24GI00029200

DATE INSPECTED: 03-06-2017
AJC/mb