

ENGINEER'S REPORT



ADDRESS: 352 EAST 55TH STREET
PREPARED FOR: YING TONG REALTY LLC
DATE: FEBRUARY 25, 2013

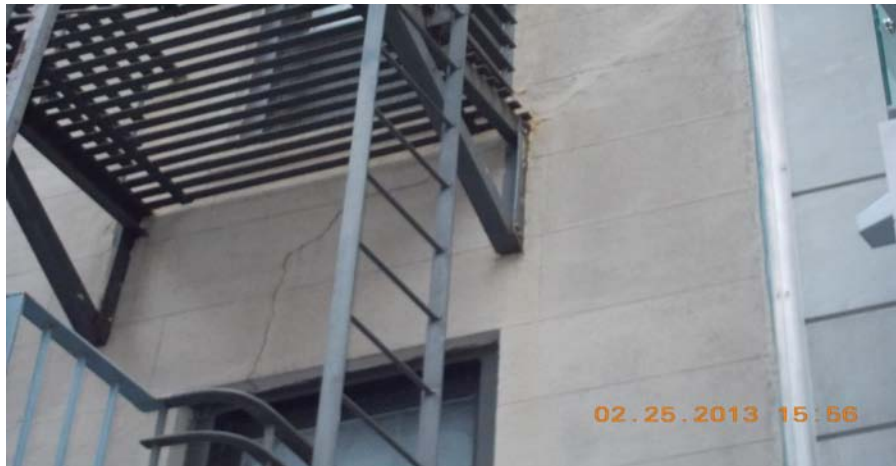
DANIEL HOM, P. E.
80 ELIZABETH ST., #7B
NEW YORK, NY 10013
(718) 836-8882



FRONT OF BUILDING



SETTLEMENT CRACKS ON FRONT EXTERIOR WALL



SETTLEMENT CRACKS ON FRONT EXTERIOR WALL



FRONT STEPS TO BASEMENT



1ST FLOOR FRONT STORE



SERVICE PANEL INSIDE 1ST FLOOR STORE



REAR 1ST FLOOR



TOILET FOR 1ST FLOOR STORE



1ST FLOOR HALLWAY IN FRONT OF STAIR – NOTICEABLY SAGGING



INCOMING WATER MAIN & METER



BASEMENT - ASBESTOS ON HEATING PIPES



GAS METER FOR BUILDING - HEATING & HOT WATER



BASEMENT FRONT ENTRANCE DOOR – SPALLING FOUNDATION WALL



MAIN ELECTRIC SHUTOFF PANEL FOR BUILDING



ELECTRIC METERS & PANELS



HOUSE TRAP & SEWER CLEANOUT – NEEDS COVERING CLEANOUT



FRONT BASEMENT ENTRANCE AREA – FOUNDATION WALL SPALLING



GAS METERS



BOILER FOR HEATING



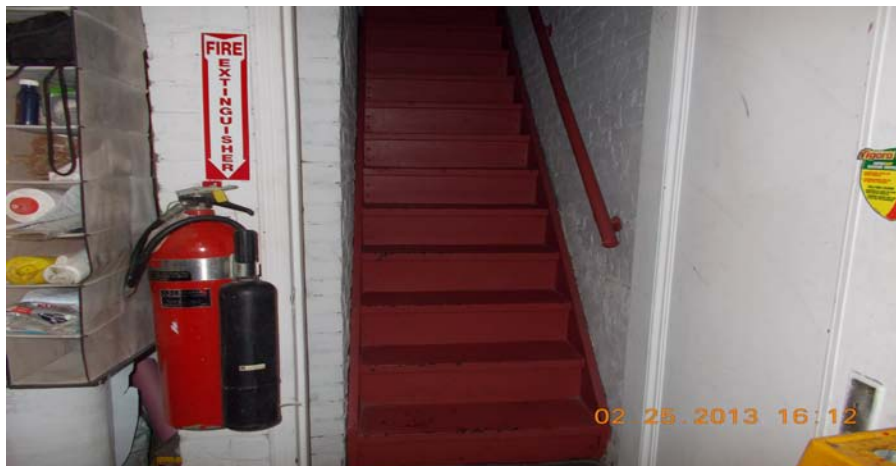
HOT WATER BOILER & STORAGE TANK



THERMOSTAT INSIDE BOILER ROOM TO CONTROL HEATING TEMPERATURE



SUMP PIT & PUMP INSIDE BOILER ROOM



FRONT BASEMENT – STAIR TO 1ST FLOOR



FRONT BASEMENT – COLUMN & LOOSE WIRINGS



REAR BASEMENT – FINISHED AREA AS PART OF 1ST REAR APARTMENT



REAR BASEMENT – FULL BATHROOM



REAR BASEMENT INTERNAL STAIR BETWEEN 1ST FLOOR REAR APT



REAR FINISHED BASEMENT & DOOR TO REAR YARD



REAR OF HOUSE



REAR OF BUILDING & REAR YARD



REAR OF BUILDING & BASEMENT



REAR BASEMENT – ROTTED & SOFT HARDWOOD FLOORING IN FRONT OF DOOR



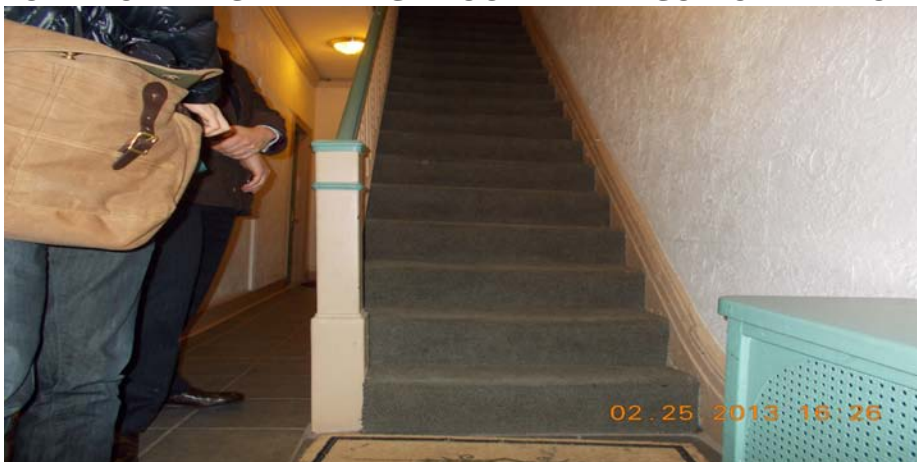
REAR 1ST FLOOR APARTMENT



REAR 1ST FLOOR – WATER SEEPAGE ON CEILING



FRONT BUILDING ENTRANCE DOOR – INTERCOM & MAILBOXES



FRONT STAIR TO APARTMENTS SLIGHTLY SAGGING



SERVICE PANEL INSIDE APT. #3A



APT. #3A - FULL BATHROOM



APT. #3A - KITCHEN\



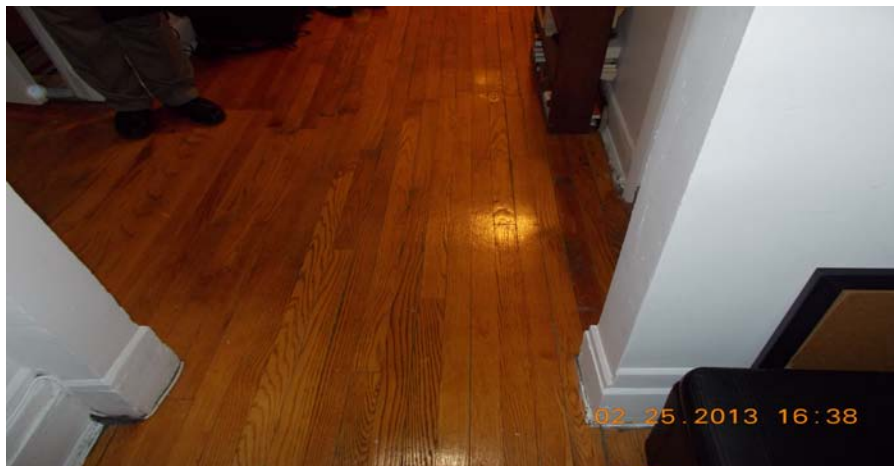
APT. #3A - BATHROOM CEILING - PAST LEAKS



BUILDING HALLWAY & STAIR



APT. #3B - TOILET



APT. #3B – HALLWAY SAGGING IN FRONT OF BATHROOM AREAS



STAIR TO ROOF



FRONT ROOFING



REAR ROOFING



REAR YARD



SIDE EXTERIOR WALL – WORN OFF DETERIORATED ON BRICKS



ROOFING



FRONT OF BUILDING LOOKING DOWN



APT. # 2B – REAR KITCHEN WALL – WATER DAMAGES



APT. # 2B – OLD BATHROOM

DANIEL HOM, P. E.
CONSULTING ENGINEERING & INSPECTION SERVICES
80 ELIZABETH STREET, #7B
NEW YORK, NY 10013
(718) 836-8882

February 25, 2013

Re: Premises Inspection
352 East 55th Street
Manhattan, NY

Ying Tong Realty, LLC

Dear Mr. Han,

Enclosed is the engineering inspection report of the above-mentioned premises which was inspected Monday, February 25, 2013. This inspection report has been prepared at your request with the summary on the front pages.

The foregoing report is to cover only such portions of the premises and the equipment therein as may be examined visually, note that anything behind the finished paneling or covered were not inspected for their condition. I warn you that although such premises and the equipment may be in good condition when examined, the condition may change thereafter. Furthermore, this report is not to be used as a basis for determining the value of such premises or the opinion of purchasing such premises. This report is not to be construed as guarantee or warranty of the premises or equipment therein or their fitness for use. Please be advised that the liability for mistakes or omissions in this inspection report is only limited to a refund of the fee paid for this inspection report.

Sincerely yours,


DANIEL P. HOM, P. E.

DANIEL HOM, P. E.

CONSULTING ENGINEERING & INSPECTION SERVICES

80 ELIZABETH STREET, #7B

NEW YORK, NY 10013

(718) 836-8882

TERMITE INSPECTION REPORT

DATE: FEBRUARY 25, 2013

NAME OF BUYER: YING TONG REALTY LLC

INSPECTED PROPERTY: 352 EAST 55TH STREET, MANHATTAN, NY

STRUCTURE INSPECTED: 4-Story with Basement, Brick, Attached

PEST CONTROL OPERATOR: DANIEL HOM, P. E., LICENSE #: C2625642

1) WERE ANY AREAS OF THE PROPERTY OBSTRUCTED OR INACCESSIBLE: YES

2) OBSTRUCTIONS OR INACCESSIBLE AREAS: All inaccessible areas
Most foundation walls, all wooden floor joists are
covered and not observed. All wooden studs/beams
behind/beneath bathroom/kitchen wall
paneling/flooring are completely covered. Basement
raised wooden flooring is completely covered.

3) BASED ON CAREFUL VISUAL INSPECTION OF THE READILY ACCESSIBLE AREAS OF THE PROPERTY: (Check One)

- ☐ A. Visible evidence of wood destroying insects was observed. No control measures were performed. Insects observed: _____
- ☒ B. No visible evidence of infestation from wood destroying insects was observed.
- ☐ C. Visible evidence of infestation was observed; proper control measures were performed
- ☐ D. Visible damages due to _____ has been observed in the following areas: _____
- ☐ E. Visible evidence of previous treated infestation, which is now inactive, was observed. (Explain in Item 5)

4) DAMAGE OBSERVED ABOVE. IF ANY: (Check One)

- ☐ A. Will be/has been corrected by this company.
- ☐ B. Will be corrected by another company.
- ☐ C. Will not be corrected by this company. Recommend that damage be evaluated by building expert.

5) ADDITIONAL COMMENTS: The rear basement raised hardwood floorings, especially in the area of the rear entrance door, are very soft, loose and deteriorated due to past water/termite damages. Although no active termites were noted at this time, it is however, recommends termite extermination after complete removal of the wooden flooring.

6) STATEMENT OF PEST CONTROL OPERATOR:

- A. The inspection covered with readily accessible areas of the property including attics and crawl spaces which permit entry. Special attention was given to those accessible areas which experience has shown to be particularly susceptible to attack by wood destroying insects. Probing and/or sounding of those areas and other visible accessible wood members showing evidence of infestation was performed.
- B. The inspection did not include areas which were obstructed or inaccessible at the time of inspection. Areas that were inaccessible or obstructed in item 2 may include, but are not limited to, wall covering, fixed ceiling, floor coverings, furniture or stored articles.
- C. This is not a structural damage report. Neither is this a warranty as to absence of wood destroying insects.
- D. Neither I nor the company for which I am acting have had, presently have, or contemplate having any interest in the property. I do further state that neither I nor the company for which I am acting is associated in any way with any party to this transaction.


DANIEL HOM, P. E.

**Re: Premises Inspection
352 East 55th Street
Manhattan, NY**

The following report represents a result of a visual condition survey of the above-mentioned premises which was conducted on Monday, February 25, 2013.

The building is a four-story brick, attached building with a full basement about half finished.

The building has seven residential apartment units and a store. Each of the 2nd to 4th floors has two apartment units; the 1st floor rear has one apartment; and the 1st floor front store that is occupied as a Rug Retail store.

The exterior walls are masonry-constructed and covered with bricks. The exterior walls are resting on concrete foundation.

The size of the lot is about 20' by 100'.

The building is approximately 85+ years old.

The building has no garage.

Please be advised that this inspection is a visual condition survey of the building and without any testing performed. All components that are covered were not inspected for their conditions.

1. OVERALL

All things considered, the building is found to be in satisfactory condition and without any major problems.

The interior of Apartments # 1B, 3A, 3B, and 4A are renovated about 14 years ago and appeared well kept and maintained; and Apartments #2B and 4B are old but satisfactory and needs cosmetic repairs where needed.

Apartment # 2A was inaccessible for inspection.

The heating, plumbing, and electrical systems are in satisfactory condition and functioning properly at the time of inspection, except as noted. (See Following Sections)

The flooring for the entire building, especially along the staircases and bathrooms, are noticeably sagging, and needs structural repairs and reinforcing. See Structural Section for details.

Please make sure that all outstanding violations, if any, are completely removed by the owner before closing.

The balance of this report deals with major items directly.

2. STRUCTURAL SYSTEM

Examination of the overall structure of the building itself showed to be in satisfactory condition. No evidence of wall openings, foundation separation or settlement. No major structural items that would require corrective action. Note that all exterior/foundation walls and wooden floor joists that are covered with finished paneling were not inspected.

The foundation walls are about 16" thick stone masonry foundation walls.

The exterior walls are masonry-constructed and covered with bricks and overall satisfactory.

The 3" x 10" wooden floor joists supporting the 1st floor flooring, where visible, are spaced about 16 inches on center.

All 2nd, 3rd and 4th floor wooden floor joists are covered with ceiling materials and therefore, the exact size of the floor joists and their conditions cannot be determined.

The girders (intermediate support beams for the floor joists) and columns, if any, are completely concealed and therefore their sizes and conditions were not observed.

Where visible, the exterior walls, foundation walls and floor joists appeared in satisfactory condition. No repairs are needed except as noted below.

Note that all wooden support beams should be the original members with some of the beams are cracked along with splitting sections.

The front exterior wall was noted for settlement cracks especially above and below the 2nd and 3rd floor windows. See pictures. These settlement cracks are results inferior installation along with past differential settlement but of no structural concerns. However, the open cracks and deficient areas should be completely repaired and sealed with crack sealer.

Please be advised that all wooden joists are covered and therefore not inspected for their condition. You should consider removing some of the ceiling paneling, especially in the areas of the kitchens and bathrooms, in order to determine the condition of the floor joists. Any deteriorated/damaged joists should be repaired or replaced.

2. STRUCTURAL SYSTEM (CONT'D)

Inside the building, there were indications of previous settlement here and there, with some minor floor settlement and floor squeaks. But this is completely normal and to be expected in just about any structure this age. There are, however, no indications of structural instability.

The 1st, 2nd, 3rd and 4th floor flooring were noticeably settled especially along the apartment hallways and bathrooms are noticeably settled due to distortion/water damages to the wooden floor joists that support these areas. See pictures. The proper way to repair these areas is to remove the bathroom/hallway floorings in order to secure/replace and reinforce the wooden joists.

The staircase to the 2nd floor is noticeably sagging toward the middle due to heavy usage and wear and tear. Although not of any structural concern at this time, however, it is recommended that the bottom of the staircase support beams be reinforced with steel posts to prevent further sagging.

3. BASEMENT

The front of the basement is completely below sidewalk grade and the rear of the basement is mostly above rear yard.

The masonry foundation walls, wooden framing members and concrete slab, where visible, appeared to be in satisfactory condition.

There were no visual signs of cracking, no evidence of water seepage or wet basement condition.

The rear of the basement is completely finished and is part of the duplex to the 1st floor rear apartment and connected with a structural steel stair.

The finished basement has a family room and a full bathroom.

The rear finished basement is covered with sheetrock wall paneling; sheetrock ceilings; with raised hardwood flooring over the concrete flooring.

The front half of the basement is unfinished and where the utility meters and boiler room are located. The front of the basement has direct access to the front street. There is an internal stair from the 1st floor apartment entrance area to the basement.

Inside the unfinished portion of the basement, the foundation walls and concrete floor slab are not covered with any finished materials. The overhead floor joists are covered with plaster ceilings.

Some areas of the foundation walls, where visible, were noted for spalling of masonry surfaces along with minor water seepage. See pictures. The spalled areas should be neatly removed to sound concrete surfaces and coated with waterproofing compound.

Please note that any exposed foundation walls would require periodical painting with waterproofing paint.

The rear basement wooden flooring is very soft and rotted due to past/active water/termite damages. However, no active termite actions were noted. Attention will be required to the wooden flooring. The wooden flooring should be completely removed and replaced with masonry/linoleum floor tiles over concrete flooring.

Note that the basement wooden flooring is subjected to water/termite damages and attention is needed on the wooden flooring.

3. BASEMENT (CONT'D)

Some sections of the overhead heating pipes are wrapped with asbestos containing insulation materials. See picture. As a safety concern, the asbestos insulation should be properly removed and disposed of.

The basement boiler room is furnished with a sump pump inside the sump pit below the basement floor slab. See picture. The sump pump is for the purpose of pumping out excessive water in case of water seepage or high ground water level problem.

The front and rear exterior entrance wooden/metal doors and doorframes are structurally sound and satisfactory.

The interior rear structural steel staircase leading to the 1st floor is structurally sound and satisfactory. The front stair is also satisfactory and note that the underside is completely covered and not inspected.

The front concrete steps and adjacent concrete walls leading from basement to front sidewalk are in satisfactory condition.

The exterior floor drains in front of the basement entrance doors are satisfactory and runoff is going into the drywell instead of the sewer main.

The basement is filled with many household/storage items thus prevented a complete inspection. Please make sure that all these items are completely removed before Closing.

The rear basement windows are replaced vinyl framed, double glass, double-hung windows and satisfactory.

4. TERMITES

Based on a visual inspection of the accessible areas of the building, no active termites or termite actions was apparent at the time of inspection.

The rear basement raised hardwood floorings, especially in the area of the rear entrance door, are very soft, loose and deteriorated due to past water/termite damages. Although no active termites were noted at this time, it is however, recommends termite extermination after complete removal of the wooden flooring.

Note that the majority of the foundation walls, all ceilings and flooring are covered with finished materials. Therefore, most foundation walls, all floor joists and wooden support members were completely covered and inaccessible to inspect their condition.

Note that the basement wooden flooring is completely covered and therefore not inspected.

Note that all wooden studs/beams behind/beneath all bathroom/kitchen wall paneling/flooring are completely covered and therefore not inspected.

As a precautionary measure, it is recommended that the house be termite exterminated and inspected for termites on a periodical basis.

See attached Termite Inspection Report on the last page.

The inspection covered the readily accessible areas of the property, including attics and crawl spaces which permit entry. Special attention was given to those areas which experience has shown to be particularly susceptible to attack by wood destroying insects.

The inspection did not include areas that were obstructed or inaccessible at the time of inspection.

This is not a structural damage report. Neither is this a warranty as to absence of wood destroying insects.

Due to the insidious nature of termites, I assume no liability for any termite action that might be occurring, but which is not visible, due to the fact, that it may be covered by the walls, floors, ceilings, carpeting, and furniture, etc.

5. ROOF

The roofing for the building is covered with flat rubber roofing. The rubber roofing is in satisfactory condition and estimated to be about 10+- years old. See pictures.

The rubber roofing is weathering normally with minor worn off surfaces and uneven sections throughout. However, no immediate repairs are needed at this time. Needs attention.

The rubber roofing should be periodically painted with silver-coated waterproofing compound.

Note that the rubber roofing is installed over layers of existing roofing thus resulting in uneven sections throughout. Removal of all existing layers of roofing is needed on the next roofing installation.

Please note that the rubber roofing have a projected life of about 15+- years. Therefore, extended life for the roofing should be anticipated.

The access to the roof is via a full staircase from the 4th floor through a roof enclosure. The enclosure is framed constructed and covered with metal wall paneling. It has a steel exit door. The enclosure is structurally sound and in satisfactory condition.

The masonry roof parapets are in satisfactory condition and structurally sound.

The roofing for the building is pitching toward the rear of the building.

The rear aluminum gutter and downspout are in satisfactory condition. The downspout is properly tied to the sewer main.

It is recommended that you check the joints at the roof hatch, sky lights, vent stacks, etc. periodically in the future because these joints are vulnerable to cracking and periodically require resealing.

There were no indications inside the building of any active leaking at the time of inspection.

There is a crawl space between the roofing and the 4th floor ceiling. The crawl space is for insulation purpose and is completely concealed and inaccessible for inspection.

6. HEATING AND HOT WATER SYSTEM

The heating to the building is via forced steam and is generated by a gas-fired cast iron boiler.

The boiler is manufactured by Weil McLain and is approximately 12+ years old. See picture.

The piping, burner and flames, connections, and various controls appeared satisfactory.

The boiler was operating properly at the time of inspection.

The boiler is rated approximately 780,000 BTU output; it is adequate for the size of this building.

For added safety and convenient features, a low water cutoff valve, thermal safety switch and an automatic water feeder have been installed to the boiler.

The basic operation for the steam system is that the water heats until it boils, the steam thus formed rises in the pipes of its own accord without the aid of a fan or pump, when the steam comes into contact with the cool radiator surfaces, it condenses back into water and, in the process, gives up its heat. The resulting water then flows back to the boiler for reheating.

The automatic time/temperature thermostat for controlling the heating is located inside the boiler room. See picture.

All cast iron radiators heaters throughout the building appeared in satisfactory condition. Please make sure that all radiators are operating properly with sufficient heating and without any leaks on the valves before closing.

Some of the radiator steam valves and shutoff valves are old and rusty and needs replacement where necessary.

The projected life for this type of boiler is approximately 30+- years. Therefore, provided proper maintenance, you should anticipate extended service life for the boiler.

6. HEATING AND HOT WATER SYSTEM (CONT'D)

The hot water to the building is generated by the boiler that heats up the water coils around a separate storage tank.

The hot water boiler is manufactured by A. O. Smith and is approximately 10+ years old. See picture.

The hot water storage tank is manufactured by A.O. Smith and is about 10+ years old and has a storage capacity of 80 gallons.

The hot water storage tank and boiler are in satisfactory condition, with no visible signs of leaks in either the heater itself or in the connection pipes.

The projected life for this type of hot water boiler is approximately 20+ years. Therefore, you should not anticipate extended service life for the hot water boiler.

The boiler, hot water boiler and storage tank are located inside a boiler room. The boiler room is constructed of concrete block walls, sheet metal ceiling, and a steel door. The boiler room is constructed in accordance with the New York City Department of Building regulation.

The exhaust pipes for both boiler and hot water heater would require periodical patching and sealing at the connection to the chimney.

Periodical maintenance of the heating system should be anticipated, such as cleaning, adjustment, tuning up of the burner should be anticipated.

I strongly recommend that you maintain a service contract with the Gas Company or a licensed heating contractor covering all parts of the system.

7. ELECTRICITY

The electrical service is provided to the building through three wires underground cables service. The underground cables provide 110/220 volts and approximately 200+ amps current. It is adequate to serve the present needs of this building.

The building has been upgraded to 3-wires, 110/220 volts electrical service. Additional circuits were also added to the building. Note that the wiring for the building is combination of older and added wiring.

The building is equipped with nine electric meters, nine circuit breaker panels, and eight gas meters. They are located inside the basement. See pictures.

The main shutoff panel for the entire building has 2-100-amp in-line fuse shutoff circuits.

The circuit breaker panel for the common area (PLP) has about 6-15/20 amp circuits. The breaker panel for the 1st floor rear apartment has 1-40, 1-50, 1-30 and about 4-20 amp circuits.

Each of the 1st floor front store, and each of the 2nd, 3rd and 4th floor apartments has a shutoff panel inside the basement that has 1-60 amp shutoff circuit. The service panel inside the front store has about 12-20/15 amp circuits. The service panels inside the apartments, where visible, have about 6 to 8-20/15 amp circuits.

Note that any old electric breaker panels should be upgraded with new breaker panels. Additionally, any old breakers should be replaced with new circuit breakers. Be advised that all old wires should be replaced as a potential safety concern.

Note that all electrical wiring inside the finished paneling or obstructed by furniture or storage were not observed for their condition.

You should hire a licensed electrician to check out the electrical system for the building.

There are many loose hanging wires inside the basement that needs securing.

All the electrical fixtures were operative at the time of inspection. There were no inoperative fixtures and/or fixtures that were missing, loose, or hanging by wires. Note that all wiring inside the finished paneling was not observed for their condition.

On the circuit breaker box covers, each of the present circuit should be fully identified and labeled, so that you know what electrical load is on each circuit. The important point to remember is not to overload any one circuit.

The incoming electric service is properly grounded to the water supply line.

8. PLUMBING

The water piping for the building, where visible, is consisting of a combination of copper, brass and stainless steel piping. They are in generally satisfactory condition, with no visible signs of leaks. Note that all water piping and plumbing fixtures inside the finished paneling were not inspected for their condition.

The incoming water main is a 1" diameter older water main. See picture. The water pressure coming out of the faucets is adequate.

All plumbing fixtures were operable at the time of inspection.

You should hire a licensed plumber to check out the water and plumbing systems for the entire building.

Inside the building and basement, several sections of the drain traps and distribution water mains were noted for minor corrosion along with mineral deposits around the joints. You should anticipate repairs, or possibly, replacement of these sections.

The drainpipes are mostly cast iron piping and they are mostly older piping.

Most of the fixtures have individual shutoff valves on the supply lines.

The building is serviced with a combined sanitary and storm sewer main.

There is a house trap on the main drain line leading to the sewer main, with a fresh air inlet pipe on the house side of the trap terminates on the outside of the foundation wall.

The sewer main cleanout nuts inside the house trap are loose and should be completely covered and fastened to the main to avoid water backfilling into the trap.

There is a water main shutoff valve located behind the front foundation wall.

The building is installed with a water meter. Yearly water bills are assessed on the amount of water actually consumed. There is a remote water meter-reading device mounted on the exterior wall.

It is suggested to clean and clear main sewer as needed for proper drainage regularly approximately every 5 years.

The sewer main leading to the street city sewer is old and could be interfere with tree roots. It is recommended that the sewer main be video inspected for its condition.

9. BUILDING INTERIOR

The interior of Apartments # 1B, 3A, 3B, and 4A are renovated about 14 years ago and appeared well kept and maintained.

Apartments #2B and 4B are old but satisfactory and needs cosmetic repairs where needed.

Note that Apartment # 2A was inaccessible for inspection.

The 1st floor rear apartment # 1B has a kitchen area, full bathroom and a living room. The basement duplex to the 1st floor rear apartment has a family room and a full bathroom.

Each of the 2nd, 3rd and 4th floor front apartments has a kitchen, living room and a full bathroom.

Each of the 2nd, 3rd and 4th floor rear apartments has a kitchen, living room, one bedroom, a toilet and a half bathroom.

The kitchens, where inspected, are in satisfactory condition. Be advised all old kitchens are recommended for complete renovation.

The interior steel/wooden staircases and railings are structurally sound.

Please be advised presence of lead base paint and asbestos containing materials could be on some of the older building materials including walls, ceilings, flooring, doorframes, window frames, insulation, etc. Be advised and confirm their existence and proper handling for these materials are needed as a safety precaution.

The hallway ceilings, wall paneling and flooring are decently maintained and in satisfactory condition. Minor cosmetic cracks were noted. Painting is also satisfactory. No other repairs are needed at this time.

The apartment entrance doors are steel-framed doors. They are satisfactory with all locks are working properly.

The mailboxes and doorbells for the house apartments are in satisfactory condition.

Each apartment is equipped with an intercom to the building main entrance door along with automatic door opener. They are operable at the time of inspection.

Please make sure that updated (per current NYCDOB standard regulation) smoke alarms and carbon monoxide detectors are being provided to the house.

9. BUILDING INTERIOR (CONT'D)

- Ceilings: Mostly sheetrock ceilings for the renovated apartments. The old apartments are mostly covered with plastering ceilings.
Overall satisfactory condition with some cosmetic fine cracks throughout.
No active and/or previous water leakage was noted.
Past water leakage noted on Apt.#3A bathroom ceiling and needs repair.
No active water leakage was noted.
Need cosmetic repairs where necessary.
No need for other repairs.
- Walls: Mostly sheetrock wall paneling for the renovated apartments. The old apartments are mostly covered with plaster walls.
Overall satisfactory condition with some cosmetic fine cracks throughout.
Apt. #2B rear kitchen wall panel has a large section of water damaged area, see picture, and needs repair.
Need cosmetic repairs where necessary.
No need for other repairs.
- Floors: Mostly hardwood flooring with some ceramic floor tiles.
Condition satisfactory and serviceable.
Noticeable floor sags noted especially along the hallways and bathrooms.
Needs leveling of the settled flooring where necessary.
- Windows: All windows are mostly replaced vinyl framed, double-hung, double glass, windows. They are about 12+- years old.
All windows are operable and in satisfactory condition.
- Doors: Wooden doors and hardware is adequate and they are in satisfactory condition.
- Closets: The numbers of closet are adequate. Cosmetic cracks were noted inside the closets.
- Bathroom: Plumbing fixtures are adequate. No evidence of leaking.
Adequate tiling behind sinks and bathtubs.
Caulking is needed around the base of all bathtubs.
All bathrooms for the renovated apartments are also renovated and in satisfactory condition.
The old apartment bathrooms are old but workable and recommend complete renovation.
The bathrooms should be installed with exhaust fans for proper ventilation.

10. 1ST FLOOR FRONT STORE INTERIOR

The 1st floor front store is occupied as a Rug Retail store and has an open area and a full bathroom.

The interior of the store is satisfactory. No major problems were noted.

The walls and ceilings are covered with sheetrock panels and the flooring is covered with hardwood flooring.

The rear of the store has a door connecting to the rear 1st floor apartment. Apparently, the store and 1st floor rear apartment are occupied by same owner/tenant.

All water piping, drain pipes and fixtures were not inspected.

The electric system for the store has been upgraded and operating properly at the time of inspection.

The store front is installed with aluminum framed enclosure with door and glass panels.

11. EXTERIOR

The exterior walls are masonry constructed and covered with bricks. There were no bulged sections or open cracks on the walls.

The bricks and mortar joints are in generally satisfactory condition, without any cracked, chipped, and missing sections of bricks.

Several surface fine cracks were noted on the bricks and along the mortar joints. These cracks were due to previous differential settlement and not of any structural concern. The cracks should be periodically sealed with crack sealer.

The front exterior wall appeared to be coated with a thin layer of cement overlay and overall satisfactory. However, some settlement cracks were noted on the front exterior wall as mentioned earlier. See pictures. These cracks were due to previous differential settlement and not of any structural concern. However, these cracks should be completely and neatly repaired and sealed with crack sealer.

The bricks on the rear exterior walls are painted and overall satisfactory.

The rear portion of the left side of the building is semi-attached. The bricks on rear left side of the exterior wall show signs of excessive weathering as indicated with chipping and worn off deteriorated surfaces throughout, see picture, and would require steam-cleaning, pointing and waterproofing. This will preserve and extend the life of the bricks.

The outside faces of the foundation walls along the perimeter of the house would require periodical concrete repairs and coating with waterproofing compound.

The front building exterior entrance consists of two solid core wooden doors. The doors and doorframes are in satisfactory conditions with all locks are working properly.

Caulking and weather-stripping for the windows and doors are satisfactory. As an energy consideration, since proper caulking can avoid many problems such as high heating bills or severe water damage during freezing winter weather, it is important that you carefully examine all window frames and doorframes at least once a year to assure proper caulking. Any deteriorated caulking should be removed and neatly renewed.

As another energy consideration, it is important to seal the seams watertight between the wall and slab in order to prevent water seeping through the foundation walls.

11. EXTERIOR (CONT'D)

The front concrete sidewalk, front yard and front masonry entry steps, where observed, are in satisfactory condition, with no repairs needed at this time.

The rear yard is partly paved with concrete slabs and mostly broken and needs repaving.

The rear yard is surrounded with galvanized chain link fencing and the fencing is in satisfactory condition.

The structural steel fire escape mounted on the front and rear exterior walls are structurally sound and satisfactory.

12. APPLIANCES

Since the appliances in the building are being used on a daily basis, I strongly suggest that you take the time immediately before the closing to make sure that each of them works properly.

Be advised that I did not check them.

Probably the most pleasant way to accomplish this is to ask the owner to show you how to operate the various controls.

13. PILOTS AND FLAMES

I strongly recommend that you have the gas in the building switched over to your name prior to the closing, and that you have the Gas Company check all the pilots and adjust all the flames. This way, if there are any problems, you will be able to discuss having it corrected before it is too late.