



PROPERTY INSPECTION PROFESSIONALS

March 8, 2010

Client
Client Contact Address

Re: West Erie Street, Chicago, Illinois 60642

Dear Client,

On Date and Date, Tomacor completed an inspection of the above referenced premises. Present during the inspection were buyer's agent, seller's agent, and Tom Corbett of Tomacor, Inc.

Purpose of Inspection: The intent of the consulting inspection is to visually screen for "exposed to view" readily accessible systems and or components of the property which may need major repair and or are "significantly deficient." The observations of the inspector are disclosed to the client in this report.

- The building is approximately 60 years old. The property is a single story, commercial printing office.
- The structural components of the building are a concrete slab foundation with block and brick walls and a wooden roof structure.
- The drain waste and venting system is of copper and cast iron material.
- The heating is gas forced air, Roof Top Units and is vented through a metal flue.
- The water heater is gas fired and is vented through a metal flue.
- The main gas shut off is located at the east side of the property while the electrical shut off is located within the building towards the south end.
- The electrical panel is 240, 380 volts at 600 amps and is located in the central hall portion of the building near the south end. The wiring methods consist of copper conductors while conduit is used to distribute the electricity. The copper wiring appears to be rated for 600 amps. The main electrical disconnect is located in the center of the building towards the south wall.
- There is no building insulation present.
- The roof covering is a Thermal Plastic Membrane at the buildings south side and a modified bitumen torched down membrane at the north half of the property. The roof structure is wooden frame and steel bar. The roof was not inspected at the exterior due to snow cover. The pitch of the roof is moderate to low.
- There is no attic insulation and there is no vapor barrier.
- There is no crawl space for this building.
- Smoke detectors were present throughout the building.

The following systems and or components were not inspected:

<u>Component/System</u>	<u>Reason</u>
One roof top furnace	Would not respond to controls
Air conditioning equipment	Too cold to operate
Interior tub or basin	Plywood screwed over fixture
All digital printing or photographic equipment and related electrical plumbing or mechanical equipment	Digital and other equipment is beyond the scope of our inspection
Areas above drop ceiling	Not accessible
Roof	Snow covered
Water heater and storage tank	Equipment shut down in vacant building
Areas of roof below gravel	Not visible
North side parking lot	Covered with snow

Should you desire, please send Tomacor, Inc. a copy of the architect stamped, city approved blueprints for our review. This is a critical step in the inspection process. There will be an additional fee for this service. It is important that you retain a copy of these blueprints for your own future reference in locating system maintenance points and construction details that should have been completed during the construction phase.

The inspection revealed the following deficiencies:

General Conditions

1. Tomacor’s examination of the exposed surfaces of the roof revealed that multiple repair attempts have been made to the roof within the south half of the building. The roof was snow covered and could not be inspected yet it was evident from the series of stains at the buildings interior that the south section of the roof is compromised and needs major repair or immediate replacement. The installed south side product is a Thermal Plastic Membrane which usually will carry a 30+ year warranty. Tomacor recommends that the buyers require any warranty papers from the installer of the roof. Repairs need to be made to the roof immediately. See photo section.
2. The roof inspection revealed the presence of 4 roof top heating and air conditioning units (RTU). Two of these RTU’s were aged and deteriorated and appear to be at the end of their useful life. One of these RTU’s did not respond to controls and may require immediate replacement. The second piece of equipment exhibited a significant amount of rust at the roof line and multiple repairs at the equipments interior components. These 2 pieces of equipment must be certified for safe use and their useful life confirmed by a mechanical engineer or mechanical contractor of your choice. Tomacor is concerned based upon their age and use that the heat exchangers may be compromised. There is internal evidence of this. In this case carbon monoxide would be sent into the working environment.

It was also noted during the interior inspection, that significant amounts of jet black are collecting at several of the interior supply registers. The collection of jet black on the registers is consistent with compromised heat exchangers coupled with the rich burn of a heating system. This visual evidence further indicates the poor quality condition of the older RTU's. Given the nature of the deficiency, Tomacor recommends that the older equipment be disassembled and fully evaluated by a heating contractor who makes any needed repairs. When complete, the heating contractor should represent that the "equipment meets all of the manufacturers and City of Chicago standards including code compliance and professional construction detailing. This equipment is safe and ready for immediate use". Should this statement not be made by the heating contractor, Tomacor recommends that you anticipate replacement immediately. See photo section.

One newer split air conditioning system was noted at the roof top where it was seen connecting directly to the west side conference room at the first floor. The air conditioning equipment here and at all of the other RTU's could not be tested or inspected. This piece of air conditioning equipment was manufactured by Heat Controller. It appears to be nine years old. Anticipate its replacement over the short term.

3. Tomacor's examination of the exterior block and brick masonry walls revealed multiple and significant cracks in the building at all four elevations. It appears as if the cracks located at the West and East side of the property are older and are associated with extending the property. These cracks have opened up to a width greater than $\frac{3}{4}$ of an inch in some cases requiring the full and complete analysis by a structural engineer. Tomacor is concerned that the foundation walls may be rotating at specific locations.

Additional evidence of masonry movement and possible structural problems was discovered along the west elevation block wall, the south elevation masonry above the windows and the north side cracking and separating of the block above doors and windows and within the full expanse of the block wall. Many blocks appear to be loose requiring significant repairs to bring them back into alignment in the masonry wall. It is Tomacor's opinion these repairs need to be made immediately. See photo section.

The south and east elevations of the property have been attractively painted with a masonry product designed to infill gaps in the brick and to cover earlier masonry repairs that have been made. Tomacor believes that some additional tuckpointing is needed at the south and east elevations followed by the touch up painting or staining of the masonry where tuckpointed. See photo section.

4. Tomacor understands that the building was renovated during the last 20 years. During the renovation process, many large insulated glass windows were installed at the buildings exterior. These windows should be removed and replaced with safety glazing as required by the Chicago Building Code. It is important that should a large expanse of glass break, it should fall into small pieces versus large shards. Once the glass has been changed, this safety glazing will be in place. See photo section.

5. Tomacor's observations regarding the heating system are that multiple repairs and upgrades will need to be installed at the buildings interior before this equipment can be counted on to properly heat and cool the space.

Given the age of the building it is not expected that the interior slab was poured over a vapor barrier or sub slab insulation product. With this understood significant amounts of vapor diffusion will take place sending ground water into the building at points where the slab is cracked. In addition, the temperature of the ground will be conveyed into the concrete slab causing it to be cold and to radiate coolth into the commercial space.

The current use of the building is for digital printing and is utilizes a process which generates large volumes of machinery produced heat. This heat currently helps maintain building temperature; in fact it appears some of it must be exhausted to maintain comfort levels. It is Tomacor's opinion that it is critical within any repair or build out of the space that a licensed mechanical engineer should be consulted in order to route or reroute heating and cooling supply and return registers to maintain proper and comfortable temperature levels in each area of the space. Do not assume that the existing duct work provides an adequate amount of heat to each room in the building. Multiple room to room exhaust fans were discovered on the premises which appear to be in place to help distribute heating and or cooling to areas where it is currently inadequate. Tomacor believes that additional cold air returns will need to be installed down by the floor in order to remove cold air from the cold surface and in turn bring hot air down. In addition, Tomacor believes that supplemental ceiling mounted fans will be needed to keep the air temperature in a comfortable range near the floor level. Should the building be considered for a complete gut and reuse, Tomacor would recommend that the new buyer considers radiant heat in the slab for this building. Although this would be an extremely expensive addition, it would probably supply the most comfortable and even level of heating currently available.

6. Tomacor's evaluation revealed that all of the carpet in the building needs to be removed and a new finish provided to the floors. In addition, and because the building has been occupied for ten years Tomacor recommends a full and complete painting of the interior premises, excluding the exposed wood as needed. Repair the floor finishes as needed. Initiate the paint job as soon as possible and after other remodeling has taken place.
7. This building has been used years ago as a facility to house or manufacture dry ice. Given its age and use, Tomacor recommends a full Phase I Environment Risk Assessment. It is anticipated that some drilling or testing will be required in order to determine the presence or absence of storage tanks used for heating or in the manufacturing of dry ice. Complete the required Risk Assessment during your due diligence period. Initiate this process immediately. See photo section.
8. Tomacor understands that the use of the building will change with its purchase. It should be expected that significant electrical rewiring of the building is required. Open electrical boxes, loose and uncapped hot wires were discovered above the drop ceiling level in

several sections of the building. Open wiring must be capped and abandoned wiring must be removed along with its conduit. Rewire the space as required for your use. See photo section.

9. The inspection revealed that the emergency lighting system was not performing as designed. Complete the required repairs.
10. The north side loading dock area has been added during the buildings life. The roof assembly is a manufactured bar truss assembly which supports the roof and snow loads above. In addition, the ceiling suspended uni-heater appears to be functioning for this area. Yet much of the owner's equipment remains in the rooms here. Tomacor believes that it would be a relatively simple project to remove this room addition should you choose in order to increase the size of the parking lot. It is expected that additional concrete retaining walls may be needed. Check with your architect for an opinion.
11. It appears as if the sanitary sewer or house drain has been repaired over the last 20 years. When testing the interior plumbing fixtures, Tomacor noted that several of these fixtures were either clogged or not functioning properly. Under these circumstances Tomacor believes it is critical to rot and clean the sewer line. We recommend that a video camera or scanner be used to evaluate the overall condition of the line. Obtain a copy of the video scan of the sewer line.

Exterior

1. Tomacor was able to walk the roof of this building (date and date). Some sections of the roof were exposed for evaluation such as the south east corner yet other corners remain buried under eight inches or more of snow. By walking the roof, Tomacor was able to ascertain that the north roof was newer and made of a modified bitumen while the south roof is older and made of what appears to be a polyvinylchloride product. It appears as if the South roof needs to be replaced (date inspection also suggested this) while minor north side roof repairs are immediate. Obtain estimates from roofing contractors immediately. Ask for the North side roof warranty.

The February 22, 2010 evaluation of the roof assembly revealed that the North and South side was ponding water, in some cases two inches or more, while the strainer caps were removed in what appeared to be an attempt to encourage water into the internal drainage assembly. The roof was not draining, in fact when Tomacor examined the second roof drain; it sat approximately one inch or more above the collected water sitting on the roof.

2. The buildings flat roof leaks in multiple locations, some around the roof drains, requiring the installation of strainers to cover over the open drain lines at the surface. Install the required strainer caps for the roof downspouts now. The strainer caps were left upon the roof top heating and cooling equipment. Additional repairs were noted on the surface of the South side roof illustrating an attempt on the seller's part to repair the leaking assembly. It is critical that these repairs and the roof warranty be maintained. Tomacor

recommends that the buyer obtain the roof repair warranty and the roof warranty for both sections of the roof immediately. Finally, during the date inspection, additional repairs were discovered at the East elevation toward the South side of the roof. Photos of these repairs are included in the report. The observed repairs were installed in a piecemeal fashion laying layer upon layer of roof membrane on top of or next to each other. This repair strategy appears to violate the manufacturer's standards. It is Tomacor's opinion that this South side roof needs to be replaced or repaired fully to include a full warranty for the roof assembly. A tear off with new roof in this area could exceed \$15,000-20,000 or more in labor and materials. Initiate any required repairs immediately. See photo section.

As noted earlier, one air conditioning system (split system) was not inspected due to extreme temperatures. The remaining A/C equipment was not evaluated due to temperature. All the equipment is serviced by Climatedge (708-449-8888). Tomacor recommends this company be called and a maintenance history of the equipment be obtained. It should be noted that several of the data tags for the roof mounted equipment could not be read and serial and model numbers could not be determined prohibiting full inspection.

3. The follow-up inspection on date, discovered that the North side section of the building and roof components could be evaluated due to the melting of the snow while the South side section was still covered with snow. The inspector observed animal footprints in the snow along the South side elevation near the East section of the roof. Make sure that the trees are cut back from the roof as soon as possible. See photo section.

Interior

1. The inspection revealed that certain sections of the hot air supply registers have been covered or taped over in what appears to be an attempt to send more warm air to specific areas of the building. Complete the build out of the heating and cooling equipment to meet current specifications and comfort standards.
2. The thermostat known as number two was not operational during the inspection.
3. The construction of this building involves the integration of two structures into one. The original buildings sat at slightly different heights causing the need for, when joining them together, a step down in the floor or a ramp. The presence of this stair or ramp could make it difficult to provide a new easy to clean tile floor surface. When remodeling, take this into account.
4. Tomacor attempted to turn on the ceiling fans within the south side offices. These fans did not respond.
5. During the inspection Tomacor noticed one or more windows where the seal had been broken between the individual panes of glass. Replace one or more south side windows

where the seals have been broken and replace all glazing which sits less than 20 inches above the floor in the exterior walls as required.

6. Tomacor discovered two Nortec humidifiers within the structure. It is possible that these humidifiers may be modified to serve your needs.
7. The investigation revealed that a large water chiller was removed from the area above the water heater along the buildings north side. Large portions of the piping have been left in place and should be removed.
8. Traps for mice were discovered at multiple locations. Anticipate continued abatement.
9. The central hall bathrooms were functioning as designed. The hallway slop sink would not drain water requiring that the drain lines be cleaned or rodded in order to restore service. Complete this repair.
10. The men's bathroom exhaust fan is very noisy and needs to be replaced.

Conclusion

Tomacor understands that this property was renovated during the 1990's. The original construction appears to be from the 1950's or earlier. It is crucial that the buyer obtain the full set of working drawings and architectural blueprints in order to evaluate the level of quality and construction detailing that was to be installed in the building. These records are available through the City of Chicago, Freedom of Information Act or conceivably through the building seller who completed the renovation.

Tomacor remains concerned about the structural and heating components of the building which we believe need further investigation before any buyer can determine the nature and scope of the problems within the property that he is purchasing.

Tomacor has not inspected any of the existing business related equipment and several areas of the interior space has proven to be inaccessible. These areas were not inspected. The overall condition of the building appears to be sound once the analysis from the structural engineer is reviewed while a second engineer, a mechanical engineer should be retained to complete the professional design and installation of heating and cooling equipment which is currently undersized or substandard.

Tomacor regrets that we did not have full and complete access to the roof line due to the accumulation of snow. We are available for a follow-up inspection for you once temperatures change and the snow melts. It should be understood that even with the snow in place multiple roof leaks were discovered in the building. Major roof repair is coming. Have a licensed roofing contractor prepare a bid for repair immediately (after snow melts).

Sincerely,

Thomas A. Corbett
President, Tomacor Inc.

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