

Pacific West Home Inspections
Residential and Commercial Building Inspections

Serving the Shuswap – Columbia, Okanagan, Thompson – Nicola, Cariboo – Chilcotin Regions

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Report #: 2613-2009

November 25, 2009

Home Hardware Stores Limited
34 Henry Street West
St. Jacobs, Ontario N0B 2N0

Attention: Ms Jane Smith
Real Estate Administrator

Dear Ms Smith

RE: Pre-Purchase Commercial Building Evaluation Performed at 151 - 5th Ave SW & 810 Trans Canada Hwy SW Salmon Arm, B.C.

At your request, a visual inspection of the above referenced properties was conducted on November 12th, 2009. This inspection report reflects the visual conditions of the property at the time of the inspection only. Hidden or concealed defects cannot be included in this report. No warranty is either expressed or implied. This report is not an insurance policy, nor a warranty service.

An earnest effort was made on your behalf to discover all visible defects, however, in the event of an oversight, maximum liability must be limited to the fee paid. The following is an opinion report, expressed as a result of the inspection. Please take time to review limitations contained in the inspection agreement.

Report Limitations

This report is intended only as a general guide to help the client make their own evaluation of the overall condition of the commercial building and is not intended to reflect the value of the premises, nor make any representation as to the advisability of purchase. The report expresses the personal opinions of the inspector, based upon his visual impressions of the conditions that existed at the time of the inspection only. The inspection and report are not intended to be technically exhaustive, or to imply that every component was inspected, or that every possible defect was discovered. No disassembly of equipment, opening of walls, moving of furniture, appliances or stored items, building materials, or excavation was performed. All components and conditions which by the nature of their location are concealed, camouflaged or difficult to inspect are excluded from the report and many areas within the buildings and at the exterior where present.

Systems and conditions which are not within the scope of the commercial inspection include, but are not limited to: formaldehyde, lead paint, asbestos, toxic or flammable materials, and other environmental hazards; pest infestation, playground equipment, efficiency measurement of insulation or heating and cooling equipment, internal or underground drainage or plumbing, any systems which are shut down or otherwise secured; water wells (water quality and quantity) zoning ordinances; intercoms; security systems; heat sensors; cosmetics or building code conformity. Any general comments about these systems and conditions are informational only and do not represent an inspection.

The inspection report should not be construed as a compliance inspection of any governmental or non governmental codes or regulations. The report is not intended to be a warranty or guarantee of the present or future adequacy or performance of the structure, its systems, or their component parts. This report does not constitute any express or implied warranty of merchantability or fitness for use regarding the condition of the property and it should not be relied upon as such. Any opinions expressed regarding adequacy, capacity, or expected life of components are general estimates based on information about similar components and occasional wide variations are to be expected between such estimates and actual experience.

The inspector has no interest, present or contemplated, in this property or its improvement and no involvement with tradespeople or benefits derived from any sales or improvements. To the best of our knowledge and belief, all statements and information in this report are true and correct.

DISPUTE RESOLUTION: Should any disagreement or dispute arise as a result of this inspection or report, it shall be decided by arbitration and shall be submitted for binding, non-appealable arbitration to the British Columbia Arbitration Association in accordance with its Construction Industry Arbitration Rules then obtaining, unless the parties mutually agree otherwise.

RE-INSPECTION RIGHT: In the event of a claim, the Client will allow the Inspection Company three (10) working days to inspect the claim prior to any repairs or waive the right to make the claim. Client agrees not to disturb or repair or have anything which may constitute evidence relating to the complaint, except in the case of an emergency.

TECHNICALLY EXHAUSTIVE INSPECTION: An inspection is technically exhaustive when it involves the extensive use of measurements, instruments, testing, calculation and other means to develop scientific or engineering findings, conclusions and recommendations. The inspection you have ordered is not a technically exhaustive inspection.

Report Terminology

APPEARS SERVICEABLE: An item, system or area that based on our visual observation of the accessible areas look like it was properly installed and is in a condition capable of being used without needed immediate repairs. There are often several steps involved in the proper installation of components or systems that can not be determined by a visual inspection.

DAMAGED: An item, system or area that is typically beyond repair and must be replaced.

DETERIORATED: An item, system or area that has reached the end of its useful life, or sometimes prematurely due to improper installation and/or maintenance. It may be possible to repair the item at this stage to maximize its service life.

REPAIR OR REPLACE: An item, system or area that is damaged or deteriorated. While some items can be repaired, it may be more cost effective to replace with a newer modern or safer item or system.

COSMETIC: An item, system or area that has minor surface wear caused by general aging or abuse.

Building Report Summary Of **Central Hardware Store**

1.0. Building Information

The first subject property/building is located at the corner of 5th Ave and the Trans Canada Hwy SW in Salmon Arm, BC. The current use of the property and building is for commercial use which is a retail building material and hardware store which was originally constructed sometime in the 1960's and was further upgraded significantly later in the mid 1990's (information provided). The main building has a retail floor area of approximately 9,630 sq. ft. In addition within the east area of the main building, there is a second floor which is used for storage, three separate office's, employee kitchen/lunch room area, one employee bathroom, shower room and the main electrical room. The floor space for the second story is approximately 2,400 sq. ft. Building has what appears to be a concrete slab on grade design.

Located at the west area of the main building is the main warehouse with only one area that is centrally closed in and heated. There are two separate mezzanine's where building materials are stored. The floor space within this building is approximately 3,600 sq. ft. Located directly to the north of the main warehouse is a large open through-way which is roof covered.

Located separately from the main building on the southwest area of the property is a large, unheated coverall building.

The property is fenced with significant open areas for storage of building materials and possible future expansion. The northeast corner area of the property has the main parking lot which is asphalt paved with ample parking with two separate entrances leading off from 5th Ave.

The building itself (exterior walls, column supports, wall separations) are constructed with concrete blocks. The north and east areas of the building have stucco covering the concrete blocks (or wood framing) with metal cladding and wood siding/trim applied to various areas. The four separate roofs are truss framed constructed with two types of protective roof coverings which the main building has Tar & Gravel and Roll-On Composite (SBS torch-on type roofing membrane), the main warehouse and the open through-way roof both have T&G (Tar & Gravel).

The interior heated areas of the buildings walls are finished with gypsum drywall board and the ceilings are finished with the same with a few areas where drop type, fibre board panels is installed. Flooring material consist of lino tiles, some commercial grade carpets and bare plywood flooring. Exterior doors and windows are commercial grade, glass insulated, aluminum framed with a few of the warehouse exterior doors consisting of metal framed doors. Main ground floor of the building has several separate offices, two separate restrooms and one small closet like room which was not accessible during the time of the inspection due to height restrictions that houses the hot water tank and therefore, those facilities in relation to the hot water tank and related components and systems could not be inspected (unknown conditions).

Warehouse area consists of a central small building which is heated for the purpose of building products that are susceptible to freezing during the colder months of the year and a small office area. There are two separate mezzanines where building materials are stored with several separate shelving units constructed on the main floor.

2.0. Perspective Summary

The systems and components of the building will be compared to the systems of other "peer" properties. Naturally, this is somewhat a subjective judgement based on the experience of the inspector. There are five such possibilities that summarizes the overall condition of the various buildings systems in comparison of its peers which are one of the following:

1. Significantly above average for properties in that peer group.
2. Somewhat above average for properties in that peer group.
3. Average or typical for properties in that peer group.
4. Somewhat below average for properties in that peer group.
5. Significantly below average for properties in that peer group.

2.1. Structure: Somewhat below average for properties in that per group.

2.2. Exterior: Somewhat below average for properties in that per group.

2.3. Interior: Somewhat below average for properties in that per group.

- 2.4. Foundation: N/A.
- 2.5. Roofs: Significantly below average for properties in that peer group.
- 2.6. Attics: Average or typical for properties in that peer group.
- 2.7. Plumbing: Average or typical for properties in that peer group.
- 2.8. HVAC (Heating - Ventilation - Air Conditioning): Somewhat below average for properties in that peer group.
- 2.9. Electrical: Average or typical for properties in that peer group (fair - few issues).
- 2.10. Staff Kitchen: Average or typical for properties in that peer group.
- 2.11. Staff/Public Restrooms: Average or typical for properties in that peer group.
- 2.12. Data Systems: Average or typical for properties in that peer group (fair - few issues).
- 2.13. Landscaping/Grounds: Average or typical for properties in that peer group (fair - few issues).

Building And Property Conditions

Overall, the commercial building appears to be constructed in a workmanlike manner and appears consistent with the local building trades, standards and codes in effect at the time of construction in the 1960's and early to mid 1990's.

Overall general maintenance and repairs over the past several years have been observed to be lacking and/or non-existent on several minor and major building systems and components throughout the building. After viewing the structure and mechanical components/systems within and outside of the building, it is obvious to conclude that there appears to be no maintenance plan or schedule in place for the building. Structurally and mechanically the building appears to be in fair condition for its age.

There are noted a few minor and major safety hazards observed (unless more hidden from view or not known of), that could possibly pose a threat to the employees occupying the building at this time. Those items which could pose a personal safety issue are listed and indicated within the report and should be addressed and rectified immediately.

Outlined separately below are the present conditions of the building/s during the day of the inspection which exhibit issues to the building. Be that structural or mechanical and being in nature to be serviceable, cosmetic, deteriorated, damaged, and/or needing repairs/replacement. Those items and/or issues presented may need to be either addressed presently, (some cases immediately, depending on the nature) as that item detailed within the report is affecting the structure of the building in a way of further damage and/or deterioration of structural building materials and/or mechanical components or systems of the building.

Issues that may need to be addressed in the future, (usually within 1 to 6 months) are also items that may affect the structure of the building in a way of possible damage and/or deterioration of structural building materials and/or mechanical components or systems of the building.

3.0. Structure

The following conditions and issues are observed to the buildings structural materials at various locations.

- 3.1. West side of the building, hairline cracks are observed within the concrete blocks (right of one of the concrete block column supports).
- 3.2. South side of the building, two vertical concrete block column supports, observed gaps between (larger towards the top).
- 3.3. South side of the building, observe several cracks in the mortar joints.
- 3.4. Southeast area of the building, observed damaged concrete blocks at two separate areas.
- 3.5. Southeast area of the building, large hole observed within the concrete block wall.
- 3.6. South side of the building, observed several cracked concrete blocks.
- 3.7. Southeast area of the building, wall separation from building observed.
- 3.8. Southeast, top corner area of the building, open penetration observed through the concrete blocks where the main electrical services enter the building (no sealant installed).
- 3.9. Missing flashing along the top outside area of the roof (south).
- 3.10. Exposed wood building materials along the top outside areas of the roof, wood rot and deterioration (south).
- 3.11. Southwest side of the building, third concrete block column support from towards the end, large separation between the buildings.
- 3.12. West side of the building, exterior door, appears to be no metal top lintel support installed above the doors frame. Possible reason as to why several of the concrete blocks above the doors metal frame to the ceiling are cracked.
- 3.13. Northwest area of the building, two of the concrete block column supports outside to the right and left of the northwest warehouse bay opening are open at the top of the columns. Therefore, water is draining into areas within the building envelop. Observe exposed OSB wood sheathing (membrane), damage and deterioration to building materials are unknown (not able to view), further investigation is needed.
- 3.14. Main building (hardware areas), center, crack within the ceilings drywall board is observed from the east interior wall to the west interior wall where the main structural beam is located (assuming, needs to be verified). Cracks on the surface of the drywall board vary in width. Further, at the west wall, cracks on the surface of the drywall board from the floor to the ceiling exhibits in a zig zag pattern. This observation appears significant enough to warrant further investigation as to conditional cause by a professional engineer.

4.0. Exterior

The following conditions and issues are observed to the building exterior covering materials at various locations.

4.1. North side of the building, observe multiple instances of wood siding/trim deteriorating and damage (holes, wood rot, missing, broken, etc) at various locations. This is mostly confined to areas where wood is installed along the outside edge of the roof, halfway along the outside of the wall and where the vertical concrete block columns have been framed (covered for appearances).

Further, where the metal flashing along the top of the concrete columns are installed, flashing appears not effective in deflecting water as evidence of water draining on the outside surface of the wood siding/trim is observed and moss growth at the wood joints, minor surface deterioration (staining) and some wood rot.

4.2. North side of the building, various size small open holes are observed on/in the surface of the stucco (past & present installation of screw/bolt fasteners?).

4.3. Few past repairs to the surface of the stucco observed at various locations.

4.4. North side of the building, left of the main entry doors, damage to the final finish coat of the stucco and to the second concrete scratch coat.

4.5. North side of the building, far east area of the main doorway entry, few areas along the bottom of the wall where the stucco, scratch coats, wire mesh, building wrap and possibly the plywood sheathing membrane has been damaged (moderate to extensive by appearance).

4.6. Northeast area of the building, several of the concrete block column supports wood framing and siding has sustained extensive damage around the bottom areas, further, wood rot is observed to surfaces of the wood.

4.7. Northeast area of building, observe stucco flaking off the surface around and below the two exterior windows (possible water and moisture penetration?). Few cracks observed on the surface above the left and right of the entry door.

4.8. Southeast corner of the building, bottom area, exposed framing materials (deteriorating).

4.9. East area of the building, observed loose wood siding, nail fasteners and dry water stains on the surface.

4.10. East area of the building, staining is observed along the bottom surfaces of the stucco indicating that water is splashing back towards the building.

4.11. Northeast corner area of the building, top area of the concrete block column wood frame, extensive wood rot observed, metal flashing cap is missing (damage and deterioration inside of the frame unknown, requires further investigation).

4.12. Southeast corner of the building, top of the concrete block column wood frame/siding, moderate wood rot and water penetration (damage and deterioration inside of the frame unknown, requires further investigation).

4.13. North open bay drive through roof, underside, water damage to the drywall board material and wood framing is observed at various areas (damage and deterioration).

4.14. East second story roof structure, west side exterior stucco wall, all three of the 18x24 inch attic vent covers wood trim exhibits deterioration to the woods surface (dry wood rot). Further, no metal flashing installed above the vents to deflect water.

- 4.15. East second story roof structure, west side of the stucco wall, bathrooms exterior vent cover has a wasp nest inside of the vent pipe.
- 4.16. East second story roof structure, west side of the stucco wall, bathrooms exterior vent cover has a birds nest inside of the vent pipe.

5.0 Interior

The following conditions and issues are observed to the buildings interior at various locations.

- 5.1. West warehouse building, light damage and deterioration to the ceilings drywall board due to past water seepage from the roofs drain (five separate locations).
- 5.2. West warehouse building, cracks in the ceilings drywall board, various locations.
- 5.3. West warehouse building, both mezzanine's improper guard railing designed and constructed (open).
- 5.4. West warehouse building, east mezzanine stair access, improper stairs and hand railing constructed. Due to the angle of the stairs, the stairs pose a significant safety hazard.
- 5.5. Main building (hardware areas), ceiling, north area, drywall board is damaged and stained from past water seepage (three separate areas).
- 5.6. Main building (hardware areas), ceiling, south area, drywall board is damaged and stained from past water seepage (two separate areas).
- 5.7. Main building, east area (paint area), abandoned large metal gas vent pipe (heat loose).
- 5.8. Main building, east area (paint area), dry water stains observed on the surface of the ceiling fibre tile (past water leakage?).
- 5.9. Main building, east area (paint area), unused north entry doors are located at the north area, damaged drywall board is observed on the ceiling, appears to be caused from a past unknown water leak.

6.0 Foundation

Appears that the foundation of the building is a concrete, monolith type slab (assuming). This type of foundation design and construction can not be inspected and therefore, conditions are unknown.

7.0 Roofs

The main building has four, separately divided sectional roofs and after inspecting the roofs and its related components and systems, the following was observed at various locations.

- 7.1. Deterioration and damaged surfaces of the Tar & Gravel roofing components observed at various locations. This includes lack of gravel covering, exposed tar and roof membrane material, water/moisture trapped underside of the membrane/s, poor practice of past roofing material repairs, etc.
- 7.2. Deteriorated and damaged flashing components observed at various locations.
- 7.3. Missing and poorly installed flashing components observed at various locations.
- 7.4. Missing drain cover screens.
- 7.5. Damaged roof drain.
- 7.6. Wire cable on the surface of roof (section #2) is embedded into the surface of the roofs material (potential electrical hazard).

7.7. Open ply membranes and blistering indicating trapped water/air underside.

7.8. Main building roof, along the east side of the roof where it intersects with the second story roofs west exterior stucco wall, the bottom of the wall/roof flashing is loose, missing and not installed correctly at various locations.

In conclusion, roof sections #1, #3 and #4 have reached their life expectancy and need to be replaced immediately in the near future with a new covering at a budgeted (estimate) cost of \$55,000.00 + GST and if any insulation has to be replaced would be an additional cost of \$3.10 per sq. ft.

8.0. Attics

8.1. Second Story Roof Attic: As per viewed from the hatch opening located within the employee kitchen/lounge area (limited from the opening only), areas within the attic closest to the ceiling opening appears serviceable.

8.2. Main Building Roof Attic: Could not view due to ceiling to roof height (conditions unknown).

8.3. Warehouse Roof Attics: Dry water stains observed on the backside surfaces of the drywall board and truss members at various locations from past water leakage form the roofs.

9.0. Plumbing

9.1. The hot water tank and main water line with related components and systems could not be inspected due to non access to the rooms where these mechanical facilities are located.

10.0. HVAC (Heating - Ventilation - Air Conditioning)

10.1. Second Story Building HVAC Unit: This part of the building has a complete HVAC unit that services the upper portion of the building. This unit is an older type which exhibits several mechanical deficiencies, specifically a lack of regular maintenance and upkeep to the units internal and external components and systems. This unit could fail at any time and therefore should be replaced immediately. An estimated budget cost for replacement would be approximately \$12,500.00 plus GST.

10.2. Main Building Retail Area: Located within this area of the building has several gas fueled radiant tube heaters. They appear to be functioning well for an older type model. There is no air conditioning within this area of the building. There are two separate heaters that share one common vent pipe that terminates through and above the surface of the roof. This type of installation would not meet todays installation standards and practices. Therefore, both heaters should be vented separately to the exterior. Additionally, the heating units are drawing combustion air from inside of the building. Given the cubic feet of volume inside the building and the amount of air leakage into the space, this may be an air quality/safety issue. Recommend that further analyze of heating and air quality within this section of the building be performed.

11.0. Electrical

The main building is serviced by a 400 amp 120/208 3P4W main service. The main electrical room is located within the southeast area of the second floor. There is a full security system for the building. Several sub-panels located throughout the building.

The following conditions and issues are observed at various locations:

- 11.1. Second floor restroom, covers are needed to cover exposed branch conductors for mechanical protection.
- 11.2. Mechanical room, 200 amp sub-panel disconnect not labeled.
- 11.3. All panels need labeling in a permanent manner.
- 11.4. RTU disconnects are not labeled.
- 11.5. Some CCTV wiring in place but system is not operational.
- 11.6. Main floor, east, paint department, loomex wiring coming out of wall, needs to be removed.
- 11.7. Broken lights observed at various locations.
- 11.8. Warehouse area, observed extension cord wiring used for lighting, needs to be removed/replaced with correct wiring material.
- 11.10. Warehouse area, center mezzanine, need to cover exposed wiring for mechanical protection.
- 11.11. Warehouse shipping office, need a few breakers to be replaced. Different brand of breakers installed within the panel do not meet code requirements.
- 11.12. Parking lot lights needs repairs, few none operational, one observed to have been blown.
- 11.13. Wires by server closet office needs repair/tidy up.
- 11.14. North exterior side of the building, near main entry doors, damaged receptacle outlet observed at the base of one of the wood framed column supports.
- 11.15. Main building roof, north side, large metal frame structures wood supports have been placed on top of the exterior lights branch conductor cable. Due to the weight of the structure, the electrical cable is damaged (potential electrical fire hazard).

Other notables are the following for your information.

- 11.16. Building is very eligible for Power Smart upgrade due currently to all older style T-12 lighting.
- 11.17. Exterior lights, contractors and clock ok.
- 11.18. All new data wiring installed within the store.
- 11.19. Server closet needs cleanup and installation is noted to be poor. Server closet is open to main store area and not climate controlled.

In conclusion, the building in general needs require a notable amount of electrical maintenance. There are no serious issues observed and a BC Hydro power smart lighting upgrade would resolve several. The server room and data wiring needs the most work to bring it up to industry standards.

A budgeted estimated cost to the necessary repairs to correct code violations only would be upwards of \$5,000.00. This is not including notable improvements or upgrades.

12.0. Data Systems

All known data systems appear to be serviceable and functional at this time, however, several improvements and minor repairs could be undertaken in the near future (see 9.0 Electrical section within this report).

13.0. Landscaping/Grounds/Grade:

13.1. East side of the building, concrete sidewalk slightly slopes towards the buildings foundation. Observed dry water stains along the bottom surfaces of the stucco, concrete foundation and damage to the bottom of the wood framing that covers the concrete block columns.

13.2. Sections of the asphalt pavement within the parking lot is cracked and a number of pot holes observed.

14.0. Other Building And Property Issues:

14.1. Roof Covering: Two separate sections of the west roofs covering Tar & Gravel (warehouse areas) where repaired as water was leaking into the roof attics and interior areas. Repairs were performed in October 2009 (indicated).

14.2. Roof Drains: Informed that the roofs drains clog up during the colder months of the year due to ice (indicated).

14.3. West Warehouse Warm Storage/Office: Located within the center area of the warehouse is an enclosed storage/office area where certain building materials of liquid nature have to be stored within a room where it is temperature controlled. Noted that a number of building materials in the nature of sealant type materials to be off-gassing which could be an air quality issue. Noted that there appears to be no ventilation system installed within the room to circulate and/or replenish the room with fresh clean air. Therefore, recommend to obtain the professional services of an Indoor Air Quality Investigator (IAQ) to further investigate the situation and provide recommendations to improve the quality of air within this room.

15.0. Conclusion

After observing the structure and mechanical conditions of the building, there are several note worthy issues that need immediate attention. Most issues are in relation to the lack of and non existence of building maintenance and upkeep in that, there appears to be no scheduled program in place for such, therefore for the resulting, present conditions of the building. Any repairs performed appears to have been poorly performed and appears unprofessional. Therefore, recommend to obtain the professional services of a building maintenance contractor. There appears to be the potential existence of structural issues of the building at various locations and therefore recommend to obtain a professional engineer to further examine the buildings structure overall.

Additionally, recommend to obtain a professional building contractor to further investigate all areas of the building which will likely require the dismantling of building materials in order to better obtain a clear understanding of the extent of building material damage and deterioration where hidden from view. Further, repair, replace and improve any mechanical or structural systems and components that are needed such as the HVAC systems, roof covering, electrical, etc.

Building Report Summary Of Genesis Cabinetry Store

1.0. Building Information

The second subject property/building is located at the northwest area of the property at 810 Trans Canada Hwy SW in Salmon Arm, BC. The current use of the property and building is for commercial retail which is a custom kitchen cabinet and flooring business. The building has four separate retail floor areas of an approximate combined floor space of 3,184 sq. ft. The age of the building when constructed is unknown. Building has a what appears to be a concrete slab on grade design. The north area of the building has an asphalt paved parking lot which is accessible from the highway and the south and east areas of the building are enclosed with metal chain link fencing. The west side of the building has a very narrow walkway opening due to the close proximity of another buildings exterior concrete block wall.

The building itself (exterior walls, column supports, wall separations) are constructed with concrete blocks. The north and east areas of the building have open face concrete blocks with some metal and wood coverings at the north side of the building. The roof appears metal beam truss constructed (not able to confirm) with one type of protective roof covering material which is Tar & Gravel with several ply's.

The interior heated areas of the buildings walls are finished with gypsum drywall board and the ceilings are finished with the same with a few areas where drop type, fibre board panels is installed. Flooring material consist of lino tiles, and bare concrete flooring. Exterior doors and windows are commercial grade, glass insulated, aluminum framed with a few of the bay exterior doors consisting of metal framed doors. Main ground floor of the building has several separate offices, two separate restrooms, mechanical rooms, one large show room located within the east area of the building and three separate large bays with garage type doors.

2.0. Perspective Summary

The systems and components of the building will be compared to the systems of other "peer" properties. Naturally, this is somewhat a subjective judgement based on the experience of the inspector. There are five such possibilities that summarizes the overall condition of the various buildings systems in comparison of its peers which are one of the following:

1. Significantly above average for properties in that peer group.
2. Somewhat above average for properties in that peer group.
3. Average or typical for properties in that peer group.
4. Somewhat below average for properties in that peer group.
5. Significantly below average for properties in that peer group.

2.1. Structure: Average or typical for properties in that peer group.

2.2. Exterior: Average or typical for properties in that peer group.

2.3. Interior: Somewhat below average for properties in that per group.

2.4. Foundation: N/A.

- 2.5. Roofs: Significantly below average for properties in that peer group.
- 2.6. Attics: N/A.
- 2.7. Plumbing: Average or typical for properties in that peer group.
- 2.8. HVAC Units: (Heating - Ventilation - Air Conditioning): Somewhat below average for properties in that peer group.
- 2.9. Electrical: Average or typical for properties in that peer group (fair - few issues).
- 2.10. Staff Kitchen: N/A.
- 2.11. Staff/Public Restrooms: Average or typical for properties in that peer group.
- 2.12. Data Systems: Average or typical for properties in that peer group (fair - few issues).
- 2.13. Landscaping/Grounds: Average or typical for properties in that peer group (fair - few issues).

Building And Property Conditions

Overall, the commercial building appears somewhat to be constructed in a workmanlike manner and appears consistent with the local building trades and standards in effect at the time of construction (date of construction unknown).

Overall general maintenance and repairs over the past several years have been observed to be significantly lacking on several minor and major systems and components throughout the building. After viewing the structure and mechanical components/systems within and outside of the building, it is obvious to concluded that there appears to be no maintenance plan or schedule in place for the building. Structurally and mechanically the building appears to be in fair condition for its age.

There are noted a few minor and major safety hazards observed (unless more hidden from view or not know of), that could possibly pose a threat to the employees occupying the building at this time. Those items which could pose a personal safety issue are listed and indicated within the report and should be addressed and rectified immediately.

Outlined separately below are the present conditions of the building/s during the day of the inspection which exhibit issues to the building. Be that structural or mechanical and being in nature to be serviceable, cosmetic, deteriorated, damaged, and/or needing repairs/replacement. Those items and/or issues presented may need to be either addressed presently, (some cases immediately, depending on the nature) as that item detailed within the report is affecting the structure of the building in a way of further damage and/or deterioration of structural building materials and/or mechanical components or systems of the building. Issues that may need to be addressed in the future, (usually within 1 to 6 months) are also items that may affect the structure of the building in a way of possible damage and/or deterioration of structural building materials and/or mechanical components or systems of the building.

3.0. Structure

The following conditions and issues are observed to the buildings structural materials at various locations.

3.1. Observed a few cracks in the mortar and a few concrete blocks.

4.0. Exterior

The following conditions and issues are observed to the building exterior covering materials at various locations.

4.1. North side of the building, holes observed in the surface of the metal covering and some light damage to trim materials.

4.2. Possible environmental issues at the south exterior side of the property where there appears to be engine oil spillage on the surface of the asphalt pavement walkway, possibly on the ground soils surface and on the surface of the concrete block wall. Further investigation by an environmental specialist is suggested.

4.3. North side of the building, roof overhang, observe water stains on the surface of the wood soffit covering material, past water seepage from the roof?

5.0 Interior

The following conditions and issues are observed to the buildings interior at various locations.

5.1. The interior areas of the building has undertaken several past structural changes, specifically within the east bay area of the building where the possibility of a few interior walls may have been removed. Needs further investigation possibly by an professional structural engineer.

5.2. West area of the building, several cosmetic, light damage and deterioration to finished building materials is observed (walls, ceilings, floors, trim, etc).

5.3. West area of the building, southwest area of the rooms ceiling, dry water stains observed on the surface of the fibre tile from past water seepage from the roof.

6.0 Foundation

Appears that the foundation of the building is a concrete, monolith type slab (assuming). This type of foundation design and construction can not be inspected and therefore, conditions are unknown.

7.0 Roof

The following conditions and issues to the surface of the roofs covering materials was observed at various locations.

7.1. Deterioration and damaged surfaces of the Tar & Gravel roofing components observed at various locations. This includes lack of gravel covering, exposed tar and roof membrane material, water/moisture/air trapped underside of the membrane/s, poor practice of past roofing material repairs, etc.

7.2. Deteriorated and damaged flashing components observed at various locations.

7.3. Missing and poorly installed flashing components observed at various locations.

7.4. Open ply membranes and blistering indicating trapped water/air underside.

In conclusion, the roofs covering has reached its life expectancy and will need to be replaced sometime in the near future with a new covering at a budgeted (estimate) cost of \$20,000.00 + GST and if any insulation has to be replaced would be an additional cost of \$3.10 per sq. ft.

8.0. Attics

8.1. Not applicable.

9.0. Plumbing

No issues visibly observed at this time with the exception of the following.

9.1. Second bay bathroom, open waste drain vent, possible entry of sewer gas's, needs to be fully checked by a professional plumber.

10.0. HVAC (Heating - Ventilation - Air Conditioning)

10.1. Main Retail Area (West): The roof top gas fueled HVAC unit appears to be functioning well at this time but is an older model and as such requires regular maintenance and upkeep. Presently, the unit needs a new filter and the air ducts need to be cleaned. This unit may last a little longer but should be budgeted to be replaced soon due to age.

10.2. Bay Shop Areas: Located in each bay is a gas-fired unit heater with the exception of the east bay where the unit has been removed, reason unknown. The other two unit heaters are old and worn out and therefore have to be replaced specially the one located in the west bay area where carbon monoxide gas's are entering into the building.

An estimated budgeted cost for replacing the unit heaters with separate combustion models, including piping, new venting and permits would be approximately \$7,500.00 + GST. Further, the units are drawing combustion air from inside of the building. Given the cubic feet of volume inside the building and the amount of air leakage into the space, this may be an air quality/safety issue.

11.0. Electrical

The main building is serviced by a 200 amp main service with one meter. The main electrical room is located within the southwest area of the building. There is a full security system for the building. Sub-panel located in the area of the second bay storage closet.

The following conditions and issues are observed at various locations:

- 11.1. Observed a few exposed and damaged receptacle outlets.
- 11.2. 40 circuit panel has one space spot in the panel that needs a filler.
- 11.3. 40 amp panel needs to be labeled.
- 11.4. Minor repairs in the bay areas of the shop like loose and exposed wiring needed.
- 11.5. Only one hydro meter installed, not separated.
- 11.6. Sign at the road has power but requires maintenance.
- 11.7. Few broken lights observed at various locations.

Other notables are the following for your information.

11.8. Building is very eligible for Power Smart upgrade due currently to all older style T-12 lighting.

In conclusion, the building in general require a few notable electrical maintenance. There are no serious issues observed and a BC Hydro power smart lighting upgrade would resolve several. A budgeted estimated cost to the necessary repairs to correct code violations only would be upwards of \$1,000.00. This is not including notable improvements or upgrades.

12.0. Data Systems

All known data systems appear to be serviceable and functional at this time.

13.0. Landscaping/Grounds/Grade:

13.1. Significant amount of garage and trash located on the surface fo the grounds at the south area of the property.

13.2. At the east area of the property, observe an approximate two foot square hole in the ground where the asphalt pavement is sinking inward. Possible sink hole, further investigation is warranted.

13.3. North parking lot asphalt pavement exhibit surface cracks, some broken pavement, etc.

14.0. Other Building And Property Issues:

14.1. There presently is a serious health safety issue within the interior area of bay number 3 in that the gas-fired heating unit and its related components have deteriorated to a point that carbon monoxide gas's are entering into this area of the building. Therefore, the primary heating unit for this area of the building should not be further operated until the heating unit is replaced by a professional heating technician.

15.0. Conclusion

After observing the structure and mechanical conditions of the building, there are several note worthy issues that need immediate attention. Most issues are in relation to the lack of and non existance of building maintenance and upkeep in that, there appears to be no scheduled program in place for such, therefore for the resulting, present conditions of the building. Any repairs performed appears to have been poorly performed and appears unprofessional. Therefore, recommend to obtain the professional services of a building maintenance contractor. There appears to be the potential existance of an environmental issue with the observation of what appears to be spilled engine oil at the south exterior area of the building which may need further investigation by a environmental specialist.

Additionally, recommend to obtain a professional building contractor to repair and/or replace all interior and exterior building components where damaged and deteriorated and if necessary during those repairs, if needed, a structural engineer to view the structure within west area of the building where past changes within have occurred.

Further, to repair, replace and improve any mechanical or structural systems and components that are needed such as the HVAC systems, roof covering, electrical, etc.

Thank you for selecting my firm to do your pre-purchase commercial building evaluations. If you have any questions regarding the inspection report or the buildings, please feel free to call me.

Sincerely,
PACIFIC WEST HOME INSPECTIONS

Mr Dave Brice
Owner/Inspector
ASTTBC & BCIPI Certification #: P10284
BPCPA Home Inspector Licence #: 47668.