ABC Apartments Initial 100% Due Diligence Inspection December 13/14 2017

General Comments:

- Unless otherwise noted all units have a black appliance package all newer.
- Unless otherwise noted all units have original metal frame cabinets with wooden doors and stainless steel countertops painted various bright colors.
- Unless otherwise noted all kitchens have vinyl and all bathrooms have vinyl or the original ceramic tile flooring.
- Unless otherwise noted all units have carpet in the halls and bedrooms and the living and dining rooms areas are either hard wood flooring or carpeted.
- Settlement cracks noted in ceilings in many units due to older property and prior settlement.
- Unless otherwise noted all town homes have new electrical panels. Owner says 21 old electrical panels still exist in town homes.
- All but one of the Flats had old electrical panels and will have to be upgraded.
- Gas appliances in Town Homes electric in flats.
- Per Seller Rep 75 of 96 town homes have new a/c systems installed.
- No carbon dioxide detectors in units that have gas? I believe this is required by code.
- (1) Boiler and (1) hotwater heater for every (4) Flats. Buyer may want to hire an engineer to give an opinion as to life spans of the Boilers. We noted the obvious ones from a visual only.
- Flats all have a common basement area and some have storage spaces available. Each one has a coin laundry and either 2 and 2 or 4 and 4 washer and dryers. Coinmach.
- Town homes all have water heater, washer dryer hook up and furnace in basements.
- All town homes have their own garage. 50% of the Flats have a garage option if they want to pay extra for it. Presently the garages have to be opened by hand causing the residents to park on the streets. For approximately 300.00 per unit they can have remotes installed and get the cars off the street and generate additional other income.
- 60 units have now or have had plumbing leaks from the tub or shower heads. This creates leaks to the unit below or down stairs in the town homes. Renovation did not address the older plumbing and this will be an ongoing issue until corrected.
- 25 units showed visible signs of water intrusion, mainly in the basements. We believe this to be a combination of clogged drains, possibly some collapsed drain lines below ground, and or foundation below ground issues. Property sets on hills so some grading issues to redirect water flow will be needed as well.
- OM shows all but 3 roofs replaced in last two years and the older ones less than 10 years old however we observed at least 10 roof leaks and heard complaints from residents as well. Dan with Seller has agreed to resolve all roof issues prior to closing.
- There are still some old garage doors (8) I believe that are supposed to be replaced prior to closing.
- 1926- Newer hot water heater and furnace.

Loose hand rail leading upstairs. **Replace** garage door. (2) Damaged blinds. Housekeeping **fails.**

1928-	(2) door knobs missing.
	Tub over flow missing.
	Replace tub.
	White appliances but newer.
	Housekeeping ok.
1930-	Holes in wall (2).
	Replace tub. Leaking to ceiling below.
	Kitchen ceiling damaged from leak above.
	Housekeeping fails.
1932-	Replace carpet at move out.
	Housekeeping fails.
1934-	White stove.
	Replace basement door.
	Ceiling repair in living room below tub upstairs.
	Structural cracks noted in dining room and one bedroom.
	Housekeeping ok.
1926-	(3) dogs. Do we collect pet fees?
	Stain in ceiling upstairs. Roof leak?
	Replace bedroom door and carpet.
	Housekeeping ok.
6252-	Flats
1-	Resurface bathtub.
	1 damaged blind.
	Good housekeeping.
2-	Old office.
	Missing unit #.
	Settlement cracks on ceiling in bathroom.
	Housekeeping good.
3-	Settlement cracks on ceilings in bedrooms.
	White stove.
	Replace carpet at move out.
4-	Tub drips.
	White appliances.
	Settlement cracks on ceilings.
6250-	Replace basement stairs.
	Loose hand rail on stairs.
	Replace tub.
	Good housekeeping.
6248-	Subflooring at entry needs repaired.
	Housekeeping ok.
6246-	Replace carpet.
	Handrail leading upstairs is missing.
	While older appliances.
	Replace hotwater heater.
	Replace tub.
	Long term resident not much if any was done to this unit.
	Marginal housekeeping.

6244-	(2) fish tanks in dining room. 1 damaged blind.
	Housekeeping ok.
6242-	Replace carpet, vinyl and older appliances at move out.
	Foundation issues in basement need fixed asap.
	Major wall and ceiling damage in Kitchen also smoke damage.
	Settlement cracks in bedroom ceiling.
	Bathroom ceiling damage.
	Bad condition unit will be an expensive make ready.
6240-	Resurface tub.
	Ceiling damage at stairs from tub leak above.
	Housekeeping good.
6238-	6
	Garage door will not close.
	Ceiling repair at stairs due to plumbing leak above.
	Loose toilet.
	Handrail to upstairs needs repair. Water damaged ceiling in living room by window. Seal overhang outside.
	Housekeeping fails.
6236-	
0200	Replace tub.
	Housekeeping ok.
6234-	Wall repairs in kitchen behind basement door.
	1 damaged blind.
	Replace old electrical panel.
	Replace all four interior doors upstairs.
	Housekeeping ok.
	Housekeeping fails.
6224-	
	Ceiling repairs needed in living room ceiling.
	Tub spout needs replaced.
	Tub leaks causing ceiling repairs at stairs ceiling downstairs.
6222-	Housekeeping ok. Replace peel and place tile in bathroom and vanity.
0222	Stains on kitchen ceiling.
	Tub drips and leaks.
	Ceiling repairs at stairs never finished.
6220-	Resident just moving in.
	Old Furnace.
	Replace bathroom sink.
	Housekeeping good.
6218-	Replace vinyl.
	Older white appliances.
	19 year resident.
	Wall repair on stairs from prior leak above.
	Housekeeping ok.

6216- Large ceiling repair in living room never finished. Tub stopped up. Entry door jam busted. Housekeeping ok.

6214- Flats

- 1- Housekeeping ok.
- 2- Replace carpet and vinyl.
 It looks like nothing was ever done on this unit.
 Repair tile around tub.
 White old appliances will need to be replaced at move out.
 Tub drips.
 Housekeeping marginal.
- Ceiling damaged in living room.
 GFCI not working in bathroom.
 Housekeeping ok.
- Bathroom sink clogged.
 Drain line in basement leaks.
 Smoke detector missing.
 Housekeeping ok.
- 5- HUD tile floors.

Per resident unit floods everytime there is a hard rain. White newer cabinets. Housekeeping ok.

6212- Flats

- Carpet and vinyl are new.
 Replace peel and place tile at move out.
 Missing door knob on closet at entry door.
 White appliances.
 Housekeeping good.
- 2- Wall repair for a **leak** living room wall by window. Housekeeping ok.
- 3- Housekeeping ok.
- 4- Replace vinyl.
 Resurface tub.
 Major settlement cracks in bedroom and closet area.
 Poor housekeeping.
- 5- No door # on entry door.
 HUD VCT tile through out unit.
 Not original cabinets.
 White appliances.
 Housekeeping ok.

Floor in this hallway needs replaced.

Commode running in maintenance shop this basement.

6210- Bullet hole in front door?

Resurface tub. 2 year resident. Housekeeping ok.

6208-	Replace electrical panel. Tub drips.
6206-	Housekeeping ok. Replace carpet and tub. White appliances.
	Hole in wall on stairs leading to 2 nd floor. Housekeeping ok.
6204-	Globe down in kitchen.
	2 damaged blinds. Someone sleeping on mattress in dining room? Housekeeping marginal.
6202-	Heat not working. Ceiling damage in dining room from leak above.
	Handrail on stairs loose. 2 nd bedroom settlement cracks. Housekeeping ok.
6200-	
6190-	Housekeeping good. Replace refrigerator. Missing breakers.
6188-	Housekeeping ok.
	Repair stairs leading to basement. Old furnace.
6186-	Resurface tub. Accent walls. Housekeeping good.
6184:	
6182-	Tub leaks. Replace bathroom door. Housekeeping ok.
6178-	Replace tub. 10 dogs. Breeding Rottweilers (8) of (10) are pups!
6180-	
	Replace bathroom tile. Wall damage leading upstairs. Handrail off completely.
6118-	Housekeeping good. Denied entry. Did not inspect.
6116-	Replace vinyl and carpet currently both in living room without a transition strip. Tub drips. Repairs needed to stairs leading to basement.
	Housekeeping good.

- 6174- Flats
 - Need door # on entry door.
 Key does not work to unit. Housekeeping ok.
 - Resurface tub.
 Could not inspect 3rd bedroom door was locked.
 Replace bedroom door.
 Housekeeping good.
 - GFCI not working in bathroom.
 Peeling paint in bedroom.
 Exposed water lines on wall heaters.
 Housekeeping good.
 - 4- Housekeeping good.
- 6172- Flats
 - Peeling paint bedroom ceiling.
 (1) Drawer front off on kitchen cabinets. Holes under sink need sealed. Housekeeping good.
 - 2- (1) door knob missing.Loose stair rail leading to second floor.Housekeeping ok.
 - 3- Recent move in new carpet.Replace bedroom door.Housekeeping ok.
 - 4- Housekeeping ok.
- 6170- Subfloor weak at entry door area. Settlement cracks in living room.
 Foundation repairs needed in basement.
 Replace (3) bedroom doors.
 Replace bathroom faucet.
 Replace carpet.
 Housekeeping ok.
 6168- Vacant.
 - 168- Vacant. Trashed out need rest of make ready very easy turn. Old electrical panel.
- 6166- Tub drips. Old electrical panel. Housekeeping ok.
- 6164- Replace carpet and vinyl and garage door.
 Old unit nothing seems to have ever been done in this unit.
 Repair stairs leading to basement.
 Housekeeping ok.

6162-	Front door knob missing.
0101	Roof leak per resident has called office for months.
	Ceiling out at entry large area from prior and current roof leaks. (Per Resident)
	Replace all door knobs.
	Replace carpet and soap dish in bathroom.
	Housekeeping ok.
	This is a rough unit will cost to turn at move out.
6160-	Housekeeping ok.
6158-	Tub drips.
	Housekeeping ok.
	Housekeeping ok.
6148-	White older refrigerator replace.
	2002 resident.
	Good unit but floods in basement after hard rain per resident.
	Old electrical panel.
	Replace basement stairs and garage door.
6446	Housekeeping good.
6146-	5
	Basement floods.
C1 4 4	Housekeeping good.
6144-	5
	Ceiling leak in dining room. Loose toilet.
	Roof leak?
6142-	New carpet being installed on stairs today.
0142-	Repair stairs leading to basement.
	Tub leaks.
	Settlement cracks.
	Basement flooding clogged drain?
	Housekeeping ok.
6138-	
	Wall damage around kitchen window from leak from above.
	Tub leaks.
	Replace missing interior door.
	Settlement cracks.
	Housekeeping ok.
6140-	
	Housekeeping good.
6136-	Flats
1-	Peel and place tile in kitchen replace.
	Bathroom ceiling repairs needed.
	Settlement cracks around bedroom windows and in kitchen.
	Replace carpet.
n	Housekeeping ok.
Z-	Smoke detector missing.
	Housekeeping ok.

- 3- Tub diverter needed.Toilet loose at base.Front door needs repairs.Housekeeping ok.
- 4- **Replace** Tub.
- Housekeeping ok.

6134- Flats

- Replace carpet, bathroom door and tub. Tub drips. White stove.
 - Housekeeping fails.
- 2- Bathroom ceiling needs repairs.
 2nd bathroom has wall damage at shower area from leak.
 Settlement cracks 3rd bedroom ceiling.
 Housekeeping ok.
- Stackable washer and dryer in kitchen?
 Replace carpet.
 Housekeeping ok.
- 4- Vacant? One mattress in bedroom.
 Replace tub.
 Housekeeping good.
- 5- Per resident unit flooded 8 days ago.
 Unit needs total rehab.
 35 year resident. Hoarder.
 Rough unit. Expensive to turn but small.
- 6132- Missing breaker. Broken window in basement. Leak at shower handle. Housekeeping ok.
- 6130- Housekeeping marginal.
- 6128- Vacant. Water intrusion in basement. Replace garage door. Ready otherwise.
- 6126- Housekeeping ok.
- 6124- White stove.
 Power off. Refrigerator starting to smell.
 Water heater leaking.
 Sink drips tub leaks.
 Housekeeping ok.
- 6122- Settlement cracks. Housekeeping good. Water intrusion in basement. Replace bedroom door.
- 6118- No key did not inspect.
- 6114- Mattress in dining room? Housekeeping ok.

- 6112- Really bad drywall repair at stairs and never painted. Housekeeping good.
- 6110- Tub leaks. Unit under eviction owes over 5,900. Legal Aid involved.

6108- Flats

- 1- Housekeeping ok.
- 2- Old electrical panel. Replace carpet and tub. Housekeeping ok.
- **3- Old electrical panel.** Housekeeping good.
- 4- Old electrical panel.
 Roof leak living room.
 Housekeeping ok.

Circulating pump in this basement not working.

- 6106- Flats
 - 1- **Leak** in ceiling over tub active. **Replace** tub. Housekeeping good.
 - 2- Housekeeping good.
 - 3- Tub Leaks.Housekeeping good.
 - 4- Housekeeping good.
 - 5- Vacant. Trashed out and painted needs rest of make ready.
 Water intrusion from baseboard heater in living room.
 VCT Tile, white appliances not original cabinets.
- 6104- Exposed plumbing on ceiling in bathroom.
 Roof leak in hallway.
 Original unit no renovation done.
 Housekeeping ok.
- 6102- Settlement cracks. Tub **leaks.**
 - Housekeeping ok.

6100- Flats

- 1- No key to unit did not inspect.
- 2- Old electrical panel. No heat.
 - White refrigerator.
 - Housekeeping ok.
- 3- Peeling paint over tub from leak. Housekeeping good.
- 4- Bedroom wall repairs never painted. Housekeeping ok.

Mailboxes falling out of wall in hallway.

2004- Housekeeping ok.

2006- Replace carpet. Peeling paint on ceiling in dining room. 1 damaged blind. Settlement cracks on living room ceiling. Mice problem per resident. Housekeeping ok. 2008- Vacant. Trashed out, painted and cleaned. Handrail loose otherwise ready. 2010- White appliances. Nice unit. 2012- Older white appliances. Peel and place tile replace. Basement door off hinges. Kitchen ceiling stained. Drywall damage around kitchen window from leak. Resurface tub. 1 damaged blind. Housekeeping ok. 2014- Good housekeeping. 1992- Flats 1- Community Room part of office. Was a 1 bedroom. Burner missing on stove. New cabinets and countertops. 3 small holes on walls by kitchen. Accent walls throughout. 6 chairs 3 glass tables. 1 couch, 1 chair, 1 end table and 1 coffee table. 1 flat screen tv. 80 DVD movies. 2 pictures. Computer room 2 computers 1 computer table. 1 table 3 chairs 1 office chair. 1 bean bag chair. Bathroom

Old window needs replaced. Cover off wall heater. **Resurface** tub. **Hall.**

1 clock on wall and 1 vase.

2- Office 2 bedroom unit.

Restroom- 1 damaged blind. **Manager office**. 2 (4) drawer file cabinets. Lap top that belongs to property.

Lap top that belongs to property. Xerox copier/scanner leased. 1 large desk 5 charis L shape desk. 1 printer.

Leasing office. 1 computer. 2 chairs 1 L shaped desk. 1 picture Waiting Area 1 cabinet, 1 desk, 4 charirs, 2 pictures and 1 flat screen tv. 1 pop corn machine. Kitchen New cabinets and countertops. No sink? 1 water cooler and coffee pot. Accent walls through out. 3- Need door # on entry door. Entry door damaged at lock. Mildew over tub. Roof leak. Per resident has been waiting a month to get repaired. Housekeeping good. 4- Need door # on entry door. Commode runs. Washer in kitchen. Housekeeping ok. 6125- Subfloor in kitchen needs replaced. Loose commode. Housekeeping ok. 6127- Vacant. Trashed out needs rest of make ready. No power. 6129- Ceiling damage at entry door. Hoarder. **Replace** carpet, vinyl, stove, refrigerator and shower assemble. 3 year resident. Stain in kitchen ceiling. Active commode leak. Expensive unit to turn at move out. 6131- Replace carpet and vinyl. Water intrusion in basement. Ceiling cracked 1st bedroom. White stove. Housekeeping fails. 6133- Vacant. Needs complete make ready. No power. Basement steps need repaired. **Replace** hot water heater. 6135- Housekeeping ok.

6137-	Ceiling and walls bad in kitchen.
	White stove.
	Replace carpet and vinyl.
	Roof leaks bathroom and bedrooms.
	Handrail to upstairs missing.
	Sink in basement leaks.
	Replace shower head and bathroom tile.
	A/C register in kitchen sealed off by resident?
	Rough unit.
6139-	Replace carpet and vinyl.
	Old electrical panel.
	Tub drips.
	No heat.
6149-	Flats
1-	Replace carpet and vinyl and shower head.
	Older white appliances.
	Ceiling damage at kitchen window from leak.
	Bathroom ceiling damage from leak.
	Tub runs toilet loose.
	Paint entry door.
	Housekeeping ok.
2-	Replace carpet and vinyl.
	New electrical panel.
	Tub leaks.
	3 damaged blinds.
	While Appliances.
	Housekeeping ok.
	trash sitting in hall by this door.
-	damage in hall by #2 roof leak?
6205-	6
	Housekeeping ok.
	Hotwater heater leaking needs replaced.
	Replace shower head.
6207	Housekeeping ok.
6207-	Handrail loose leading to 2 nd floor.
	Replace tub and sink.
6200	Housekeeping ok.
6209-	Replace carpet and vinyl. Leak in kitchen ceiling.
	Old white refrigerator replace.
	Tub drips.
	Housekeeping fails.
6211-	Replace carpet, vinyl, stove, hot water heater, refrigerator and tub.
0211	Roof leak.
	Housekeeping fails.
	Very expensive unit to turn due to replacement needs.
6219-	Replace tub and shower head.
	Housekeeping ok.

6221- Handrail loose to stairs. No heat. **Replace** shower head. Housekeeping ok.

6223- Leak in ceiling at entry door in living room. Roof? No heat.
Dog.
Shower head leaks.
Houisekeeping ok.

6225- Need total rehab to be done before closing. \$15,000.00. This entire building has jacks from prior settling and shows large settlement cracks. Need engineer to look at this building.

1948- Flats

- 1- Tub needs plumbing repairs. Housekeeping ok.
- 2- **Resurface tub.** Housekeeping ok.
- Housekeeping ok.
- 4- **Replace** vinyl. Housekeeping ok.

Boiler in this building needs replaced immediately.

- 1954- Ceiling damage by kitchen window from **leak.** Plumbing repairs needed for tub. Housekeeping ok.
- 1958- Damage from bathroom leak on kitchen ceiling bad.Commode leaks.6 interior doors needed.
- 1956- No key did not inspect.
- 1960- No key did not inspect.
- 1964- Old electrical panel. Housekeeping ok.
- 1966- Flooring at entry missing.Tub **drips,** drains slow and needs **resurfaced.**Housekeeping ok.

1968- Flats

- 1- Peel and Place tile in bathroom **replace.** Housekeeping ok.
- 2- Recaulk tub.Replace carpet.Housekeeping fails.
- 3- Housekeeping ok. Nice unit.
- 4- Plumbing repairs needed for tub. Housekeeping ok.

- 1972- Flats
 - 1- Wall damage in bathroom.
 - Roaches.

Peel and place tile in kitchen **replace.**

Replace carpet.

- Housekeeping **fails.** 2- Housekeeping ok.
- 2- Housekeeping ok.
- 3- No key did not inspect this unit.
- 4- Replace bathroom door.
 Not original cabinets.
 Housekeeping ok.

Replace door leading to basement.

Very old boiler.

Replace hot water heater now.

1976- No key did not inspect this unit.

- 1974- Replace carpet.
 Smoke detector missing.
 Replace hot water heater lines.
 Housekeeping fails.
- 1980- Smoke detector missing. Repairs needed to ceiling in kitchen by side cabinet area. Housekeeping ok.
- 1982- Replace carpet, vinyl, tub and and kitchen cabinets.
 Smoke damage on kitchen walls and ceilings bad.
 Subfloor in kitchen needs repaired.
 Housekeeping fails.
 This will be an expensive unit to turn.
- 1984- Dining room light falling down. Dog.

Tub stopped up.

Housekeeping ok.

- 1986- Plumbing repairs to tub needed. Housekeeping good.
- 6236- **Replace** tub and repair plumbing to shower. Housekeeping ok.

<u>Short and Long Term Needs</u> <u>Cost Projections</u>

The following costs are projections only, based on typical costs, as we do not have time to get actual bids on many of the items.

Description/Quanity	<u>Short</u>	Term Needs	Long Term Needs	<u>Comments</u>	
Plumbing Repairs (38 Units)*		5,700.00		Utility Cost	
Garage Doors		On Exterior Inspection breakdown			
Replacement of Bathtubs (24)		10,800.00	10,800.00		
Resurface Bathtubs (10)		1,875.00	1,875.00		
Drywall Repairs (39 units)		1,950.00	1,950.00		
Carbon Dioxide Detectors (161	.)	6,440.00			
Roof leaks (14 units confirmed)	TBD			
Plumbing Active Leaks (29 unit	s)	5,800.00			
Interior Door replacement (23))	725.00	725.00		
Carpet Replacement (28)		21,000.00	21,000.00		
Vinyl Replacement (24)		3,000.00	3,000.00		
Settlement Cracks (13 units no	ted)	1,000.00	1,000.00		
Basement stair replacement (6	5)	4,800.00			
Handrails (9)		675.00			
Subflooring (4)		1,000.00			
Hotwater Heaters TH (6)		18,000.00			
Stoves (5)		1,438.00	1,438.00		
Refrigerators (8)		2,000.00	2,000.00		
Expensive Units to Turn (7)**		45,000.00			
Water Intrusion (11)***		TBD			
Furnace (1)		3,500.00			
Foundation Repairs (5)****		TBD			
Boilers (Flats) (2)*****		50,000.00			
Vacants (7)		3,500.00			
Kitchen Cabinets (1)		1,000.00			
Clean out gutters		1,500.00			
Jet All Exterior Drains and Cam	era	7,500.00			
Dogs (15)		N/A	N/A		
Housekeeping Fails (19)		N/A	N/A		
Exterior Repairs (see attached	list)	45,975.00***	***		
Total	Costs:	244,178.00	43,788.00		

*Plumbing repairs include rebuilding the stems, diverters, tile repairs around tub, shower heads etc. Used an average cost per unit to determine an overall cost.

**Units 6242, 6134-5, 6129, 6137, 6211 and 1982 will cost around 5,000 per unit due to amount of replacement and condition of units. 6225 is a total rehab estimated at 15,000.00. Supposed to be done prior to closing.

***Based on number of units we found with current water intrusion, conversations with residents and our exterior inspection which revealed severe settling on section where 6225 is located, including the presence of jacks that have been used in the past. We will need to get an engineer out to look at this issue and determine plan to resolve, before we can assess cost.

****Foundation repairs will require the engineer opinion.

*****Two boilers obviously need replaced. Recommend Buyer have a engineer give opinion on remaining boilers.

******Exterior repairs do not include foundation, drainage, roof leaks nor structural repairs as cost has not been determined nor what will be done prior to closing.