FINAL

Baseline Property Condition Assessment

520 Ellesmere Road,
Toronto, Ontario

Prepared for:

Schwartz, Levitsky & Feldman Inc.
2300 Yonge Street, Box 2434, Suite 1500
Toronto, ON M4P 1E4

Attention: Mr. Alan Page
Trustee

November 20, 2018

Pinchin File: 231475.001

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EXECUTIVE SUMMARY

Pinchin Ltd. (Pinchin) was retained by Mr. Alan Page, Trustee in Schwartz, Levitsky & Feldman Inc. (Client) to conduct a Baseline Property Condition Assessment (BPCA), subject to the limitations outlined in Section 6.0 of this report. Based on Pinchin's scope of work, this service did not include any specialist review of items such as structural components, elevator systems, mechanical and electrical systems, fire protection and life safety systems, etc. The municipal address for the property is 520 Ellesmere Road, Toronto, Ontario (Site). Mr. Marko Balen of Pinchin conducted a visual assessment of the Site on October 31, 2018 at which time Pinchin interviewed and was accompanied by Mr. Salvatore Galati, Managing Partner of Ellesmere Medical Health Care Centre (hereafter referred to as the Site Representative).

Pinchin was advised by the Client that the purpose of the BPCA was to assess visible deficiencies in relation to the due diligence requirements for the potential divestiture of the Site.

The Site is located on the north side of Ellesmere Road, approximately 300 metres west of the intersection of Ellesmere Road and Birchmount Road in Toronto, Ontario. The Site is an irregular-shaped property approximately 7.9 acres in area. The Site is developed with a six-storey commercial building complete with a penthouse level (Site Building), referred to as "Ellesmere Medical Health Care Centre". The Site Building was reportedly constructed in approximately 2012 and possesses a building footprint area of approximately 22,500 Square Feet (ft^2) and a total building area of approximately 110,500 ft^2.

The substructure of the Site Building is constructed with a basement level cast-in-place concrete slab-on-grade and cast-in-place concrete foundation walls supporting a suspended concrete floor slab. Based on our visual assessment, the superstructure of the Site Building appears to be constructed with a reinforced concrete frame structure (i.e., walls, beams and columns complete capitals) supporting concrete floor slabs and concrete roof decking.

The exterior walls of the Site Building consist of smooth finished precast concrete wall panels and structural glazing curtain wall systems on all elevations. The exterior walls of the mechanical penthouse consist of prefinished vertical metal panels on all elevations.

Asphalt paved and gravel surfaced parking areas and driveways are located on the north and central portions of the Site with parking provisions for approximately 412 vehicles. Vehicular access to the Site is provided by an entranceway from Ellesmere Road located on the south perimeter of the Site.

The Site Building appears to be in satisfactory condition and in comparable standing with other similar commercial properties in the area. Based on our visual assessment, the Site Building appears to have been constructed in general accordance with standard building practices in place at the time of construction.

The assessment did not reveal any visual evidence of major structural failures, soil erosion or differential settlement.

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It is noted, Pinchin completed a cursory review of an internal remediation schedule outlining "Work to be completed by Landlord" (Refer to Appendix II – Remediation Schedule) which was provided by the Client subsequent to the Site visit. It should be noted that no Reliance was given to Pinchin as it relates to costs identified in the aforementioned remediation schedule, and the schedule was provided only for general information purpose. It was beyond our scope of work to comment on the findings and or conclusions, any comment would be limited to identifying significant material differences that would warrant further review.

No immediate repair requirements were noted. Repair and replacement requirements (under replacement reserves) over the term of the analysis (i.e., 10 years) of $259,000 were noted. As noted during the Site visit, deficiencies were identified related to the roof systems, wall systems, structural elements, elevator systems, interior finishes, Site features, mechanical systems and emergency electrical power. Of particular note, recommendations, repairs and replacements for the following items are included throughout the term of the analysis:

- Repairs to the exterior wall systems;
- Replacement of the deteriorated window and door perimeter sealants within the term of analysis;
- Installation of the elevator car top railings on the elevator cabs;
- Replacement of three natural gas-fired Domestic Hot Water heaters; and
- Mid-life overhaul of the emergency generator.

It was reported to Pinchin that the costs associated with ongoing general maintenance of the major components of the Site Building are carried as part of the annual operating budget for the Site.

Regular maintenance should be conducted on the roof systems, wall systems, elevator systems, interior finishes, mechanical system, electrical and life safety systems to ensure that the Projected Useful Life of the major components is realized. Repair costs for the aforementioned items have been included over the term of the analysis (i.e., 10 years) included within Appendix I.

The specific deficiencies identified during the BPCA and their associated recommendations for repair are described in the main body of the report. These deficiencies should be corrected as part of routine maintenance unless otherwise stated within the report. Costs associated with desired upgrades have not been carried.

The detailed breakdown of all costs for the Site can be found in Appendix I.

This Executive Summary is subject to the same standard limitations as contained in the report and must be read in conjunction with the entire report.

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1.0 INTRODUCTION

Pinchin Ltd. (Pinchin) was retained by Mr. Alan Page, Trustee in Schwartz, Levitsky & Feldman Inc. (Client) to conduct a Baseline Property Condition Assessment (BPCA), subject to the limitations outlined in Section 6.0 of this report. Based on Pinchin's scope of work, this service did not include any specialist review of items such as structural components, elevator systems, mechanical and electrical systems, fire protection and life safety systems, etc. The municipal address for the property is 520 Ellesmere Road, Toronto, Ontario (Site). Mr. Marko Balen of Pinchin conducted a visual assessment of the Site on October 31, 2018 at which time Pinchin interviewed and was accompanied by Mr. Salvatore Galati, Managing Partner of Ellesmere Medical Health Care Centre (hereafter referred to as the Site Representative).

Pinchin was advised by the Client that the purpose of the BPCA was to assess visible deficiencies in relation to the due diligence requirements for the potential divestiture of the Site.

The Client has advised Pinchin that no previous Baseline Property Condition Assessments or other building reports have been prepared for the Site.

The results of the BPCA are presented in the following report. This report is subject to the Limitations discussed in Section 6.0. The term of the analysis requested by the Client is 10 years.

2.0 SCOPE AND METHODOLOGY

The scope of the BPCA included a visual examination (without any intrusive testing or demolition of finishes to observe hidden areas) of the following:

- The building envelope, comprised of the exterior walls, windows, exterior doors and roof systems;
- The structural elements (i.e., slabs, walls, columns, capitals, beams, etc.);
- The vertical transportation systems (i.e., elevators);
- The interior finishes of the common areas and a sample of the tenant spaces;
- The Site features;
- The mechanical systems (i.e., boiler, heat pump unit, make-up air unit, domestic hot water, etc.); and
- The electrical and life safety systems.

The object of the BPCA included the following:

- A visual examination of the property in order to assess the condition of the major elements;

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- Review of general documentation on the repair/maintenance history of the elements, if available;
- Cursory review of previous reports pertaining to the Site Building, if made available by the Site Representative;
- Interviews and discussions with on-Site personnel regarding the repair/maintenance conducted on the Site Building;
- Documentation of observed existing deficiencies observed within the various elements;
- Photographic documentation of various components and observed deficiencies; and
- Compilation of Pinchin's findings in a formal written report including observed deficiencies, together with a list of recommendations for repair/replacement with associated estimated costs for both short and long term.

The report provides:

- A basic description of each of the various major components of the Site Building;
- A list of deficiencies noted with respect to the components examined; and
- Recommendations and cost estimates for the corrections recommended.

Cost estimates provided in this report are preliminary Class "D" and provided only as an indication of the order of magnitude of the remedial work. These values have been arrived at by determining a representative quantity from the visual observations made at the time of our Site visit and by applying current market value unit costs to such quantities and or a reasonable lump sum allowance for the work. More precise cost estimates would require more detailed investigation to define the scope of work. They are not intended to warrant that the final costs will not exceed these amounts or that all costs are covered. The estimates assume the work is performed at one time and do not include costs for potential de-mobilization and re-mobilization if repairs/replacement are spread out over the term of analysis.

All costs are identified in 2018 Canadian Dollars, and do not include consulting fees or applicable taxes. (For consulting fees, Pinchin typically recommends a budget allowance of 10% to 15% of the costs identified).

All cost estimates assume that regular annual maintenance and repairs will be performed to all building elements at the facility. No cost allowance is carried for this regular maintenance.

The cost estimates provided in this report are based on costs of past repairs at similar building, recent costing data such as "RS Means Repair and Remodelling Cost Data – Commercial/Residential" and "Hanscomb's Yardsticks for Costing", or Pinchin's professional judgment.

Unless otherwise stated, the replacement costs identified for an element reflects the cost to remove and replace the existing element with the same type of element.

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3.0 OBSERVATIONS AND COMMENTS

3.1 Site Information

General view of the east elevation of the Site Building.

General view of the west elevation of the Site Building.

General view of the south elevation of the Site Building.

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Table 3.1 – Site Information

Site Occupant/Name	**Ellesmere Medical Health Care Centre**		
Site Address	**520 Ellesmere Road, Toronto, Ontario**		
Existing Land Use Type	Commercial	*Primary On-Site Activity*	Medical offices Walk-in clinic Retail pharmacy Cafe
Multi-Tenant/Single Occupant	Multi-Tenant	*Number of Units*	Approximately 21 units
Date First Developed	Unknown	*Site Area*	~ 7.9 acres
Number of Buildings	One	*Building Footprint Area(s)*	~ 22,500 ft^2
Number of Storey(s) (Excluding Basement)	Six-storeys complete with a penthouse level	*Total Building Area(s)*	~ 110,500 ft^2
Date Building(s) Constructed	~ 2012	*Area of Tenant Spaces*	Varies
Date Building(s) Renovated	Ongoing tenant turnover	*Basement and/or U/G Parking*	Basement level
Type of Roof System(s)	Polyvinyl Chloride (PVC) single-ply membrane roof system Installation of a green roof system overtop the PVC single-ply membrane roof system scheduled to be completed subsequent to the Site visit	*Number of Levels U/G*	Single level
Type of Wall Cladding	Smooth finished precast concrete wall panels Structural glazing curtain wall systems Prefinished vertical metal panels	*Area of Roof System(s)*	PVC single-ply membrane roof system: ~ 22,500 ft^2

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Table 3.1 – Site Information

Site Occupant/Name	**Ellesmere Medical Health Care Centre**		
Site Address	**520 Ellesmere Road, Toronto, Ontario**		
Type of Doors	Insulated Glass (IG) doors within prefinished aluminum frames serving the main and secondary entrances Single Glazed (SG) doors within prefinished aluminum frames serving the vestibules Metal doors, some of which possess Georgian Wired Glass (GWG) inserts, within metal frames serving the stairwells, emergency exits and utility rooms SG doors and solid-core wood doors within prefinished aluminum and metal frames serving the entrances to the tenant spaces Wood doors within wood frames serving the interior tenant spaces	*Types of Windows*	Structural glazing curtain wall systems (consisting of fixed IG units, non-vision glazing (spandrel) panels, capless vertical joint systems and pronounced prefinished aluminum frames) Fixed IG units within prefinished aluminum frames set into a strip configuration
Parking Area	Asphalt and gravel surfaced: ~ 412 vehicles	*Electrical Source*	Toronto hydro
Surface Type	Asphalt paved and gravel surfaced parking areas and driveways Interlocking stone walkways Soft landscaping (i.e., grass, shrubs and trees)	*Type of Heating/Cooling*	Natural gas-fired heating boilers supplying hot water to the heat pump units Cooling is generated by individual compressors integrated within the heat pump units Heat rejection is achieved by a cooling tower Natural gas-fired Make-Up Air (MUA) unit Air conditioning units

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3.2 Roof Systems

The main, lower and upper level roof systems of the Site Building consist of conventionally-designed, "near-flat", mechanically fastened, PVC single-ply membrane roof systems, installed atop a layer of rigid thermal insulation atop concrete roof decking. Neither the presence of a vapour barrier, nor the type or thickness of the insulation could be verified during the inspection of the roof systems, as the scope of the work did not include destructive testing.

Based on information provided by the Site Representative, the installation of a green roof system overtop the existing PVC single-ply membrane roof system on the lower roof area atop the south portion of the Site Building is reportedly scheduled to be completed subsequent to the Site visit.

Drainage of the main, lower and upper level roof systems is provided by internal roof drains which presumably drain to the municipal sewer system.

Penetrations through the main, lower and upper level roof systems consist of a roof hatch, cooling tower vent, internal roof drains, roof anchors, combustion stacks, plumbing vents, pitch pockets/cones serving electrical conduits and mechanical curbs.

Based on information provided by the Site Representative, the PVC single-ply membrane roof systems are original to the time of construction of the Site Building in approximately 2012 (i.e., approximately 6 years old) and possess a total roof area of approximately 22,500 ft^2.

The main roof area was accessed via a walk-out door located in the mechanical penthouse, the lower roof area was accessed via a walk-out door located on the second floor and the upper roof area was accessed via a roof hatch complete with a fixed metal ladder located in the mechanical penthouse of the Site Building.

Based on discussions with the Site Representative and visual assessment, no active or previous roof leaks were reported or observed within the Site Building at the time of the Site visit.

Table 3.2 outlines the findings of the inspection of the roof systems:

Table 3.2 – Roof Systems

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
• None observed/reported.	• None required.

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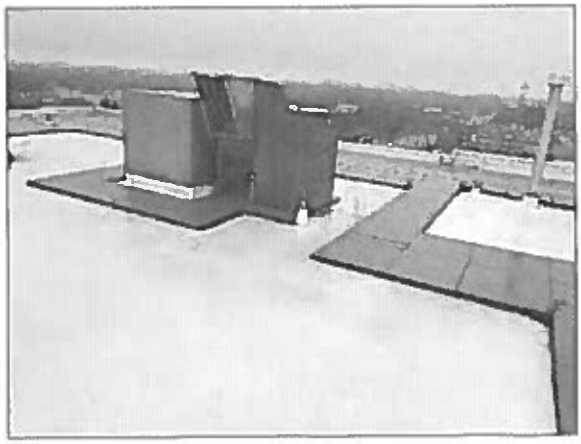
Table 3.2 – Roof Systems

Findings	Remarks/Recommendations
Minor Deficiencies/Findings	
• Areas of water ponding were noted at various locations of the main and upper roof areas.	• Monitor accumulation of water on the roof systems and clean/unplug the roof drains regularly as part of regular annual maintenance of the roof systems. If ponding of water persists, installation of additional roof drains should be considered.
• Localized areas of staining on the PVC roof membranes were noted at various locations of the main and upper roof areas.	• Remove and clean the staining on the PVC roof membranes as part regular annual maintenance of the roof systems.
• Broken concrete pavers were noted at various locations of the upper roof area.	• Replace the concrete pavers as part regular annual maintenance of the roof systems.
• Plastic covers on the plumbing vents were noted on the upper roof area.	• Remove the plastic covers on the plumbing vents.

General view of the PVC single-ply membrane roof system noted on the main roof area.



General view of the PVC single-ply membrane roof system noted on the upper roof area.

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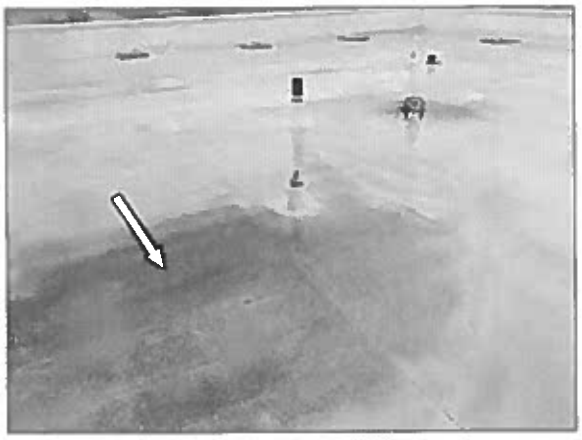
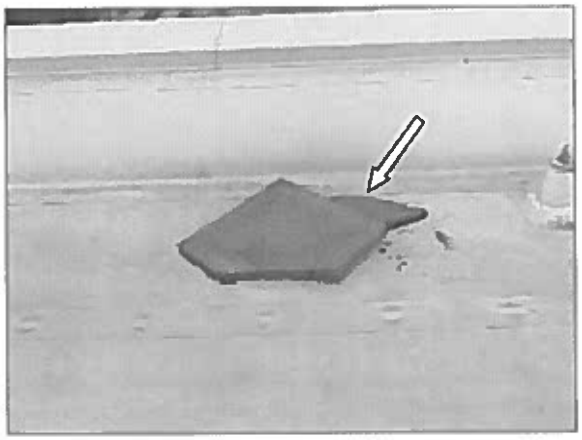
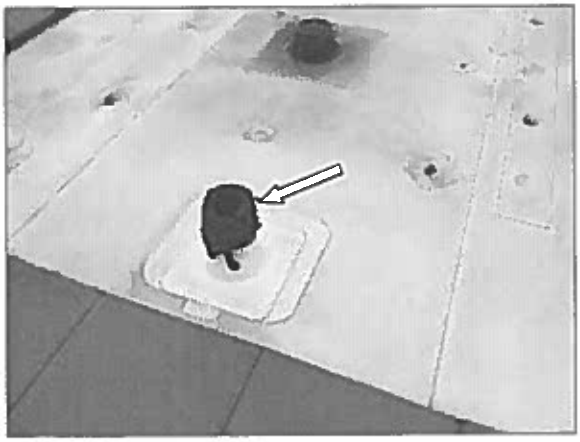


View of the water ponding noted on the main roof area.

Note: Localized areas of staining on the PVC roof membranes were noted at various locations of the main and upper roof areas.



View of the broken concrete paver noted on the main roof area.



View of the plastic cover on the roof vent noted on the upper roof area.

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General view of the future green roof system overtop the PVC single-ply membrane roof system noted on the lower roof area atop the south portion of the Site Building.

It has been Pinchin's experience that the Projected Useful Life (PUL) of a PVC single-ply membrane roof system and green roof system typically ranges between 17 and 20 years, depending on the quality of the materials used, the quality of workmanship during installation and the level to which the roof systems have been maintained.

As previously mentioned, the PVC single-ply membrane roof systems are original to the time of construction of the Site Building in approximately 2012 (i.e., approximately 6 years old) and were noted to be in satisfactory condition with the exception of the above-referenced deficiencies. As such, Pinchin has carried allowances for current and anticipated localized repairs to the PVC single-ply membrane roof systems within the term of analysis.

Assuming that the above-referenced deficiencies are addressed and regular annual maintenance is performed, the roof systems should perform in a satisfactory manner throughout the term of the analysis. Annual walk-on inspections are recommended to ensure the integrity of the roof systems and identify/address the required repairs to extend the service life.

3.3 Wall Systems

The exterior walls of the Site Building consist of smooth finished precast concrete wall panels and structural glazing curtain wall systems on all elevations. The exterior walls of the mechanical penthouse consist of prefinished vertical metal panels on all elevations.

The window systems of the Site Building consist of structural glazing curtain wall systems (consisting of fixed IG units, non-vision glazing (spandrel) panels, capless vertical joint systems and pronounced prefinished aluminum frames) on all elevations. Fixed IG units within prefinished aluminum frames set into strip and storefront configurations are located on all elevations of the Site Building. Based on review of selected dates stamped on the window spacers, the IG units were manufactured in 2012 (i.e. approximately 6 years old).

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The door systems of the Site Building consist of IG doors within prefinished aluminum frames at the main and secondary entrances and SG doors within prefinished aluminum frames at the vestibules. The doors providing access to the emergency exits, stairwells and utility rooms (i.e., elevator equipment, mechanical, sprinkler and electrical rooms) consist of metal doors, some of which possess GWG inserts, within metal frames. The doors providing access to the tenant spaces consist of SG doors and solid-core wood doors within prefinished aluminum and metal frames. The doors within the interior spaces of the tenant spaces consist of wood doors within wood frames.

It should be noted that the as-built condition of the anchoring system and fasteners, which secure the precast concrete wall panels and curtain wall systems to the building structural frames and floor slabs could not be determined at the time of the Site visit as these components are concealed and could not be observed through a visual inspection.

Table 3.3 outlines the findings of the inspection of the wall systems:

Table 3.3 – Wall Systems

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
• None observed/reported.	• None required.
Minor Deficiencies/Findings	
• A chipped/damaged precast concrete wall panel was noted on the west elevation of the Site Building.	• Repair and replace the chipped/damaged precast concrete wall panel.
• Damaged insulation boards and unfastened drainage boards were noted at various elevations of the Site Building.	• Repair and replace the damaged insulation boards. Fastened the drainage boards to the concrete foundation walls.
• Localized areas of missing and deteriorated window perimeter sealants were noted at various elevations of the Site Building.	• Replace the missing and deteriorated window perimeter sealants.
• An evidence of potential water infiltration (i.e., water staining on the gypsum wall boards) in the window systems was noted on the west elevation of the Site Building.	• Determine and repair the source(s) of water infiltration in the window systems. Replace the window perimeter sealants.

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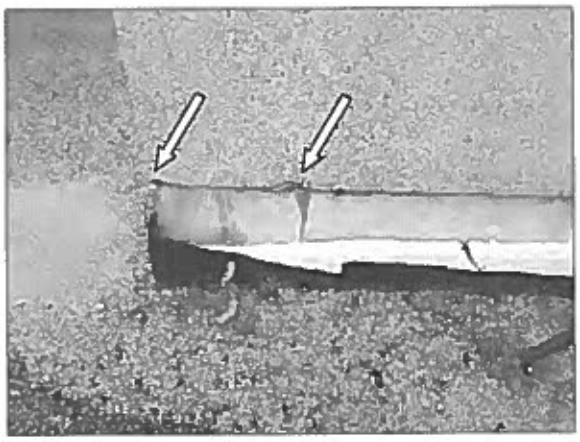
General view of exterior wall cladding of the Site Building.



View of the chipped/damaged precast concrete wall panel noted on the west elevation of the Site Building.

View of the damaged insulation boards and unfastened drainage boards noted on the north elevation of the Site Building.

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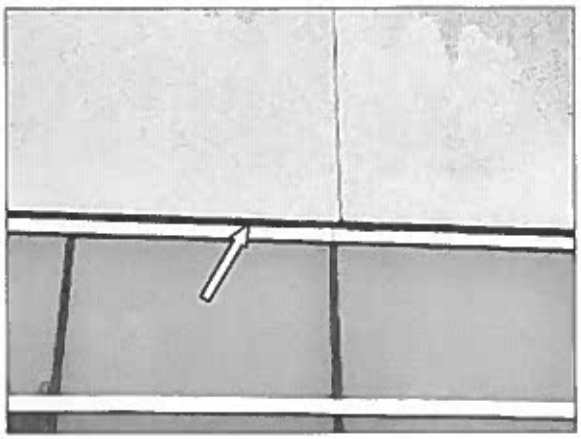
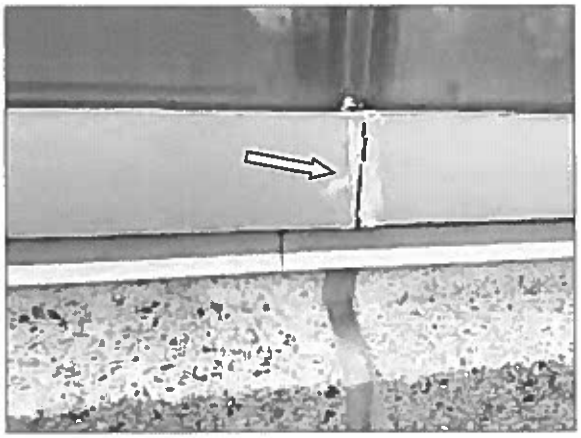
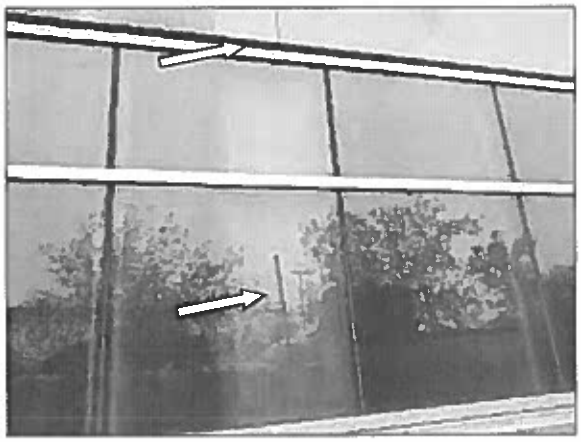


View of the missing window perimeter sealants noted on the west elevation of the Site Building.



View of the deteriorated sealant in the window frames noted on the west elevation of the Site Building.



View of potential evidence of water infiltration (i.e., water staining on the gypsum wall boards) noted on the west elevation of the Site Building.

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The wall, window and door systems of the Site Building were noted to be in satisfactory condition with the exception of the above-referenced deficiencies. The Site Representative did not report any issues (i.e., moisture infiltration, precast panel displacement, etc.) within the wall systems.

Pinchin has carried allowances for current and anticipated repairs to the exterior wall systems within the term of analysis. Additionally, Pinchin has carried allowances for replacement of the deteriorated window and door perimeter sealants throughout the term of analysis.

Assuming that the above-referenced deficiencies are addressed regular maintenance is performed, the wall window and door systems of the Site Building should perform in a satisfactory manner throughout the term of the analysis.

3.4 Structural Elements

As outlined in the scope of work, a visual assessment of the condition of the structural elements was carried out on the elements which were visible at the time of the inspection.

The substructure of the Site Building is constructed with a basement level cast-in-place concrete slab-on-grade and cast-in-place concrete foundation walls supporting a suspended concrete floor slab. Based on our visual assessment, the superstructure of the Site Building appears to be constructed with a reinforced concrete frame structure (i.e., walls, beams and columns complete capitals) supporting concrete floor slabs and concrete roof decking.

No structural drawings were provided to Pinchin for review.

Table 3.4 outlines the findings of the inspection of the structural elements:

Table 3.4 – Structural Elements

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
• None observed/reported.	• None required.
Minor Deficiencies/Findings	
• Localized areas of exposed steel reinforcing bars in the concrete columns were noted on the east and south elevations of the Site Building.	• Repair and patch the exposed steel reinforcing bars in the concrete columns.
• An anomaly in the concrete floor slab was noted in the main entrance lobby.	• Investigate the cause of the anomaly and repair/re-level the concrete floor slab.

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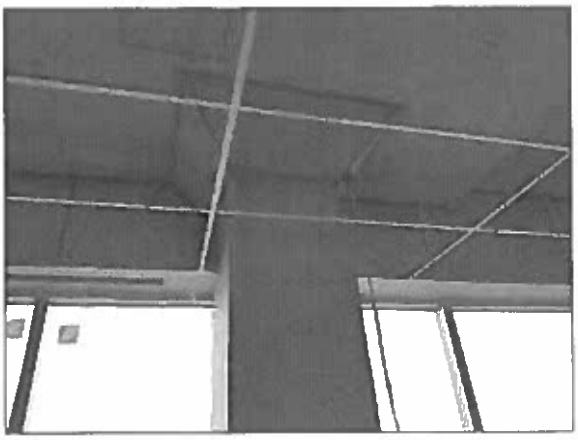
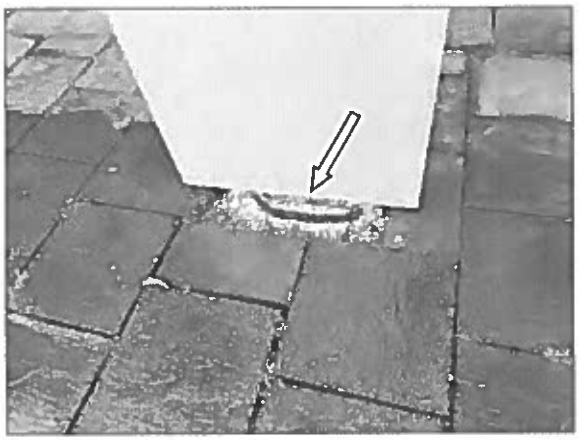


View of the reinforced concrete structure (i.e., column and capital) supporting a suspended concrete floor slab.



View of the exposed steel reinforcing bars in the concrete column noted adjacent to the south elevation of the Site Building.

View of an anomaly in the concrete floor slab noted in the main entrance lobby.

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Assessment of the original or existing building design, compliance with prior or current Building Code or detection or comment upon concealed structural deficiencies are outside the scope of work. Similarly the identification and assessment of any Post-Tension reinforcing is not included in the scope of work. Accordingly, the findings are limited to the extent that the assessment has been made based on a walk-through visual inspection of accessible areas of the structure.

Pinchin's visual review of the structural elements and information provided by the Site Representative indicated that no major deterioration existed within the visibly accessible components of the building. The assessment did not reveal any visual evidence of major structural failures, soil erosion or differential settlement.

3.5 Vertical Transportation Systems

The following is a brief description of the elevator systems located at 520 Ellesmere Road, Toronto, Ontario:

	Elevator #1	Elevator #2
Manufacturer:	Otis (reported)	Otis (reported)
Drive System:	Geared Traction	Geared Traction
Date Installed:	~ 2012 (~ 6 years old)	~ 2012 (~ 6 years old)
Capacity:	1,360 kg or 18 persons	1,360 kg or 18 persons
Floors Served:	Basement to 6th floor	Basement to 6th floor
Function:	Passenger	Passenger
Alarm:	Provided	Provided
Emergency Stop:	Not provided	Not provided
Emergency Phone:	Provided	Provided
Emergency Power:	Not provided	Not provided

Visual assessment of the elevator geared traction hoist machines and main elevator controllers was not possible at the time of the Site visit, due to no access to the elevator machine room.

The typical elevator "full maintenance contract" covers the replacement of major components in addition to the labour and materials necessary for ongoing repairs, adjustments and preventive maintenance work. Entrances and cab finishes are normally excluded. As long as a "full maintenance contract" service package is purchased, the only additional costs to the Owner, during the first 15 and 25 years of use, should be for malicious damage and repairs to the elevator cabs and entrances. It is assumed that repairs required due to "Acts of God" (i.e., flood, fires, etc.) are covered by insurance.

As reported to Pinchin by the Site Representative, the elevator systems are maintained on a full maintenance contract by "Otis", an independent contractor.

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Based on review of the Technical Standards and Safety Authority (TSSA) licence certificates for the elevator systems, the licence certificates were noted to be up-to-date which will expire on September 17, 2019.

Table 3.5 outlines the findings of the inspection of the elevator systems:

Table 3.5 – Vertical Transportation Systems

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
• The Site Representative was unaware of the elevator car top railings installed on the elevator cars as required by the TSSA.	• Pinchin has allowances for installation of elevator car top railings on the elevator cars by a qualified elevator contractor.
Minor Deficiencies/Findings	
• None observed/reported.	• None required.

View of a typical elevator control panel within the elevator cab.

View of a typical elevator lobby of the Site Building.

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As the current assessment was performed as a BPCA without Specialist review, our information is solely based on the information and documentation provided as well as the visual appearance of the elevator cabs, motors, controls, etc.

As reported to Pinchin by the Site Representative, the elevator systems of the Site Building are original to the time of construction in approximately 2012 (i.e., approximately 6 years old) and are reportedly performing in a satisfactory manner with no major deficiencies noted or reported.

As mentioned previously, visual assessment of the elevator geared traction hoist machines and main elevator controllers was not possible at the time of the Site visit, due to no access to the elevator machine room. Pinchin recommends an assessment of the elevator components located within the elevator machine room by a qualified elevator consultant when access can be provided. In addition, costs have been carried for anticipated Code Changes for the elevator systems.

Assuming that the full elevator maintenance contract is fulfilled, the elevator systems of the Site Building should perform in a satisfactory manner throughout the term of the analysis.

3.6 Interior Finishes

As outlined in the scope of work, the interior finishes of the common areas, utility rooms and a representative sample of tenant spaces of the Site Building were reviewed during the Site assessment.

The floor finishes in the main lobby, vestibules, elevator lobbies, corridors washrooms and tenant spaces consist of ceramic tiles. The floor finishes in the stairwells and utility rooms (i.e., mechanical, sprinkler and electrical rooms) consist of painted/unpainted concrete floor slabs.

The wall finishes in the Site Building consist of painted gypsum wall board finishes throughout. The wall finishes in the elevator lobby on the ground floor consist of marble tiles. The wall finishes in the tenant spaces and washrooms consist of painted gypsum wall board finishes and ceramic tiles. The wall finishes in the stairwells and utility rooms (i.e., sprinkler and electrical rooms) consist of painted/unpainted cast-in-place concrete and concrete block masonry walls. The wall finishes in the mechanical penthouse consist of painted metal wall panels.

The ceiling finishes in the Site Building consist of a combination of painted gypsum board ceilings and bulkheads as well as suspended ceiling assemblies complete with lay-in-tiles within the common areas (i.e., main lobby, vestibules, elevator lobbies, corridors and washrooms) and tenant spaces. The ceiling finishes in the stairwells and utility rooms (i.e., mechanical, sprinkler and electrical rooms) consist of painted/unpainted cast-in-place concrete ceilings.

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Table 3.6 outlines the findings of the inspection of the interior finishes:

Table 3.6 – Interior Finishes	
Findings	Remarks/Recommendations
Major Deficiencies/Findings	
• None observed/reported.	• None required.
Minor Deficiencies/Findings	
• Localized areas of damaged gypsum wall boards were noted in the stairwell of the Site Building.	• Repair and replace the damaged gypsum wall boards and refinish.
• Areas of staining on the metal ceiling panels were noted in the main lobby of the Site Building.	• Remove and clean the staining on the metal ceiling panels.
• Localized areas of water staining and black staining (i.e., potential mould growth) in the ceiling tiles were noted in the corridors and washrooms of the Site Building.	• Determine and repair the source(s) of the water stained ceiling tiles. Replace the affected stained ceiling tiles.
• A localized area of cracked/missing tile grout was noted in the ground floor level pharmacy.	• Install grout to the affected area.

General view of the interior finishes in the main lobby of the Site Building.

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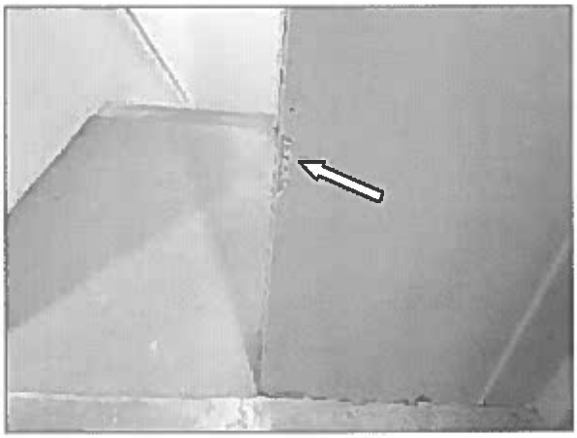
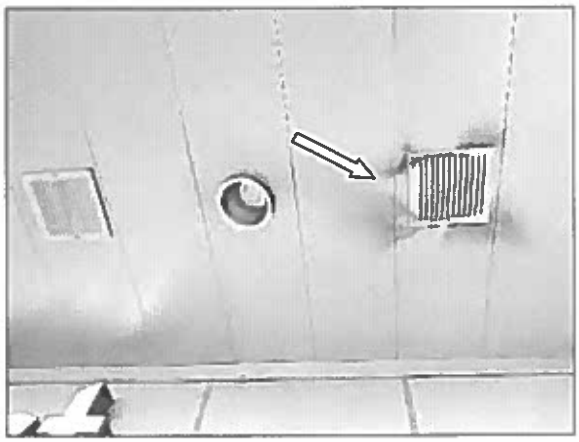
General view of typical interior finishes in the common area meeting space.



View of the damaged gypsum wall board noted in the stairwell of the Site Building.



View of the staining on the metal ceiling panels noted in the main lobby of the Site Building.

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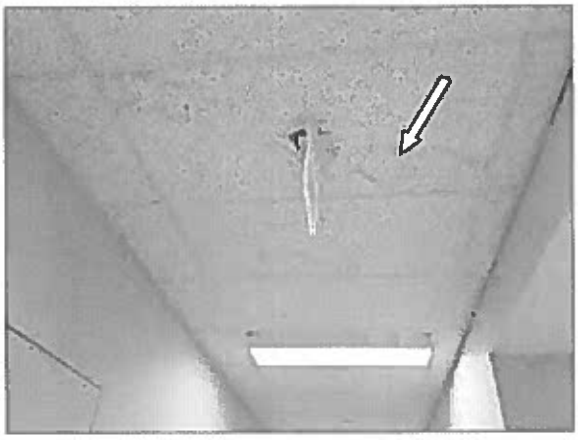
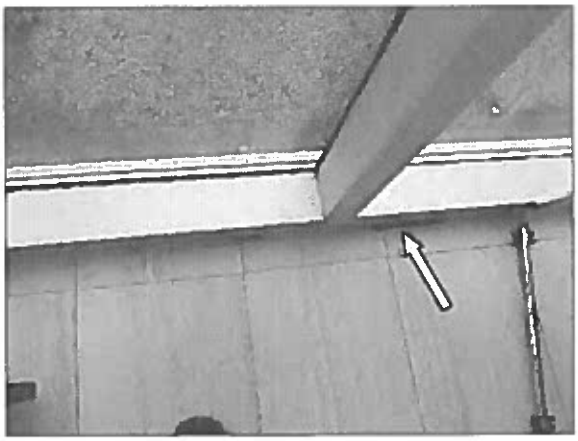
View of the water staining and black staining (i.e., potential mould growth) in the ceiling tile noted in the washroom of the Site Building.



View of the water staining in the ceiling tiles noted in the corridor of the Site Building.



View of the cracked/missing tile grout noted in the ground floor level pharmacy.

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The interior finishes of the Site Building were observed to be in satisfactory condition with the exception of the above-referenced deficiencies. As reported to Pinchin by the Site Representative, repairs and replacement of the interior finishes within the tenant spaces are the tenant's responsibility. As such, no costs have been carried in relation to the repairs and replacement of the interior finishes within the tenant spaces. Costs associated with desired upgrades have not been carried.

Repair and replacement of the interior finishes within the common areas (i.e., main lobby, vestibules, corridors and washrooms) and utility rooms (i.e., mechanical, sprinkler, electrical and elevator equipment, rooms) are the landlord's responsibility. As such, Pinchin has carried allowances for general and localized repairs to the interior finishes throughout the term of analysis.

Assuming that the above-referenced deficiencies are addressed and regular annual maintenance is performed, the interior finishes should perform in a satisfactory manner throughout the term of the analysis.

3.7 Site Features

The Site is an irregular-shaped property, approximately 7.9 acres in area. The Site Building occupies approximately 6% of the Site. The asphalt paved and gravel surfaced parking areas and driveways are located on the north and central portions of the Site with parking provisions for approximately 412 vehicles. The asphalt paved parking areas and driveways were noted to be bordered by cast-in-place concrete curbs. Vehicular access to the Site is provided by an entranceway from Ellesmere Road located on the south perimeter of the Site.

Drainage of the Site pavements is provided by on-Site catch basins which presumably drain the water to the municipal sewer system. Since the inspection was limited to visible areas, no examination of the catch basins was performed and no review of the initial compliance with code was performed. The inspection of underground or concealed components is outside the scope of work. Based on discussion with the Site Representative, no known problems or concerns with the drainage systems/catch basins and their ability to drain the Site were reported to Pinchin at the time of the Site visit.

Interlocking stone paver walkways were noted to serve the main and secondary entrances on all elevations of the Site Building. A dry-stack precast concrete block retaining wall was noted on the west perimeter of the Site. Chain-link fencing encloses the property on the west perimeter of the Site. Areas of soft landscaping (i.e., grass, bushes and trees) are located on the north and east portions and at the perimeters of the Site.

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Table 3.7 outlines the findings of the inspection of the Site features:

Table 3.7 – Site Features

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
• None observed/reported.	• None required.
Minor Deficiencies/Findings	
• Areas of vegetation growth in the interlocking stone pavers were noted adjacent to the north, east and south elevations of the Site Building.	• Remove the vegetation growth in the interlocking stone pavers.
• Localized areas of cracking and deterioration in the concrete curbs were noted at various locations of the Site.	• Repair and patch cracking and deterioration in the concrete curbs.

General view of the asphalt paved and gravel surfaced parking areas and driveways noted on the north portion of the Site.

General view of the gravel surfaced parking areas noted on the north portion of the Site.

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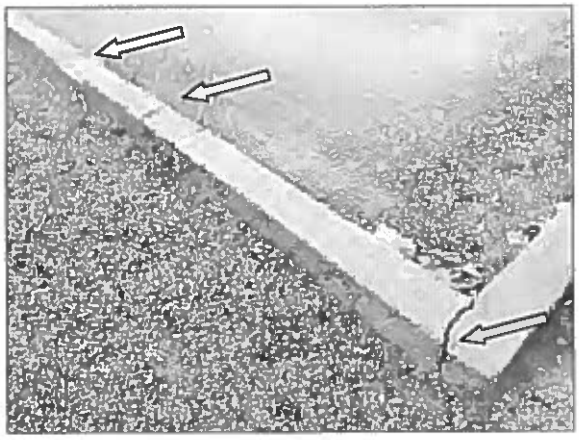
View of the vegetation growth in the interlocking stone pavers noted adjacent to the south elevation of the Site Building.



View of typical cracking and deteriorated concrete curb noted on the north portion of the Site.

In general, the Site features were noted to be in satisfactory condition with exception of the above-referenced deficiencies. Pinchin has carried allowances for anticipated repairs and replacement of the asphalt pavements within the term of analysis. Additionally, Pinchin has carried allowances for current and anticipated repairs to the other components of the Site features (i.e., curbs and walkways) within the term of analysis.

Assuming that the above-referenced deficiencies are addressed and regular annual maintenance is performed, the Site features should perform in a satisfactory manner throughout the term of the analysis.

Assessment of or comment upon concealed deficiencies and any buried/concealed utilities or components are outside the scope of work.

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3.8 Mechanical Systems

3.8.1 Major Service Providers

The following providers serve the subject property:

Water	City of Toronto
Electric	Toronto Hydro
Sewer	City of Toronto
Natural Gas	Enbridge Gas
Police	Toronto Police
Fire	Toronto Fire Services

3.8.2 Heating, Ventilation and Air Conditioning (HVAC)

Heating within the Site Building is provided by a closed circuit heating loop generated by a central boiler plant which supplies hot water to the heating coils within the heat pump units. The central boiler plant consists of two natural gas-fired heating boilers located in the mechanical penthouse. Based on review of data plates, the heating boilers were manufactured by "Camus DynaForce Series" in approximately 2012 (i.e., approximately 6 years old) and possess a maximum input heating capacity of 1,200,000 British Thermal Units per Hour (BTUH), each. Hot water is circulated through the heating loop by two "Armstrong" vertical in-line electric heating circulation pumps located adjacent to the boilers, which provide hot water to the heat pumps units. The heating circulation pumps are reportedly original (i.e., approximately 6 year old).

Heating and cooling within the Site Building is delivered by approximately 96 "ClimateMaster" horizontal water source heat pump units (i.e., approximately 16 units per floor) located within the ceiling space. Cooling is generated by individual compressors integrated within the heat pump units. Based on the information provided by the Site Representative, the heat pump units are original to the time of construction of the Site Building in approximately 2012 (i.e., approximately 6 years old).

Heat rejection is achieved by an "Evapco Inc." cooling tower located within the mechanical penthouse. Based on the information provided by the Site Representative, the cooling tower is original to the time of construction of the Site Building in 2012 (i.e., approximately 6 years old). The nominal cooling capacity is undetermined. The cooling tower is associated with two primary circulation water pumps. The primary circulation water pumps are reportedly original (i.e., approximately 6 years old).

Heating, ventilation and fresh air within the common areas of the Site Building is provided by a natural gas-fired Make-Up Air (MUA) unit. Based on review of the data plate, the MUA unit was manufactured by "Engineered Air" in 2010 (i.e., approximately 8 years old) and possesses a maximum input heating capacity of 1,800,000 BTUH and a fresh air supply rate of 19,000 Cubic Feet per Minute (CFM).

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Cooling within the utility rooms of the Site Building is provided by two electric air conditioning units. Based on review of the data plates, the air conditioning units were manufactured by "Carrier" in 2011 and 2014 (i.e., approximately 7 and 4 years old) and possess cooling capacities of 1½ and 2 tons.

Supplemental heating within the Site Building is provided by natural gas-fired space heaters located in the mechanical penthouse.

As reported by the Site Representative, the mechanical equipment is regularly serviced and maintained by "Network Mechanical", an independent contractor.

The inspection of the interior of boilers, pressure vessels, equipment, fan coils, ductwork or associated components was beyond the scope of work. It should be noted that the heating and cooling duct work within the Site Building may contain interior insulation. The Site Representative did not possess knowledge of the presence of insulation within the duct work within the Site Building. It is Pinchin's experience that interior insulation within duct work is prone to deterioration or development of mould which may require removal of the insulation. In the case where interior insulation is present within the duct work, Pinchin recommends that the duct work insulation be inspected for the presence of mould.

3.8.3 Domestic Hot Water

Domestic Hot Water (DHW) within the Site Building is provided by three natural gas-fired self-contained DHW heaters located in the mechanical penthouse. Based on review of data plates, the DHW heaters were manufactured in 2010 and 2011 (i.e., approximately 7and 8 years old) and possess a maximum input heating capacity of 399,000 BTUH and a storage capacity of 100 U.S. Gallons, each. There was no shortage of hot water noted or reported to Pinchin at the time of the Site visit.

3.8.4 Plumbing

The plumbing systems in the Site Building include the incoming water services, cold and hot water piping as well as the sanitary sewer. Drainage piping within the Site Building consists of cast iron piping where visible, while plumbing for the domestic cold and hot water consist of a combination of copper piping. Due to the concealed nature of the plumbing systems, the condition of the equipment could not be verified. The Site Representative did not report any previous or active pipe leaks within the Site Building. Local repairs to the plumbing systems can be managed as part of on-going maintenance.

The domestic water main incoming line and main irrigation line of the Site Building is located in the main water supply room. The domestic water main incoming line is equipped with "Plad" booster pumps complete with a main control panel. The domestic water main incoming line appears to be equipped with a "Wilkins" 4-inch backflow prevention device and the main irrigation line appears to be equipped with a "Watts" 2-inch backflow prevention device. The backflow prevention devices possess up-to-date annual inspection tags (i.e., October 2018 by "Backflow Specialties").

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The Site Building is equipped with in-ground concrete sump pits complete with pump systems located in the main water supply room. The Site Representative did not report any active leaks or issues regarding the sump pump systems at the time of the Site visit.

3.8.5 Fire Protection

Fire protection within the Site Building is provided by a "wet" sprinkler system as well as standpipe systems complete with fire hoses located inside the fire hose cabinets. The main shutoff valves and risers for the sprinkler and standpipe systems are located in the main water supply room. The sprinkler and standpipe main riser appears to be equipped with a "Wilkins" 6-inch backflow prevention device and possesses up-to-date annual inspection tags (i.e., October 2018 by "Backflow Specialties"). A wall-mounted storage cabinet containing an extra supply of sprinkler heads and an installation tool was noted within the vicinity of the shutoff valves and risers of the sprinkler system. The sprinkler and standpipe systems are reportedly monitored by "API Alarms", an independent contractor. The sprinkler and standpipe systems were noted to possess expired annual inspection tags (i.e., May 2017 by "Caddick Fire Protection Inc."). The fire department Siamese connections serving the sprinkler and standpipe systems are located on the south elevation of the Site Building. A municipal fire hydrant is located to the south of the Site, along Ellesmere Road.

The sprinkler and standpipe systems are equipped with an electric motor driven "Plad" centrifugal fire pump and a "Wilo" jockey pump. The fire pump possesses a pumping capacity of 500 gallons per minute at 75 pounds per square inch and a rated speed at 3,500 revolutions per minute.

Additional fire protection within the Site Building is provided by dry chemical fire extinguishers located in the tenant spaces, utility rooms, inside the fire hose cabinets and at the vicinity of the exits. The fire extinguishers were noted to possess outdated annual inspection tags (i.e., May 2017 by "Caddick Fire Protection Inc."). The inspection gauges on the examined fire extinguishers were noted to be charged to sufficient levels.

Table 3.8 outlines the findings of the inspection of the mechanical systems:

Table 3.8 – Mechanical Systems (including HVAC, Plumbing, and Fire Protection)

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
• The sprinkler system, standpipe systems and fire extinguishers were noted to possess expired annual inspection tags.	• The sprinkler system, standpipe systems and fire extinguishers are required to be inspected annually by a certified fire protection contractor.

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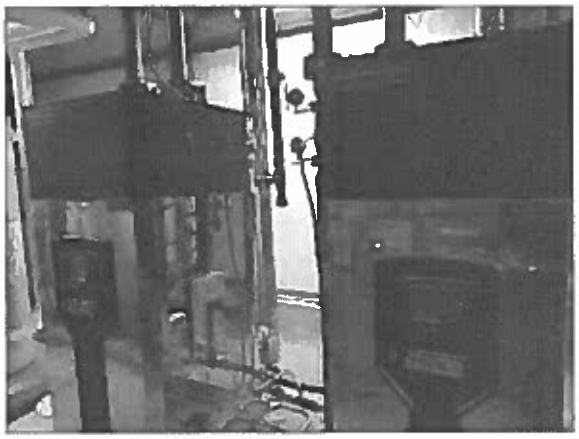
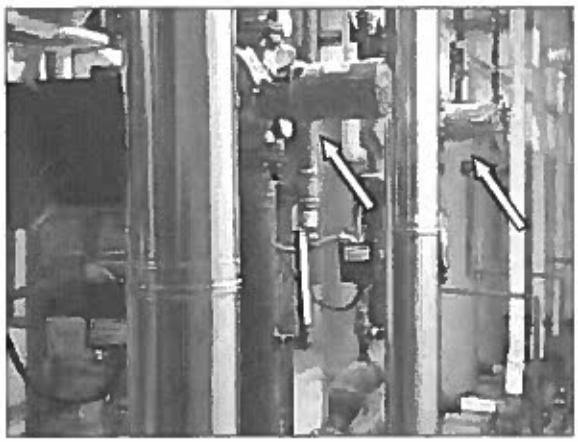
Table 3.8 – Mechanical Systems (including HVAC, Plumbing, and Fire Protection)

Findings	Remarks/Recommendations
Minor Deficiencies/Findings	
• Three DHW heaters were noted to be 6 years old and are anticipated to approach the end of their PUL within the term of analysis.	• Pinchin has carried an allowance for replacement of three DHW heaters within the term of analysis.
• No adequate visible label/sign was noted at the vicinity of the fire department Siamese connections.	• Install a visible label/sign indicating the location of the fire department Siamese connections.
• Corrosion on the sprinkler main piping was noted within the main sprinkler room.	• Remove and clean the corrosion on the sprinkler main piping and repaint with corrosion inhibiting coating.



View of the "Camus DynaForce Series" natural gas-fired heating boilers.



View of the "Armstrong" heating circulation pumps.

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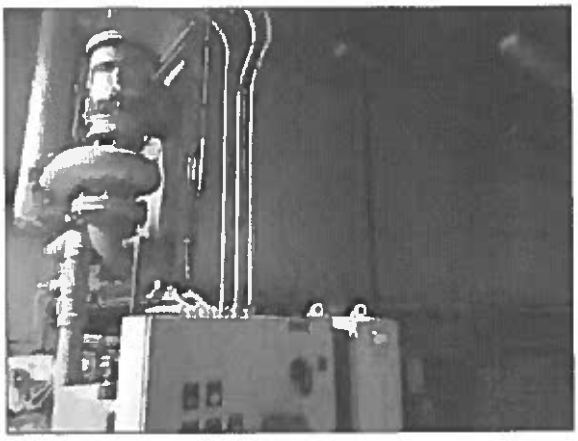
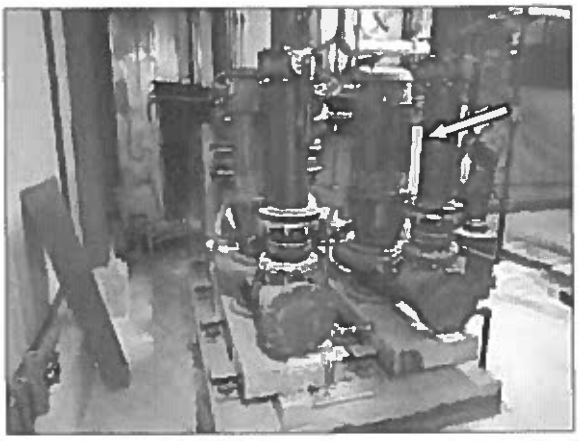
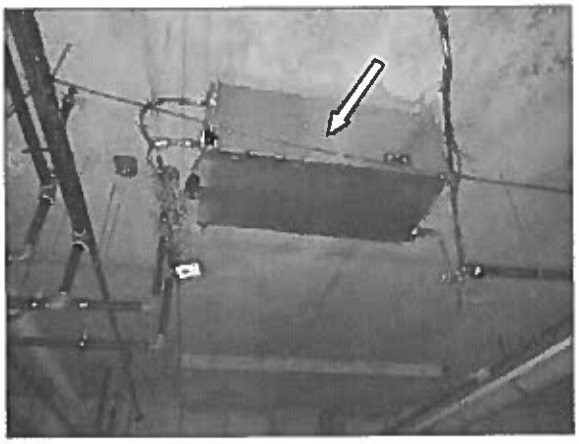


View of the "Evapco Inc." cooling tower.



View of the "Plad" primary circulation water pumps.



View of a typical "ClimateMaster" horizontal water source heat pump.

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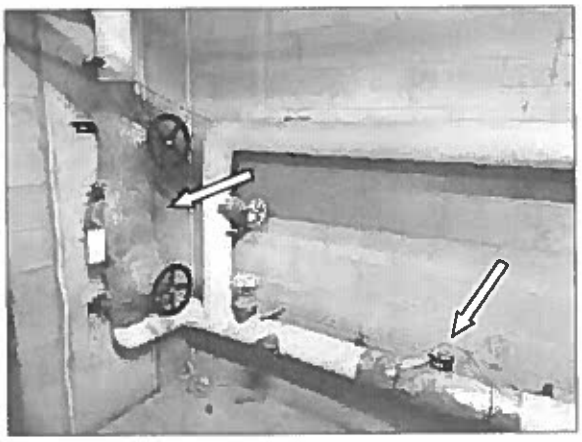
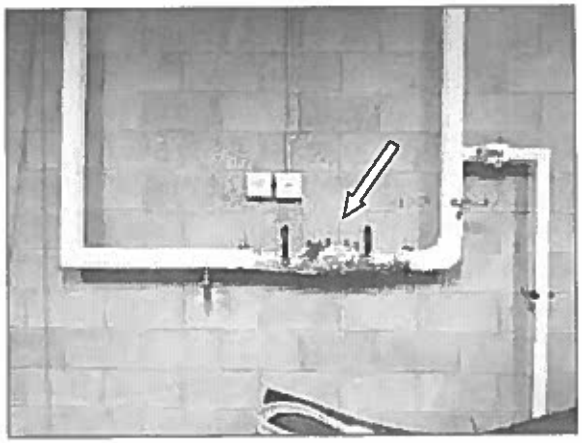
View of the "Engineered Air" MUA unit.



View of the domestic water main incoming line and water meter.

Note: A "Wilkins" 4-inch backflow prevention device appears to be installed onto the domestic water main incoming line.



View of the "Watts" 2-inch backflow prevention device installed onto the main irrigation line.

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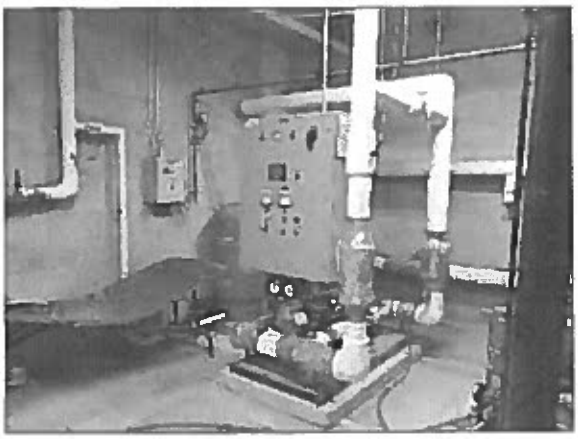

View of the "Plad" booster pump complete with a main control panel.

View of the in-ground concrete sump pit complete with a pump system.

View of the "Bradford White Corporation" natural gas-fired DHW heaters.

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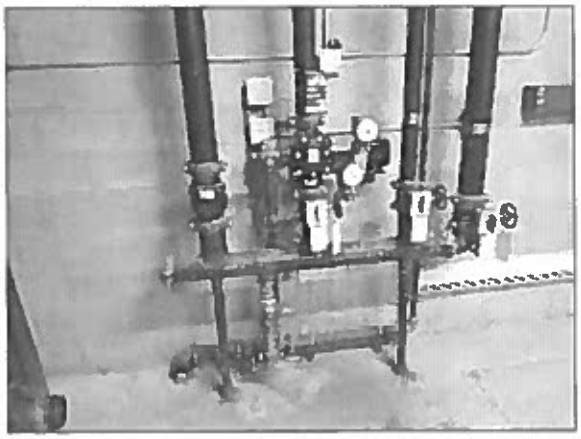
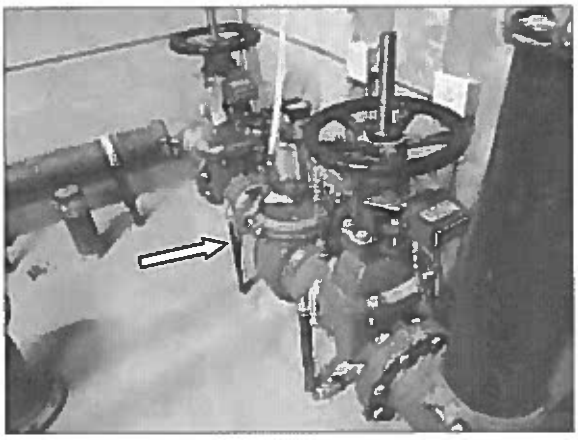
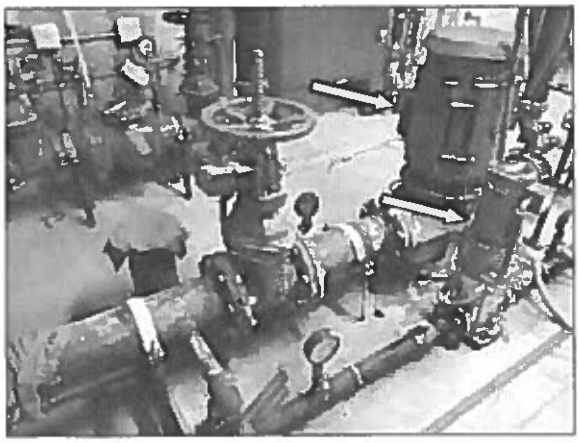


View of the main shutoff valves and risers of the sprinkler and standpipe systems.



View of the "Wilkins" 6-inch backflow prevention device installed onto the main sprinkler riser.



View of the "Plad" centrifugal fire pump and "Wilo" jockey pump.

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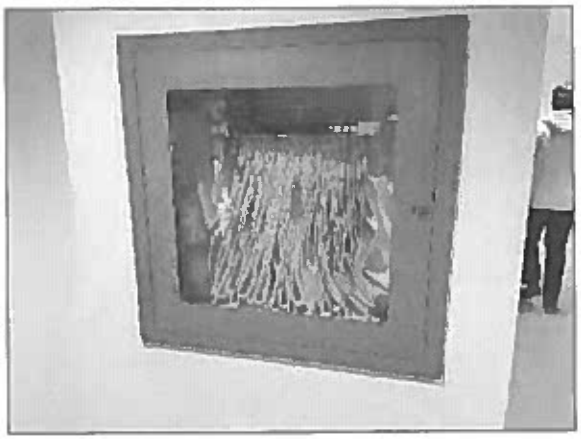
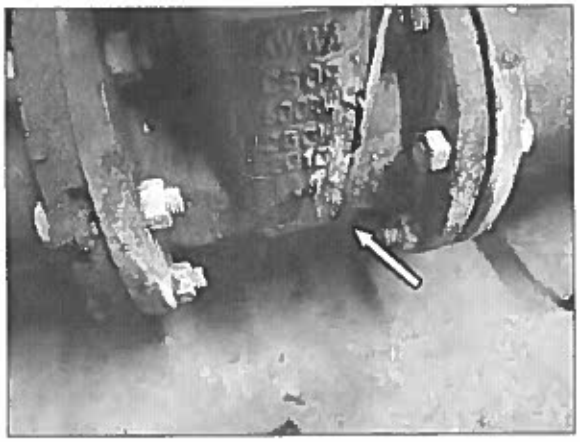


View of a typical standpipe system complete with a fire hose and fire extinguisher located inside the fire hose cabinet.

View of the fire department Siamese connections located on the south elevation of the Site Building.

Note: No adequate visible label/sign was noted at the vicinity of the fire department Siamese connections.



View of the corrosion on the sprinkler main piping noted within the main sprinkler room.

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In summary, the mechanical systems within the Site Building are currently in satisfactory condition with the exception of the above-mentioned deficiencies. It has been Pinchin's experience that the PUL of a DHW heater typically ranges between 10 and 15 years, the PUL of an air-cooled condensing unit and heat pump unit typically ranges between 15 and 20 years, the PUL of a MUA unit typically ranges between 20 and 25 years and the PUL of a natural gas-fired heating boiler and cooling tower typically ranges between 25 and 30 years, depending on the quality of the unit and the level to which the units have been maintained.

Regular maintenance of the mechanical equipment is required to achieve or extend the expected design life of the component.

Assuming that the regular maintenance is performed, the mechanical systems of the Site Building should perform in a satisfactory manner throughout the term of the analysis.

In accordance with the proposed scope of work, no physical or destructive testing or design calculations will be conducted on any of the major components of the Site Building. Similarly the inspection of the interior of boilers, pressure vessels, equipment, fan coils, ductwork or associated mechanical components is not included in the scope of work. Accordingly, the findings are limited to the extent that the assessment will be made visually from the exterior of the systems.

3.9 Electrical Systems

3.9.1 Electrical Power

The electrical power for the Site Building is supplied from a concrete pad mounted municipal transformer located on the southwest portion of the Site and feeds the main electrical switchgear via underground wires. The main electrical service for the Site Building consists of a 2,000 Ampere, 600/347 Volt, 3 Phase, 4 Wire service, complete with an "Eaton" main electrical disconnect switch. The main electrical components and distribution systems are reportedly original to the time of construction in approximately 2012 (i.e., approximately 6 years old).

No problems were reported relating to the electrical systems within the Site Building. The visible sections of the electrical services appear to be in satisfactory condition with no major deficiencies noted. Completing a regular infrared scan of the electrical systems is recommended as part of the regular maintenance of the electrical systems.

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3.9.2 Emergency Electrical Power

Emergency power within the Site Building is provided by an "Olympian" natural gas-fired emergency generator located on the main roof area. Based on information provided by the Site Representative, the emergency generator is original to the time of construction in 2012 (i.e., approximately 6 years old) and is rated at 175 kilowatts (kW) and 219 kilovolt amperes (kVA). The emergency generator provides power to the fire alarm system, exit signs and emergency lighting (i.e., designated lighting fixtures).

3.9.3 Fire Alarm System and Life Safety

The fire alarm system serving the Site Building consists of a multi-zone and single-stage system complete with a "Notifier" fire alarm main control panel located within the main electrical room. The fire alarm system is backed up by batteries within the control panel. As reported to Pinchin by the Site Representative, the fire alarm main control panel is original to the time of construction of the Site Building in 2012 (i.e., approximately 6 years old). A "Notifier" remote annunciator panel is located in the main entrance vestibule. The fire alarm system monitors flow control switch/sensors within the sprinkler system as well as heat detectors, smoke detectors and manual pull stations. Fire alarm notification appliances (i.e., fire signals and strobe lights) are installed at strategic locations of Site Building. The fire alarm system is reportedly monitored by "API Alarms", an independent contractor. Inspections and servicing of the fire alarm system and associated systems are reportedly performed by "Caddick Fire Protection Inc.", an independent contractor. The last date of inspection for the fire alarm main control panel and associated systems took place in May 2017, which is outdated.

Illuminated exit signs are provided by wall and ceiling mounted battery-powered units located at strategic locations and at the vicinity of the exits of the Site Building. Emergency lighting are provided by designated lighting fixtures in the corridors of the Site Building powered by the emergency generator.

Table 3.9 outlines the findings of the inspection of the electrical systems:

Table 3.9 – Electrical Systems (including Electrical Power and Fire Alarm and Life Safety)

Findings	Remarks/Recommendations
Major Deficiencies/Deterioration	
• The fire alarm main control panel and associated systems possess an expired annual inspection tag.	• The fire alarm main control panel and associated systems are required to be inspected annually by a certified fire protection contractor.

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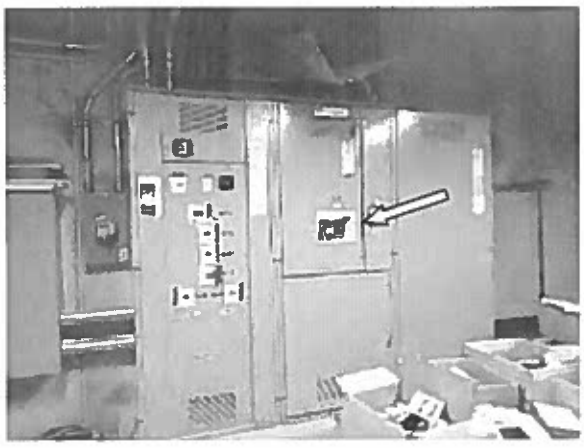
Table 3.9 – Electrical Systems (including Electrical Power and Fire Alarm and Life Safety)	
Findings	**Remarks/Recommendations**
Minor Deficiencies/Deterioration	
• The main electrical room was noted to be utilized for storage of miscellaneous equipment and cardboard boxes with items stored within close proximity of the main electrical components.	• Remove the miscellaneous equipment and cardboard boxes from the main electrical room and ensure the electrical components are easily accessible and free of obstructions at all times.
• The emergency generator was reportedly installed in approximately 2012 (i.e., approximately 6 years ago) and is anticipated to approach the mid-life of its PUL within the term of analysis.	• Pinchin has carried an allowance for the mid-life overhaul of the emergency generator within the term of analysis.

View of the concrete pad-mounted municipal transformer located on the southwest portion of the Site.



View of the "Eaton" main electrical switchgear and disconnect switch.

Note: Miscellaneous equipment and cardboard boxes were noted stored in the main electrical room.

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View of the "Olympian" natural gas-fired emergency generator.

View of the "Notifier" fire alarm main control panel.

View of the "Notifier" remote annunciator panel.

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Upon visual inspection, the electrical and life safety systems were noted to be in satisfactory condition with no major deficiencies noted.

Assuming that the preventative maintenance of the electrical service and distribution systems is provided (i.e., complete regular infrared scan as well as tightening of loose components), the electrical and life safety systems of the Site Building should perform in a satisfactory manner throughout the term of the analysis.

4.0 KNOWN VIOLATIONS TO CODE

It was reported to Pinchin by the Site Representative that no outstanding violations from the Building Department existed pertaining to the property. Compliance with the National Building Code (NBC) and National Fire Code (NFC) was not reviewed as it was beyond the scope of this survey.

5.0 CONCLUSIONS AND RECOMMENDATIONS

Based on Pinchin's review of the property, conducted on October 31, 2018, the Site Building appears to be in satisfactory condition and in comparable standing to other similar commercial properties in the area. Based on our visual assessment, the Site Building appears to have been constructed in general accordance with standard building practices in place at the time of construction.

The assessment did not reveal any visual evidence of major structural failures, soil erosion or differential settlement.

It is noted, Pinchin completed a cursory review of an internal remediation schedule outlining "Work to be completed by Landlord" (Refer to Appendix II – Remediation Schedule) which was provided by the Client subsequent to the Site visit. It should be noted that no Reliance was given to Pinchin as it relates to costs identified in the aforementioned remediation schedule, and the schedule was provided only for general information purpose. It was beyond our scope of work to comment on the findings and or conclusions, any comment would be limited to identifying significant material differences that would warrant further review.

No immediate repair requirements were noted. As noted during the Site visit, deficiencies were identified relating to the roof systems, wall systems, structural elements, elevator systems, interior finishes, Site features, mechanical systems and emergency electrical power which require correction to re-establish a satisfactory level of performance. Of particular note, recommendations, repairs and replacements for the following items are included throughout the term of the analysis:

- Repairs to the exterior wall systems;
- Replacement of the deteriorated window and door perimeter sealants within the term of analysis;
- Installation of the elevator car top railings on the elevator cabs;

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- Replacement of three natural gas-fired DHW heaters; and
- Mid-life overhaul of the emergency generator.

It was reported to Pinchin that the costs associated with ongoing general maintenance of the major components of the Site Building are carried as part of the annual operating budget for the Site.

Regular maintenance should be conducted on the roof systems, wall systems, elevator systems, interior finishes, mechanical system, electrical and life safety systems to ensure that the Projected Useful Life (PUL) of the major components is realized. Repair costs for the aforementioned items have been included over the term of the analysis (i.e., 10 years) included within Appendix I.

The specific deficiencies identified during the BPCA and their associated recommendations for repair are described in the main body of the report. These deficiencies should be corrected as part of routine maintenance unless otherwise stated within the report. Costs associated with desired upgrades have not been carried.

The detailed breakdown of all costs for the Site can be found in Appendix I.

6.0 TERMS AND LIMITATIONS

This work was performed subject to the Terms and Limitations presented or referenced in the proposal for this project.

Information provided by Pinchin is intended for Client use only. Pinchin will not provide results or information to any party unless disclosure by Pinchin is required by law. Any use by a third party of reports or documents authored by Pinchin or any reliance by a third party on or decisions made by a third party based on the findings described in said documents, is the sole responsibility of such third parties. Pinchin accepts no responsibility for damages suffered by any third party as a result of decisions made or actions conducted. No other warranties are implied or expressed.

In accordance with the proposed scope of work, no physical or destructive testing or design calculations were conducted on any of the components of the buildings. Assessment of the original or existing building design, or detection or comment upon concealed structural deficiencies and any buried/concealed utilities or components are outside the scope of work. Similarly the assessment of any Post Tension reinforcing is not included in the scope of work. Determination of compliance with any Codes is beyond the scope of this Work. The Report has been completed in general conformance with the ASTM Designation: *E 2018 – 15 Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process*.

It should be noted that Pinchin has attempted to identify all the deficiencies required by this Standard associated with this project. Pinchin does not accept any liability for deficiencies that were not within the scope of the investigation.

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As indicated above the personnel conducting the building assessment, where applicable, have performed a non-specialist review of the building and all associated finishes and related systems including the structural components, elevator systems, mechanical and electrical systems, fire protection and life safety systems, etc. The personnel conducting the assessment are knowledgeable of building systems and construction, but not technical specialists in each of these fields. The intent of Pinchin's comments on these systems are for the sole purpose of identifying areas where Pinchin has observed a noteworthy condition which will lead to a likely significant expenditure during the term of the assignment and/or where Pinchin would recommend that the Client consider a further, more detailed investigation. The budget costs for remedial work for each specific item has been provided to the best of our ability and will provide an order of magnitude cost for the individual item and the overall possible remedial work. Our experience has shown that the costs that Pinchin have provided are appropriate and of reasonable accuracy for the purpose intended. It should be noted that the budget cost or reserve costs for any specific item may vary significantly based on the fact that the schedule or phasing of the future remedial work is unknown at this time, the impact on building operations of this remedial work is unknown at this time and that no intrusive inspection or detailed design work is included in the BPCA. If a more accurate, detailed or documented reserve cost is required at this time the Client should request Pinchin to provide the additional proposal to provide a more accurate cost estimate.

It should be noted that recommendations and estimates outlined in this report do not include allowances for future upgrading of components pertaining to Client or tenant fit-up that may be necessary or required by Authorities Having Jurisdiction (AHJ).

The assessment is based, in part, on information provided by others. Unless specifically noted, Pinchin has assumed that this information was correct and has relied on it in developing the conclusions.

It is possible that unexpected conditions may be encountered at the Site that have not been explored within the scope of this report. Should such an event occur, Pinchin should be notified in order to determine if we would recommend that modifications to the conclusions are necessary and to provide a cost estimate to update the report.

The inspection of the interior of boilers, pressure vessels, equipment, fan coils, ductwork or associated components was beyond the scope of work. It should be noted that the heating and cooling duct work within the Site Building may contain interior insulation. The Site Representative did not possess knowledge of the presence of insulation within the duct work within the Site Building. It is Pinchin's experience that interior insulation within duct work is prone to deterioration or development of mould which may require removal of the insulation. In the case where interior insulation is present within the duct work, Pinchin recommends that the duct work insulation be inspected for the presence of mould.

Due to the concealed nature of the plumbing system the condition of the risers could not be verified.

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Environmental Audits or the identification of designated substances, hazardous materials, PCBs, insect/rodent infestation, concealed mould and indoor air quality are excluded from this BPCA report.

Further to the aforementioned, determination of the presence of asbestos containing material within the building such as drywall joint compound or the lead content within the older paint finishes was beyond the scope of work.

This report presents an overview on issues of the building condition, reflecting Pinchin's best judgment using information reasonably available at the time of Pinchin's review and Site assessment. Pinchin has prepared this report using information understood to be factual and correct and Pinchin is not be responsible for conditions arising from information or facts that were concealed or not fully disclosed to Pinchin at the time of the Site assessment.

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APPENDIX I

Table 1 – Summary of Anticipated Expenditures