

PROPERTY CONDITION REPORT

Prepared in accordance with ASTM E2018-15 — Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process

Subject Property:

Class B Single-Tenant Office Building
Spokane, WA

Specific property address has been redacted to maintain client confidentiality. Full property identification is on file with the consultant.

Report Prepared For:

Professional Investor

Date of Site Visit:

March 31, 2026

Date of Report:

[to be issued]

Report Reference:

20260331-SampleOffice-PCR

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Scope Deviation Notice (per ASTM E2018, Section 3.2)

This Property Condition Report ("PCR") has been prepared under the baseline scope of ASTM E2018-15 with one user-elected deviation: at the user's election, **Opinions of Probable Cost (OPC) have not been developed** for the physical deficiencies identified herein. All other baseline scope elements — including the walk-through survey, document review, personnel interview, system descriptions, identification of physical deficiencies, and recommendations for further study — have been performed in accordance with the guide.

Executive Summary

The subject property was located in Spokane, Washington. It was a Class B, single-tenant general office building originally constructed in 1906 and most recently renovated in 2021. The improvement contained approximately 27,013 gross square feet across three above-grade stories and a finished basement, situated on a 0.63-acre urban infill site. At the time of the field observer's walk-through survey on March 31, 2026, the property was fully occupied by a single tenant operating under a long-term lease for general office and administrative use. *Tenant identification has been redacted to maintain client confidentiality.* This assessment was conducted in accordance with ASTM E2018-15 and consisted of a non-intrusive visual survey of readily accessible building components and systems, supplemented by a review of available documentation and a brief interview with on-site personnel.

The property presented as a well-located, historically constructed office asset that had received episodic capital reinvestment, but carried meaningful deferred maintenance and several material physical deficiencies warranting near-term capital planning. The most consequential findings concerned the roofing system, the heating and cooling equipment inventory, portions of the load-bearing masonry envelope, and the domestic water heating equipment.

Site improvements were generally serviceable. The asphalt-paved parking area exhibited moderate alligator cracking, isolated settlement, and localized drainage depressions consistent with base failure and deferred surface maintenance. A trip hazard within the accessible-parking van loading zone and faded accessible-parking pavement markings were also observed; both represented accessibility compliance concerns under the property's continued commercial occupancy.

The roof covering — a thermoplastic polyolefin (TPO) single-ply membrane estimated at 26 to 30 years of age — was well beyond the typical 20- to 25-year service life for this assembly. Conditions observed during the walk-through included exposed reinforcing scrim with frayed fibers, fastener back-out and telegraphing through the membrane, and flashing deficiencies at curbs and vertical transitions. Replacement of the roof system was recommended. Additional moisture-management deficiencies were identified at the elevator-shaft addition, including missing kick-out flashing and absence of a drip edge at the upper roof termination.

The exterior wall assembly consisted of load-bearing double-wythe masonry brick on the original 1906 structure and hardboard siding on the rear elevator-shaft addition. The masonry envelope remained generally serviceable but exhibited widespread mortar joint deterioration warranting full-scale repointing, localized field cracking, parapet damage, and a substantial crack pattern above a west-elevation window opening consistent with apparent lintel failure. The hardboard siding at the addition was missing required head flashing at horizontal terminations, creating a pathway for water intrusion. Original wood-framed thermal-pane windows were likely 40 years of age or greater; the consultant recommended consideration in long-term capital planning.

Structural systems consisted of a basement foundation with rubblestone perimeter walls and a combination of concrete and wood-framed floor systems. No significant structural movement was observed during the walk-through. The exterior walls lacked thermal insulation across much of the original building, which would impact energy performance.

The mechanical inventory represented the most significant aggregate capital consideration identified in this assessment. The building was served by nineteen (19) heating units and nineteen (19) cooling units of mixed manufacturer, age, and refrigerant type. Sixteen of the nineteen heating units and eleven of the nineteen cooling units were classified at End of Life under the consultant's age-based threshold methodology (twenty years or greater). The oldest units — five Rheem electric packaged units in the basement and eight Rheem rooftop condensing units — dated to approximately 1984–1985 and operated on R-22 refrigerant, the production and import of which was prohibited by the U.S. Environmental Protection Agency effective January 1, 2020. Newer units installed between 2020 and 2022 were charged with R-410A; while operational at the time of the site visit, R-410A is itself subject to phase-down under the American Innovation and Manufacturing (AIM) Act, which warrants consideration in long-range replacement planning. Equipment ages reported herein were determined through manufacturer serial-number decoding and, where data plates were faded or illegible, by field estimation; the basis of age determination for each unit is noted in the attached Equipment Schedule.

Domestic hot water was provided by a single 2007-vintage 50-gallon residential-grade electric water heater manufactured by Sears. The unit was beyond its expected service life, lacked required seismic strapping, and was not equipped with a thermal expansion tank. Replacement was recommended. Plumbing systems were otherwise generally functional; however, sewer-gas odors were detected at the roof vent terminus and warranted further evaluation by a licensed plumbing contractor. Multiple gas-fired furnaces were observed to be missing required sediment traps on their gas supply piping.

Electrical service consisted of a 1,000-ampere, 208Y/120-volt three-phase, four-wire system feeding six 600-amp meter packs with twenty-two metered positions and twenty-one distribution panels. The system was functional but included equipment of significant age. A damaged service-entrance pull-box cover was observed at the rear of the structure and represented a water-intrusion pathway capable of causing substantial damage to the service equipment. Additional electrical deficiencies included missing panel knockouts, one missing dead-front cover, missing device cover plates in multiple locations, and exposed branch-circuit wiring in areas remodeled circa 1984 that did not appear to comply with commercial wiring-method standards either at the time of installation or under current requirements.

Life-safety considerations included skylights of older vintage lacking modern tempered or laminated glazing; an unlined brick chimney serving multiple furnace flues, with extensive mortar deterioration and cap damage; perimeter parapet walls below the 42-inch fall-protection threshold where rooftop mechanical equipment required routine access; interior stair handrail

configurations that did not satisfy current IBC Section 1014 graspability and continuity requirements; and an abandoned basement boiler with suspect asbestos-containing thermal insulation, for which survey by an AHERA-accredited inspector was recommended. The hydraulic passenger elevator was current on licensing and inspection but was beyond the typical 20–25 year service life for hydraulic units; the consultant recommended component-level capital planning.

In summary, the subject property represented a viable commercial office asset in a stable urban submarket, with functional structural systems and partial recent capital reinvestment. Continued service as a commercial office property was supported, provided that the user account for meaningful near- and intermediate-term capital expenditures concentrated in roofing, HVAC, masonry repointing, domestic water heating, and targeted electrical and life-safety improvements, together with the further investigations recommended in the body of this report.

Immediate Concerns

The conditions identified below were observed during the walk-through survey at the time of the site visit and, in the consultant's professional judgment, warrant attention prior to or concurrent with closing of any contemplated transaction. The conditions are summarized here for the user's convenience and are described more fully at the indicated body items. Consistent with the scope deviation disclosed on the cover page and at Section 1.3, Opinions of Probable Cost have not been developed; the user is referred to the appropriate licensed professional for cost estimation in connection with each recommended action.

1. Damaged Service-Entrance Pull-Box Cover (Item 9.1). The pull-box cover at the underground service-entrance riser was observed in damaged condition, with openings permitting water entry into the pull-box interior. Direct water exposure of 1,000-amp service-entrance conductors presents recognized risks of insulation degradation, ground faults, equipment damage, and life-safety hazards to building occupants and to service personnel. The consultant recommended that a licensed electrician be engaged to install a weather-rated pull-box cover compliant with current National Electrical Code requirements and to inspect the pull-box interior for evidence of prior water intrusion or conductor degradation.

2. Missing Dead-Front Cover at Basement Distribution Panel (Item 9.3). A distribution panel located in the basement adjacent to the east-elevation rear exit door was observed in service with the dead-front cover missing, exposing energized bus, breakers, and terminations to direct contact by personnel passing through the area. This condition represents a recognized shock and fire hazard. The consultant recommended that a licensed electrician be engaged to reinstall an approved dead-front cover and to inspect the panel interior for any unrelated installation deficiencies.

3. Suspect Asbestos-Containing Material at Abandoned Boiler (Item 13.0). Thermal insulation observed on an abandoned boiler vessel and associated piping in the basement exhibited visual characteristics consistent with thermal insulation systems commonly installed in commercial buildings prior to approximately 1980, which frequently contained asbestos fibers. The consultant did not perform testing of the observed material and offers no representation as to the presence or absence of asbestos. Pending completion of an asbestos survey by an AHERA-accredited inspector, the consultant recommended that the suspect material not be disturbed, dislodged, or impacted by any building activity, and that access to the immediate area be limited as a precautionary measure.

Additional findings affecting capital planning and life safety — including the roofing system, HVAC equipment inventory, masonry envelope, branch circuit wiring, domestic water heating, and other systems — are documented in the body of this report and consolidated at Section 10.5 (Related Life-Safety Considerations Documented Elsewhere). Those findings, while substantial, were not, in the consultant's judgment, of the same near-term action character as the items listed above.

1. Purpose and Scope

1.1 Purpose

The purpose of this Property Condition Assessment (“PCA”) is to observe and report, to the extent feasible under the processes prescribed by ASTM E2018-15, on the physical condition of the subject property. The intent is to identify and communicate the presence of conspicuous physical deficiencies and material deferred maintenance affecting the subject property’s material systems, components, and equipment as observed during the field observer’s walk-through survey.

1.2 Scope of Work

The baseline scope of this PCA, as performed, included a walk-through survey of the subject property consisting of non-intrusive visual observations of readily accessible, easily visible components and systems; document review, including review of records made reasonably ascertainable to the consultant within the time constraints of the engagement (a Document Receipt Log is provided at Appendix A); a pre-survey questionnaire and on-site interview with property personnel (summarized at Appendix B); and preparation of a written report describing the consultant’s observations, opinions as to the subject property’s condition, and recommendations for further study where appropriate.

1.3 User-Elected Scope Deviation

At the user’s direction, the following deviation from the baseline scope of ASTM E2018-15 has been incorporated: **Opinions of Probable Cost (OPC) for the remediation of identified physical deficiencies have not been developed.** Where the consultant has identified a physical deficiency for which the appropriate remedy may warrant specialty consultation, testing, exploratory probing, or design services, a recommendation for further study has been made in lieu of an OPC.

1.4 Non-Scope Considerations

The following items are non-scope considerations under ASTM E2018-15 and have not been the subject of independent investigation as part of this PCA: seismic considerations; design considerations for natural disasters; insect or rodent infestation; environmental considerations (including, but not limited to, asbestos-containing materials, lead-based paint, radon, mold, and hazardous substances); Americans with Disabilities Act (ADA) compliance; Fair Housing Act (FFHA) compliance; indoor air quality; and property security systems. Where conditions associated with such non-scope items were observed in plain view during the walk-through, they have been reported as informational items; such observations do not constitute a comprehensive evaluation of the underlying non-scope consideration.

1.5 Limitations

This PCR has been prepared in accordance with ASTM E2018-15, which expressly recognizes that the preparation of a PCR is not intended to be technically exhaustive. The consultant's observations are limited to those components and systems readily observable during a single, non-intrusive walk-through survey conducted without the use of special protective clothing, exploratory probing, the removal of finish materials, testing, or specialized equipment. Concealed physical deficiencies are excluded from the scope of this assessment. The consultant did not operate equipment except where the operation of accessible controls was reasonably possible. Opinions formed in this report regarding remaining useful life, condition rating, and recommended remedies represent the consultant's professional judgment based on visual observation and accessible nameplate data; they do not constitute a warranty of future performance.

Equipment age determinations referenced throughout this report were made through one of the following methods, identified in the attached Equipment Schedule on a per-unit basis: (i) manufacturer serial-number decoding from a legible data plate; (ii) field estimation based on installed appearance, model identification, and corroborating physical evidence where the data plate was faded, illegible, or obscured; or (iii) information provided by property personnel and accepted by the consultant as reasonably reliable.

This PCA was performed under the time and budget constraints agreed between the consultant and the user. Appropriate due diligence under ASTM E2018-15 is not to be construed as technically exhaustive; further investigation by qualified specialty consultants is recommended where indicated in the body of this report.

2. Property Overview

2.0 Property Description

The subject property was located in Spokane, Washington. It was a Class B, single-tenant general office building situated within an established urban infill submarket of the City of Spokane. The improvement was originally constructed in 1906 and had undergone multiple renovation cycles, most recently in 2021. The building contained approximately 27,013 square feet of gross building area distributed across three above-grade stories and a finished basement, with a typical floor plate of approximately 6,753 square feet. The site totaled approximately 0.63 acres and was zoned for neighborhood commercial use under the City of Spokane's land use code. At the time of the field observer's site visit, the property was fully occupied by a single tenant operating the improvement for general office and regional administrative purposes under a long-term lease. *Specific street address and tenant identification have been redacted to maintain client confidentiality.*

2.1 Legal Description

A full legal description and tax parcel identification were on file with the County Assessor and were reviewed by the consultant. This material was available in the original, but was removed to maintain client confidentiality.

2.2 Physical Parameters

The subject site was approximately rectangular in shape and contained approximately 0.63 acres. The building footprint achieved a floor area ratio (FAR) of approximately 0.98, consistent with the urban infill character of the submarket.

Flood Hazard Notation. Per publicly available FEMA flood insurance rate mapping for the City of Spokane, the subject site was mapped within an area of minimal flood hazard (Zone X). No site-specific flood hazard determination, elevation certificate, or Standard Flood Hazard Determination form was prepared as part of this PCA. Should flood zone status be material to the user's transaction, the consultant recommended that a current flood determination be obtained through a qualified provider.

Seismic Notation. The subject property was located within a region of moderate seismic activity per United States Geological Survey (USGS) seismic hazard mapping applicable to Eastern Washington. Building-code seismic design parameters for the City of Spokane fall generally within ASCE 7 Seismic Design Category C through D, with the specific designation dependent on site-class soil conditions, structural occupancy category, and the governing edition of the building code in effect at the time of construction or renovation. Site-specific seismic evaluation of the existing improvement is a non-scope consideration under ASTM E2018-15. Should seismic risk evaluation be material to the user's transaction, the consultant recommended engagement of a qualified structural engineer.

2.3 Neighboring Properties

The subject property was situated within an established urban submarket characterized by a mix of institutional, commercial, and residential land uses. Adjacent uses included a major institutional and government campus immediately to the east, smaller commercial and office uses transitioning toward a mixed-use development corridor to the west, two- to three-story residential and mixed-use structures to the north, and a natural river corridor forming a southern boundary with pedestrian and vehicular access to the downtown Spokane core. The surrounding submarket was stable and well-trafficked, with established public transit access and proximity to civic, judicial, and commercial uses typical of an established urban infill location. *Specific adjacent property names and addresses have been redacted to maintain client confidentiality.*

2.4 Permit Information

Permit records for the subject property were available through the municipal permit record system maintained by the City of Spokane, covering the period from 1999 to the date of the site visit. The permit history was reviewed by the consultant and was summarized in the Document Receipt Log provided at Appendix A.

3. Lot and Grounds

Styles and Materials

Parking surface: Asphalt

Walkway materials: Concrete

Site lighting: Pole-mounted, wall-mounted, and adjacent municipal street lighting

3.0 Entry Drives

The site was accessed by a paved entry drive directly from the adjacent municipal street. No readily observable material deficiencies were noted at the entry drive at the time of the site visit.

3.1 Fire Access Lanes

Fire access around the building was provided by the adjacent street network and the surface parking area. No readily observable material deficiencies in fire access were noted at the time of the site visit.

3.2 Fire Hydrant Locations

The nearest fire hydrant to the subject property was located approximately one-half block from the subject improvement at the adjacent street intersection. No readily observable material deficiencies in hydrant location, accessibility, or condition were noted. *Specific street names have been redacted to maintain client confidentiality.*

3.3 Parking Lots

The surface parking area was paved with asphalt over what appeared to be a stabilized gravel base. The lot contained approximately 50 striped parking spaces, of which two were designated for accessible use.

Cracking in interconnected patterns resembling alligator skin was observed across portions of the asphalt surface. This pattern typically results from structural failure of the base or subgrade under repeated loading and indicates loss of base support. Continued service under these conditions permits water intrusion at the base, which accelerates pavement deterioration and progresses toward localized potholing. Isolated low areas were observed at which water collected following precipitation; these depressions may indicate localized settlement, poor compaction at base, or subgrade instability. Standing water accelerates deterioration of the asphalt surface and can create slip hazards under freezing conditions. The level of pavement distress observed was best characterized as moderate, consistent with deferred surface maintenance. Resurfacing or full-depth repair of affected areas was recommended, together with further investigation by a qualified paving contractor to determine the extent of base failure prior to surface remediation.

A vertical trip hazard was observed within the van loading zone of one accessible parking space at the time of the site visit. While accessibility compliance under the Americans with Disabilities Act is a non-scope consideration under ASTM E2018-15, the consultant noted this condition as both a physical deficiency and a liability and safety consideration for ongoing commercial occupancy.

Accessible parking markings — including symbols, signage, and stall boundary striping — were faded, partially missing, or not clearly identifiable at the time of the site visit. Restoration of accessible parking markings was recommended.

3.4 Curbing and Curb Stops

Curbing and curb stops were present at the perimeter of the surface parking area. No readily observable material deficiencies were noted at the time of the site visit.

3.5 Sidewalks and Walkways

Walkways serving the building were constructed of poured concrete. No readily observable material deficiencies in the walkway system were noted at the time of the site visit.

3.6 Site Grading

Site grading at the perimeter of the subject improvement was observed to be generally positive, directing surface water away from the foundation. No readily observable material deficiencies in site grading were noted at the time of the site visit.

3.7 Landscaping

Site landscaping consisted of mowed turf and mature trees. A landscape irrigation system appeared to be present at the time of the site visit. No readily observable material deficiencies in landscaping were noted.

3.8 Stormwater Management

Surface stormwater was managed by sheet drainage across the parking area to the adjacent street curb and gutter system and to storm drains located within central landscape islands. No readily observable material deficiencies in the stormwater management system were noted at the time of the site visit.

3.9 Fences and Enclosures

No site perimeter fencing was present at the subject site at the time of the site visit. No dedicated refuse enclosure was provided for the building's trash and recycling containers, which were located on the asphalt parking surface without screening or enclosure. Current municipal standards typically require enclosure of refuse containers for commercial occupancies.

Installation of a refuse enclosure conforming to applicable municipal standards was recommended.

3.10 Retaining Walls

No retaining walls were present at the subject site.

3.11 Property Lighting

Site lighting consisted of pole-mounted parking lot fixtures, wall-mounted building-perimeter fixtures, and adjacent municipal street lighting. No readily observable material deficiencies in the site lighting system were noted at the time of the site visit. The consultant did not perform a foot-candle measurement or photometric study; such a study is a non-scope consideration under this PCA.

3.12 Property Signage

Property signage installed on the building at the time of the site visit was limited, with signage observed appearing to identify prior occupancies of the improvement rather than the current tenant. The consultant noted this as informational only; signage program decisions are typically a function of tenant lease provisions and ownership preference rather than a deferred maintenance condition.

3.13 Exterior Amenities

No exterior amenities — such as patios, courtyards, plazas, or recreation features — were present at the subject site at the time of the site visit.

3.14 Site Safety Systems

No dedicated site safety systems — such as bollards, security gates, or perimeter security fencing — were present at the subject site at the time of the site visit.

4. Roof Structure and Covering

Styles and Materials

Roof type: Flat with parapet perimeter

Roof covering: TPO single-ply membrane (original building); separate roof system at the elevator-shaft addition (see Item 4.2)

Roof framing: Dimensional wood joists

Attic ventilation: Wind-driven turbine ventilators

Attic insulation: Fiberglass batt

4.0 Roof Access

Roof access was provided by an internal stairway. The roof was accessed by the consultant during the walk-through survey. No readily observable material deficiencies in roof access were noted at the time of the site visit.

4.1 Roof Coverings

The primary roof covering observed at the original 1906 building was a thermoplastic polyolefin (TPO) single-ply membrane. Based on visual observation of weathering, surface degradation, and overall field condition, the membrane was estimated to be approximately 26 to 30 years of age. The basis of this age determination was visual condition assessment by the consultant; no installation records or manufacturer documentation were made available to confirm the actual installation date. Evidence of prior repair patching was observed at multiple locations across the membrane surface.

Multiple physical deficiencies were observed in the membrane assembly at the time of the site visit:

Fastener back-out and telegraphing through the membrane were observed at multiple locations. Backed-out or improperly seated fasteners can damage the overlying membrane through abrasion and reduce wind-uplift resistance of the assembly.

Flashing deficiencies were observed at curbs, parapets, and vertical transitions. Conditions noted included incomplete welds, loose termination bars, improper detailing, and stressed transitions consistent with thermal cycling and membrane tension. Flashings are recognized failure points in single-ply membrane systems.

Linear sections of the membrane exhibited exposed reinforcing scrim where the top polymer coating had worn away. White fabric reinforcement was visible with frayed fibers and accumulated surface debris, most pronounced at the northwest corner of the original building. This condition indicates terminal-stage membrane degradation and substantially increases the risk of water infiltration into the building envelope.

The roof covering was beyond the typical 20- to 25-year service life for a TPO single-ply membrane assembly. Full replacement of the membrane assembly was recommended as a near-term capital expenditure.

4.2 Roof Flashings

In addition to the membrane flashing deficiencies noted at Item 4.1, the following discrete flashing conditions were observed at the elevator-shaft addition:

Kick-out flashing was missing at the transition where the upper roof of the addition terminated against the adjacent wall surface. Absence of kick-out flashing permits roof runoff to bypass the gutter system and discharge against the wall covering, leading to siding damage, concealed water intrusion, and accelerated deterioration of the wall assembly. Installation of kick-out flashing was recommended.

A drip edge was missing at the upper roof termination of the elevator-shaft addition. Absence of a drip edge permits water intrusion under the roofing materials at the roof edge. Installation of a drip edge was recommended.

4.3 Roof Penetrations

Roof penetrations observed during the walk-through included plumbing vent stacks, mechanical exhaust flues, and rooftop equipment curbs. No readily observable material deficiencies at roof penetrations beyond the membrane and flashing conditions noted elsewhere in this section were observed at the time of the site visit.

4.4 Roof Drainage

The roof drainage system was observed at the time of the site visit. No readily observable material deficiencies in the roof drainage system were noted.

4.5 Parapets and Safety Railings

Perimeter parapet walls were observed to be less than 42 inches in height. Under current Occupational Safety and Health Administration (OSHA) standards, working surfaces more than four feet above adjacent lower levels generally require fall-protection systems where workers are exposed to fall hazards. The subject roof contained rooftop mechanical equipment requiring routine access for servicing and maintenance. The consultant recommended installation of guardrail systems, or equivalent fall-protection measures meeting applicable OSHA requirements, at locations on the roof where rooftop equipment service and maintenance is performed.

4.6 Roof Structure

The roof structure was framed with dimensional wood joists, observable from the attic space of the original building. No readily observable material deficiencies in the roof structural framing were noted at the time of the site visit.

4.7 Attic Ventilation

Attic ventilation was provided by a pair of wind-driven turbine ventilators observed at the time of the site visit. No readily observable material deficiencies in attic ventilation were noted.

4.8 Attic Insulation

Attic insulation was observed to be fiberglass batt installed between the ceiling joists. No readily observable material deficiencies in attic insulation were noted at the time of the site visit.

4.9 Skylights

Multiple skylight assemblies were observed at the roof. The skylight assemblies appeared to be of older vintage, predating the typical adoption of safety glazing requirements for sloped overhead glazing in commercial occupancies. Visual observation alone was not sufficient to confirm the glazing classification (tempered, laminated, or annealed) of the installed units. The consultant recommended further investigation by a qualified glazing contractor to determine whether the existing skylight glazing met current safety glazing requirements, and replacement of any units found not to comply with current standards.

4.10 Chimneys

A masonry brick chimney was observed serving as the exhaust path for multiple gas-fired furnaces located within the building. Multiple physical deficiencies were observed in the chimney structure at the time of the site visit:

The chimney lacked an observable flue liner, or the existing flue liner was inadequate to current standards. An unlined or inadequately lined chimney is subject to interior corrosion from condensation of combustion byproducts and can develop pathways for combustion gas leakage into the building interior — a recognized life-safety concern.

The mortar joints of the chimney exhibited extensive deterioration, with significant spalling of the brick and block units in localized areas. Continued deterioration of the mortar matrix would compromise the structural stability of the chimney over time.

The chimney cap exhibited moderate to severe deterioration. A deteriorated chimney cap permits moisture intrusion into the chimney structure, accelerating deterioration of the masonry and any contained flue liner.

The consultant recommended further evaluation of the chimney by a qualified masonry contractor and a licensed mechanical or chimney professional to determine the appropriate scope of repair or replacement, including liner installation, mortar repointing or rebuilding, and

chimney cap replacement. Pending completion of such repairs, the consultant recommended that a combustion safety inspection of all furnaces exhausting through the chimney be performed by a qualified mechanical contractor.

5. Building Exterior

Styles and Materials

Exterior wall covering (original building): Load-bearing brick masonry (double-wythe)

Exterior wall covering (elevator-shaft addition): Wood-framed wall with hardboard siding

Trim materials: Brick (original); painted wood / hardboard (addition)

Window assemblies: Thermal-pane glazing in wood frames

Door assemblies: Anodized metal with thermal-pane glazing; insulated metal; wood-framed thermal-pane

5.0 Exterior Wall Coverings

The exterior wall covering of the original 1906 building was load-bearing brick masonry, which served simultaneously as the exterior cladding and as the primary structural wall system. The elevator-shaft addition at the rear of the building was wood-framed with hardboard siding.

The brick masonry fields were observed to be in generally average condition for a structure of the subject's age. Extensive deterioration was observed at mortar joints throughout the wall surfaces, most pronounced at locations where surface water runoff had occurred. This pattern of mortar deterioration is characteristic of deferred maintenance on masonry wall systems. Periodic repointing — the controlled removal of deteriorated mortar, preparation of the cleaned joints, and replacement with compatible new mortar — is a normal cyclic maintenance requirement for masonry walls of this construction type.

Minor field cracking was observed at several locations across the wall elevations. A substantial crack pattern was observed above one window opening on the west elevation of the building, consistent with apparent failure of the supporting lintel above the opening. The upper front corners of the parapet wall exhibited cracking, and damaged brick units were observed along the parapet wall.

The consultant recommended engagement of a qualified masonry contractor to perform full-scale repointing of the original building masonry, replacement of damaged brick units along the parapet, and further investigation of the apparent lintel failure above the west-elevation window opening, including structural evaluation and repair as appropriate.

The hardboard siding at the elevator-shaft addition appeared to be of recent installation at the time of the site visit. Head flashing was missing at horizontal terminations of the siding where moisture accumulation can occur — including the tops of windows and at band-board transitions. Absence of head flashing at these locations permits water intrusion behind the siding assembly. The siding had not yet received a finish paint coating at the time of the site visit. The consultant recommended installation of head flashing at all horizontal siding terminations and completion of the exterior paint system prior to extended weather exposure.

5.1 Facades

A metal facade element was observed at the front elevation of the original building, apparently installed during a prior renovation cycle. No readily observable material deficiencies in the metal facade were noted at the time of the site visit.

5.2 Eaves

The subject building's original 1906 structure terminated at a parapet wall with no projecting eaves. No eaves were present on the elevator-shaft addition observable from accessible exterior viewpoints.

5.3 Windows and Frames

The installed exterior windows were thermal-pane glazing assemblies set in wood frames. Condensation marks were observed at multiple interior sills, a condition consistent with the seasonal performance characteristics of older thermal-pane assemblies and not in itself indicative of glazing seal failure. Based on visual observation of glazing style, frame profile, and overall field condition, the window assemblies were estimated to be approximately 40 years of age or greater. The basis of this age determination was visual condition assessment by the consultant; no installation records were made available to confirm the actual installation date. Although no acute defects were observed in the window assemblies, the units were approaching or had reached the typical end of useful service life. The consultant recommended that the user account for window assembly replacement in long-term capital planning.

One window was observed in broken condition at the time of the site visit. Per information provided by on-site personnel, the breakage occurred in connection with recent siding installation work at the rear of the building, and replacement of the window was already scheduled. The consultant recommended that the user verify completion of the replacement.

5.4 Exterior Doors and Frames

Exterior doors observed at the building included thermal-pane glazed assemblies in wood frames at the front entries; anodized metal frames with thermal-pane glazing at the rear addition entries; and insulated metal doors at the subgrade-level entries, the rear entries to the original building, and one east-elevation service entry. No readily observable material deficiencies in the exterior door assemblies were noted at the time of the site visit.

5.5 Decks and Balconies

No exterior decks or balconies were present at the subject building.

5.6 Exterior Stairs

Four exterior stairwells served the subject property. The stair treads, risers, and stringers appeared to be in serviceable condition at the time of the site visit. The installed guard and handrail configurations at the exterior stairs did not appear to satisfy current building-code standards. Under International Building Code (IBC) Section 1014 (Handrails) and IBC Section 1015 (Guards), stairways in commercial occupancies are generally required to provide continuous, graspable handrails on both sides of the stair, and guards along the open sides of stairs are subject to opening-limitation requirements intended to prevent through-passage of small objects. While the existing assemblies likely complied with the standards in effect at the time of original construction, the consultant recommended modification or replacement of the existing guard and handrail systems to meet current IBC requirements in connection with any planned alteration work at the property, and earlier modification should user risk tolerance so warrant.

5.7 Thermal Envelope

Infrared thermographic imaging of the building envelope was not performed as part of this PCA. Such imaging is a non-scope consideration under the baseline scope of ASTM E2018-15. The consultant observed that portions of the original building's exterior walls remained as exposed masonry without insulation on the interior face; such walls would exhibit poor thermal performance relative to modern code-compliant assemblies and would carry elevated operating energy costs. Should detailed envelope thermal performance evaluation be material to the transaction or to a planned capital improvement program, the consultant recommended engagement of a qualified building science professional to perform infrared thermography and related envelope analysis.

6. Structural Systems

Styles and Materials

Foundation type: Full basement

Foundation materials: Rubblestone masonry (perimeter); brick masonry (interior supports)

Floor structure: Wood-framed floor joists with poured concrete floor sections

Wall structure: Double-wythe load-bearing brick masonry (original building); wood-framed wall assembly (elevator-shaft addition)

Column materials: None observed (load transfer through bearing walls)

Wall insulation (where visible): Not visible at original-building exterior walls

6.0 Foundation System

The subject property was constructed over a full basement. The perimeter foundation walls were constructed of rubblestone masonry mortared in place, consistent with foundation construction practice of the early twentieth century. At the rear of the building, where the exterior stairwells were located, shotcrete had been applied to the exterior face of the foundation wall, apparently as a moisture-management and reinforcement measure during a prior renovation cycle. Brick masonry was observed providing interior foundation support for the upper floor systems within the basement.

No readily observable material deficiencies in the foundation system were noted at the time of the site visit. The consultant observed no evidence of significant differential settlement, active moisture intrusion, or structural distress within the accessible portions of the foundation system.

6.1 Crawlspace

No crawlspace was present at the accessible portions of the subject building. A localized area at the southeast corner of the building footprint was not accessible at the time of the site visit; the consultant was unable to confirm whether this area was slab-on-grade, an inaccessible crawlspace, or another construction type. A foundation vent opening was observed in the exterior wall at this location, which may indicate the presence of an enclosed crawlspace area. Should detailed investigation of this concealed area be material to the user's transaction, the consultant recommended that access be created and the area observed by a qualified structural professional.

6.2 Structural Wall Framing

The exterior structural wall assembly of the original 1906 building appeared to be a double-wythe load-bearing brick masonry assembly. A double-wythe brick wall system is a traditional form of masonry construction in which two continuous vertical wythes of brick are structurally bonded together — typically by headers, bonding ties, or mortar collar joints — to function as a

composite load-bearing element supporting both vertical gravity loads and the building enclosure.

Deferred maintenance conditions affecting the masonry wall system, including mortar joint deterioration, parapet damage, and an apparent lintel failure above one west-elevation window opening, were documented at Item 5.0 of this report. The consultant directed the user to Item 5.0 for the consolidated masonry repair and investigation recommendation scope.

The wall assembly at the elevator-shaft addition was wood-framed construction with hardboard siding, as also documented at Item 5.0.

6.3 Floor Structure

The floor structure of the subject building consisted of a combination of poured concrete floor sections and conventional wood-joist framing, observable at accessible portions of the basement and at selected interior spaces. The poured concrete portions did not exhibit visible reinforcement at locations where the underside was observable; this is consistent with construction methods common to the period of original construction. No readily observable material deficiencies in the floor structural framing were noted at the time of the site visit. The consultant did not observe evidence of deflection, sagging, or distress beyond what is typical for a structure of this age and construction type.

Substantial portions of the floor structural framing were concealed by ceiling finishes and other interior assemblies and were not directly observable during the walk-through survey.

6.4 Wall Insulation

Insulation was not present at substantial portions of the exterior masonry walls of the original building, as evidenced by the exposed interior masonry surfaces observed at multiple locations during the walk-through survey. The absence of wall insulation on a building of this age and construction type is not a structural deficiency but represents a thermal performance limitation that will result in elevated operating energy costs relative to a code-compliant assembly. Consideration of interior wall insulation may be appropriate in connection with future planned tenant improvement or renovation work at the property; the consultant recommended that anticipated thermal performance be factored into operating expense projections.

7. Mechanical Systems

7.0 Mechanical Systems Overview

The mechanical systems serving the subject building included space heating equipment, space cooling equipment, an air distribution system, domestic water heating equipment, and general ventilation. Equipment was distributed across the basement, three above-grade floor levels, and the rooftop. Unit counts, manufacturers, capacities, fuel and refrigerant types, and age-based condition ratings for the heating, cooling, and water heating inventories are summarized in this section and detailed at the unit level in the Equipment Schedule provided at Appendix C.

7.1 Heating Equipment

Description. The subject building was served by nineteen (19) installed heating units distributed across four levels: the basement (5 units), first floor (4 units), second floor (5 units), and third floor (5 units). The inventory consisted of fourteen (14) natural-gas-fired forced-air furnaces installed at the three above-grade levels and five (5) Rheem RHQA1115T packaged units installed in the basement.

The fourteen gas-fired forced-air furnaces were manufactured by Goodman (10 units), York (3 units), and Rheem (1 unit). Heating capacities ranged from 40,000 to 70,000 BTU/h input. All gas-fired units operated on natural gas at 115V or 120V single-phase, 60 Hz electrical service for blower and control loads, with combustion design generally rated at 80% AFUE for the Goodman units.

The five basement Rheem RHQA1115T units required specific notation. The Equipment Schedule lists these units under fuel type “Electric,” but nameplate data observed at the time of the site visit indicated 240/208V single-phase operation with 14.4/10.8 kW total electric resistance heat capacity and integral refrigeration cooling charged with R-22 refrigerant at 300 PSIG. The combination of electric resistance heat with integral compressor-cycle cooling characterized these units as electric packaged units — not conventional electric furnaces and not heat pumps in the reversible-cycle sense. The practical implications of this configuration were threefold: (i) the units provided no heat pump efficiency benefit and operated at substantially higher cost per delivered BTU than the gas-fired alternatives; (ii) the integral cooling section was charged with R-22 refrigerant, the production and import of which was prohibited by the U.S. Environmental Protection Agency under the Clean Air Act effective January 1, 2020; and (iii) at 41 years of installed age, the units were well beyond all recognized service-life thresholds for this equipment type. The consultant recommended that this classification be corrected in property records and in any future transaction documents.

Refer to the Furnace Schedule in the attached Equipment Schedule for manufacturer, model, serial number, and nameplate data specific to each unit.

Observations. All accessible units were observed at the time of the site visit and were presumed to be operational unless noted otherwise. Controls were activated where feasible, and heat delivery at supply registers was confirmed at accessible systems. No gas leaks, combustion odors, or visible heat exchanger damage were observed during the walk-through survey. Equipment ages reported herein were determined by manufacturer serial-number decoding from legible data plates for all units except Furnace Schedule Units 16 through 19, for which the data plate was either inaccessible or did not present a legible serial number; ages for those four units were estimated based on identical model designation and installed configuration to Unit 15 (serial HM01852443, decoded to 1985 manufacture).

Unit #	Location	Manufacturer	BTU/h Input	Year Mfg.	Age	Condition
1	Third Floor	Rheem	50,000	2005	21 yrs	End of Life
2	Third Floor	Goodman	45,000	2005	21 yrs	End of Life
3	Third Floor	Goodman	45,000	2005	21 yrs	End of Life
4	Third Floor	York	50,000	2021	5 yrs	Operational
5	Third Floor	Goodman	70,000	2004	22 yrs	End of Life
6	Second Floor	Goodman	70,000	2005	21 yrs	End of Life
7	Second Floor	Goodman	45,000	2005	21 yrs	End of Life
8	Second Floor	Goodman	45,000	2003	23 yrs	End of Life
9	Second Floor	Goodman	45,000	2003	23 yrs	End of Life
10	Second Floor	Goodman	45,000	2003	23 yrs	End of Life
11	First Floor	Goodman	70,000	2004	22 yrs	End of Life
12	First Floor	Goodman	45,000	2005	21 yrs	End of Life
13	First Floor	York	40,000	2022	4 yrs	Operational
14	First Floor	York	40,000	2022	4 yrs	Operational
15	Basement	Rheem	14.4 kW*	1985	41 yrs	End of Life
16	Basement	Rheem	14.4 kW*	1985	41 yrs	End of Life
17	Basement	Rheem	14.4 kW*	1985	41 yrs	End of Life
18	Basement	Rheem	14.4 kW*	1985	41 yrs	End of Life
19	Basement	Rheem	14.4 kW*	1985	41 yrs	End of Life

**Units 15–19: 14.4 / 10.8 kW total electric resistance heat capacity (240V / 208V).*

For full nameplate data, including model and serial numbers, refer to the Furnace Schedule in the attached Equipment Schedule.

Condition and Remaining Useful Life. The condition thresholds applied to the heating inventory were derived from the methodology stated in the Equipment Schedule Reference Guide and were consistent with industry practice: Operational at less than 15 years of age; Aging at 15 to 19 years of age; End of Life at 20 years of age or greater.

Three units were classified as Operational: Units 4, 13, and 14, all York gas-fired furnaces installed in 2021 and 2022. Estimated remaining useful life for these units was 10 to 15 years

under normal operation and maintenance, with no capital replacement anticipated within the near-term planning horizon.

Sixteen of the nineteen heating units were classified as End of Life. The oldest units in the inventory were Units 15 through 19 (Rheem RHQA1115T basement electric packaged units, 1985), followed by Units 8 through 10 (Goodman GMT045 second-floor furnaces, 2003). End of Life classification did not necessarily indicate immediate mechanical failure; however, these units were beyond the service life assumed in standard capital reserve analyses, and replacement of the End of Life inventory was recommended as a near-term capital expenditure. Gas-fired units nearing end of life are at elevated risk of heat exchanger cracking, which can allow combustion byproducts to enter the conditioned air stream — a recognized life-safety concern.

All five End of Life basement units (Furnace Schedule Units 15–19) utilized R-22 refrigerant in their integral cooling sections. United States Environmental Protection Agency regulations under the Clean Air Act phased out R-22 production and import as of January 1, 2020. Only reclaimed or recycled R-22 is available for servicing existing equipment, the cost and availability of which has trended upward since the phase-out. The R-22 refrigerant charge renders servicing cost-prohibitive for aging equipment of this type, and replacement with units utilizing current-generation refrigerants was recommended. The consultant noted that prioritization of the basement electric packaged units for early replacement carried both refrigerant-availability and operating-cost benefits.

This assessment was limited to visual observation and review of accessible nameplate data in accordance with ASTM E2018 guidelines. No combustion efficiency testing, heat exchanger pressurization, flue-gas analysis, or static-pressure measurement was performed as part of this engagement. The condition ratings herein reflect the equipment's apparent operational status and age-based life expectancy and do not constitute a warranty of future performance. The consultant recommended that all gas-fired furnaces nearing or beyond end of life be subjected to combustion safety inspection by a qualified mechanical contractor prior to continued service, with particular attention to heat exchanger integrity, and that all units in the heating inventory be enrolled on or confirmed as enrolled on an active preventive maintenance program covering filter replacement, blower service, gas connection inspection, sediment trap verification (see Item 8.3), and combustion analysis where applicable.

7.2 Cooling Equipment

Description. The subject building was served by nineteen (19) installed cooling units. The inventory was distributed across two ground-level installations on the east elevation (2 units) and seventeen rooftop installations (17 units). One rooftop unit (AC Schedule Unit 11) was a ductless mini-split configuration; the remaining eighteen units were conventional split or packaged condensing equipment.

Manufacturers represented in the cooling inventory were Goodman (1 unit), York (10 units), Carrier (1 unit), Guardian (1 unit), and Rheem (6 units, all rooftop). Eight Rheem rooftop units (Units 6, 7, 12, 13, 15, 16, 18, 19) presented faded or illegible data plates at the time of the site visit, and unit-level model, serial, and tonnage data could not be confirmed by nameplate observation. Cooling capacities for units with legible nameplates ranged from 2.0 to 4.0 nominal tons.

Refrigerant types observed in the cooling inventory were R-22 hydrochlorofluorocarbon (HCFC) refrigerant — found in eleven (11) units manufactured between 1984 and 2005 — and R-410A hydrofluorocarbon (HFC) refrigerant — found in eight (8) units manufactured between 2020 and 2022. The cooling inventory was therefore a transitional inventory spanning two refrigerant generations, both of which carried regulatory restrictions described under Condition and Remaining Useful Life below.

Refer to the AC Schedule in the attached Equipment Schedule for manufacturer, model, serial number, and nameplate data specific to each unit.

Observations. Cooling equipment was observed at the time of the site visit in late March 2026. Due to ambient temperatures at the time of inspection, mechanical cooling was not confirmed operational at all units. Accessible controls and visible components were inspected; no visible refrigerant staining, line set damage, or disconnect anomalies were observed on inspected units. The eight Rheem rooftop units with faded data plates (Units 6, 7, 12, 13, 15, 16, 18, 19) presented reduced assurance regarding equipment identity and specifications; the consultant recommended that replacement procurement for these units be preceded by a field survey by a qualified mechanical contractor to confirm existing mechanical connections, electrical service, refrigerant line set sizing, and duct configurations.

Equipment ages reported herein were determined by manufacturer serial-number decoding from legible data plates for all units with legible nameplates. For the eight Rheem rooftop units with faded data plates (Units 6, 7, 12, 13, 15, 16, 18, 19), year of manufacture was field-estimated at approximately 1984 based on observed cabinet style, installed appearance, and corroborating physical evidence; actual year of manufacture may vary, and the field estimation should not be relied upon for any purpose beyond age-based condition rating.

Unit #	Location	Manufacturer	Tons	Year Mfg.	Age	Refrigerant	Condition
1	Ground Level, East	Goodman	2.0	2005	21 yrs	R-22	End of Life
2	Ground Level, East	York	3.5	2021	5 yrs	R-410A	Operational
3	Rooftop	York	2.0	2020	6 yrs	R-410A	Operational
4	Rooftop	Carrier	2.0	2021	5 yrs	R-410A	Operational
5	Rooftop	Guardian	2.0	2005	21 yrs	R-22	End of Life
6	Rooftop	Rheem	unknown*	1984*	42 yrs	R-22	End of Life
7	Rooftop	Rheem	unknown*	1984*	42 yrs	R-22	End of Life
8	Rooftop	York	2.0	2020	6 yrs	R-410A	Operational
9	Rooftop	York	2.0	2005	21 yrs	R-22	End of Life
10	Rooftop	York	2.0	2021	5 yrs	R-410A	Operational
11	Rooftop	York (mini-split)	2.0	2022	4 yrs	R-410A	Operational
12	Rooftop	Rheem	unknown*	1984*	42 yrs	R-22	End of Life
13	Rooftop	Rheem	unknown*	1984*	42 yrs	R-22	End of Life
14	Rooftop	York	4.0	2022	4 yrs	R-410A	Operational
15	Rooftop	Rheem	unknown*	1984*	42 yrs	R-22	End of Life
16	Rooftop	Rheem	unknown*	1984*	42 yrs	R-22	End of Life
17	Rooftop	York	2.0	2020	6 yrs	R-410A	Operational
18	Rooftop	Rheem	unknown*	1984*	42 yrs	R-22	End of Life
19	Rooftop	Rheem	unknown*	1984*	42 yrs	R-22	End of Life

*Units 6, 7, 12, 13, 15, 16, 18, 19: data plates faded; year and tonnage field-estimated. See narrative.

For full nameplate data, including model and serial numbers where available, refer to the AC Schedule in the attached Equipment Schedule.

Condition and Remaining Useful Life. The condition thresholds applied to the cooling inventory were the same as those applied to the heating inventory and as defined in the Equipment Schedule Reference Guide: Operational at less than 15 years of age; Aging at 15 to 19 years of age; End of Life at 20 years of age or greater.

Eight cooling units were classified as Operational: Units 2, 3, 4, 8, 10, 11, 14, and 17. All eight were R-410A units installed between 2020 and 2022. Estimated remaining useful life for these units was 14 to 18 years under normal operation and maintenance, with no capital replacement anticipated within the near-term planning horizon. See R-410A disclosure below regarding refrigerant-related operating-cost considerations applicable to these units.

Eleven cooling units were classified as End of Life. The eight Rheem rooftop units field-estimated at 1984 (Units 6, 7, 12, 13, 15, 16, 18, 19) represented the most critical replacement priority in the cooling inventory: at an estimated 42 years of age and with R-22 refrigerant

rendering servicing cost-prohibitive, these units were beyond all recognized service-life thresholds. Three additional units (Goodman Unit 1, Guardian Unit 5, and York Unit 9) were classified as End of Life at 21 years of age and likewise utilized R-22 refrigerant.

R-22 disclosure. All eleven End of Life units in the cooling inventory utilized R-22 refrigerant. United States Environmental Protection Agency regulations under the Clean Air Act phased out R-22 production and import as of January 1, 2020. Only reclaimed or recycled R-22 is available for servicing existing equipment, and the cost and availability of reclaimed R-22 has trended upward since the phase-out. The R-22 refrigerant charge renders servicing cost-prohibitive for aging equipment, and replacement with units using current-generation refrigerants was recommended.

R-410A disclosure. All eight Operational units in the cooling inventory utilized R-410A refrigerant. Under the American Innovation and Manufacturing (AIM) Act, the U.S. Environmental Protection Agency has implemented a phased reduction in R-410A production and import allowances, with significant restrictions in force as of January 1, 2025. All eight Operational units in this inventory were manufactured and installed prior to January 1, 2025, during the period when R-410A was the primary refrigerant for residential and light-commercial split-system equipment. Going forward, the availability of R-410A for servicing purposes will decrease and associated costs will increase as the phase-down continues. The industry transition to lower-global-warming-potential alternatives (including R-32, R-454B, and R-466A) is underway. While no immediate servicing impact is expected for the well-maintained R-410A inventory at the subject property, refrigerant-related service costs for R-410A equipment will escalate over the remaining useful life of these units, and replacement equipment procured after the manufacturing transition period will utilize newer refrigerant systems that are not backward-compatible with existing R-410A equipment. Prospective owners should factor this trajectory into capital planning.

Combined inventory note. The presence of both R-22 and R-410A equipment in the cooling inventory reflected a property in transition between refrigerant generations. The R-22 units required priority replacement on both age and refrigerant-availability grounds. The R-410A units, while currently serviceable, faced a similar long-term phase-down trajectory under the AIM Act. The consultant recommended that prospective owners factor both near-term R-22 replacement costs and long-term R-410A servicing cost escalation into capital planning.

This assessment was limited to visual observation and review of accessible nameplate data in accordance with ASTM E2018 guidelines. No refrigerant charge testing, compressor performance analysis, superheat or subcooling measurement, or other mechanical testing was performed as part of this engagement. The condition ratings herein reflect the equipment's apparent operational status and age-based life expectancy and do not constitute a warranty of future performance.

7.3 Heat Pump Equipment

Description. No heat pump equipment was identified or observed at the subject property at the time of the site visit. The Heat Pump Schedule in the attached Equipment Schedule contained no entries. Space heating and cooling at the subject building were provided exclusively through the gas-fired furnace and split-system air conditioning equipment documented at Items 7.1 and 7.2, together with the basement electric packaged units documented at Item 7.1.

Condition Thresholds for Reference. The condition thresholds applied to heat pump equipment under the Equipment Schedule methodology, retained here for reference and consistency with the heating and cooling inventories, were: Operational at less than 15 years of age; Aging at 15 to 19 years of age; End of Life at 20 years of age or greater.

Should heat pump equipment be installed at the property in connection with a future tenant improvement or capital replacement program — for example, as part of a phased replacement of the End of Life R-22 cooling inventory with reversible-cycle heat pump alternatives — a supplemental survey would be warranted to document the installed equipment and update the Equipment Schedule accordingly.

7.4 Air Distribution Systems

Description. Conditioned air distribution within the building was accomplished through insulated and flexible ductwork serving the heating and cooling equipment documented at Items 7.1 and 7.2. The ductwork system was distributed through ceiling plenums, mechanical chases, and accessible interstitial spaces.

Observations. No readily observable material deficiencies in the air distribution system were observed at the time of the site visit. The consultant did not perform air balancing measurement, static-pressure measurement, duct leakage testing, or duct interior cleanliness inspection; such testing is a non-scope consideration under ASTM E2018-15.

7.5 Domestic Water Heating

Description. Domestic hot water at the subject building was provided by a single water heater observed at the time of the site visit. The unit was an electric storage water heater of approximately 50-gallon nominal capacity, manufactured for Sears in 2007 (basis of age determination: manufacturer model and item-number data plate information). The unit was a residential-grade product. Sears Holdings has since exited the home appliance manufacturing and retail business, which limits the availability of factory parts and warranty support for installed units of this vintage.

The single installed water heater was not entered into the Water Heater Schedule of the attached Equipment Schedule at the time of report issuance. The consultant noted this for the user and recommended that the Equipment Schedule be updated to reflect the installed unit prior to use of the schedule for capital planning purposes.

Unit #	Location	Manufacturer	Gallons	Year Mfg.	Age	Fuel	Condition
1	Basement	Sears	50	2007	19 yrs	Electric	End of Life

Observations. The unit was observed in service at the time of the site visit. Multiple physical deficiencies were observed:

The unit was a residential-grade water heater installed for commercial-occupancy service. Residential water heaters carry shorter expected service lives, lower recovery rates, and lower duty-cycle ratings than commercial-grade equipment and are generally not the appropriate specification for a single-source domestic hot water supply serving a commercial occupancy of this size.

Seismic strapping was not installed at the unit. Under applicable plumbing-code and building-code requirements for installations in regions of moderate or greater seismic activity, water heaters of this capacity are required to be secured against overturning during a seismic event by means of upper and lower strapping anchored to building framing. Installation of code-compliant seismic strapping was recommended.

A thermal expansion tank was not installed in the cold-water supply piping serving the unit. Under closed-system plumbing conditions — generally present where a backflow preventer, pressure-reducing valve, or check valve is installed at the building water service — a thermal expansion tank is required by code to absorb water-volume expansion during the heating cycle and prevent pressure-relief valve discharge. Verification of the building water service configuration and installation of a thermal expansion tank where appropriate was recommended.

Condition and Remaining Useful Life. The condition thresholds applied to water heater equipment under the Equipment Schedule methodology were: Operational at less than 10 years of age; Aging at 10 to 13 years of age; End of Life at 14 years of age or greater. At 19 years of installed age, the unit was classified as End of Life and was beyond the expected service life for a residential-grade electric storage water heater, particularly when operating under commercial duty cycles.

Full replacement of the unit with a properly sized commercial-grade water heater, accompanied by installation of seismic strapping and a thermal expansion tank in compliance with applicable plumbing-code requirements, was recommended as a near-term capital expenditure. The consultant recommended that a qualified mechanical and plumbing contractor perform load-sizing analysis for the building's domestic hot water demand prior to specification of the replacement unit.

This assessment was limited to visual observation and review of accessible nameplate data in accordance with ASTM E2018 guidelines. No pressure-relief valve testing, anode rod inspection, or storage tank interior assessment was performed as part of this engagement. The

condition ratings herein reflect the equipment's apparent operational status and age-based life expectancy and do not constitute a warranty of future performance.

7.6 Ventilation Systems — General

Description. General ventilation at the subject building was provided through the mechanical equipment's outside air provisions, supplemented by exhaust fans serving restrooms and break rooms. Operable windows were also present at portions of the original building.

Observations. No readily observable material deficiencies in the general ventilation system were observed at the time of the site visit. The consultant did not perform outside-air-flow measurement, indoor air quality testing, or carbon dioxide monitoring; such testing is a non-scope consideration under ASTM E2018-15. Building-level ventilation effectiveness was a function of the operating condition of the mixed-age heating and cooling equipment inventory documented at Items 7.1 and 7.2; capital improvement of the HVAC inventory would be expected to improve ventilation system performance correspondingly.

8. Plumbing Systems

Styles and Materials

Water source: Public (municipal water utility)

Waste system: Public sanitary sewer

Water service location: Front wall of basement

Municipal main location: Front of property (street side)

Domestic supply piping: Copper; CPVC (located in renovated areas, apparently installed during the 1984 renovation cycle)

DWV piping: ABS; cast iron

Fuel gas service: Natural gas (public utility)

Gas meter location: East elevation

Gas distribution piping: Black iron with flexible appliance connectors at terminal connections

8.0 Water Service Entrance

The domestic water service entered the building through the front wall of the basement, where the municipal water meter was observed. Based on visual evidence of installed materials and field condition, the water service line appeared to have been replaced from the original installation, likely during a prior renovation cycle. No readily observable material deficiencies in the water service entrance or meter assembly were observed at the time of the site visit.

8.1 Water Supply Piping

The water supply distribution piping observed within the building consisted of copper tubing and CPVC plastic pipe. Based on visual observation of the installed materials, fittings, and configurations, much of the supply distribution system appeared to have been upgraded during the building's 1984 renovation cycle (basis of age determination: visual observation of installed materials, fittings, and configurations consistent with the 1984 renovation period; no installation records or plumbing permits were made available to confirm the actual installation date).

No readily observable material deficiencies in the water supply distribution piping were observed at the time of the site visit. The consultant did not perform pressure testing, flow rate measurement, or water quality testing; such testing is a non-scope consideration under ASTM E2018-15. Substantial portions of the supply piping system were concealed by interior finishes and were not directly observable.

8.2 Drain, Waste, and Vent Systems

The drain, waste, and vent piping observed within the building consisted of ABS plastic and cast iron pipe. The majority of the DWV system was concealed by interior finishes and was not directly observable during the walk-through survey.

Sewer-gas odors were detected at the roof vent stack terminus during the rooftop portion of the site visit. Common causes of sewer-gas escape at vent terminals include dry fixture traps within the building, blocked or obstructed vent piping (from debris, bird nests, ice, or other obstructions), cracked or damaged vent piping, or improperly capped or terminated vent assemblies. Identification of the specific cause of the observed odor would require diagnostic investigation by a licensed plumbing contractor; the consultant recommended that such investigation be performed prior to closing of any contemplated transaction.

Based on the consultant's observation of fixture drainage performance during the walk-through survey, the plumbing drainpipes and drain lines were functionally operational at the time of the site visit. However, only a video-scope inspection of the interior of the drainpipes and drain lines can fully confirm their actual condition. The consultant recommended that a video-scope inspection of the building drain and main sewer lateral be performed by a qualified plumbing contractor prior to closing of any contemplated transaction.

8.3 Fuel Gas Systems

The gas service meters were located on the east elevation of the building. Multiple separate gas meters were observed at the east-elevation service location. Although the building was served by a single occupying tenant at the time of the site visit, the multi-meter utility configuration suggested a legacy from prior multi-tenant or multi-account occupancy. The consultant noted this for the user and recommended that utility account configuration and aggregate gas service costs be reviewed in connection with the user's transaction due diligence, including consolidation of separate accounts under a single billing arrangement where economically advantageous.

Sediment traps were observed to be missing on the gas supply piping serving multiple of the older gas-fired furnaces documented at Item 7.1. Sediment traps are required elements of gas appliance piping installations under International Fuel Gas Code Section 408.4 (and equivalent provisions of the Uniform Plumbing Code). The function of a sediment trap is to capture moisture, scale, and other debris carried in the gas supply, preventing such material from entering the appliance control valve and combustion train. Installation of sediment traps on the affected gas supply piping was recommended; the consultant recommended that this scope be coordinated with the broader gas-furnace inspection and replacement program documented at Item 7.1.

Gas distribution piping observed within the building consisted of black iron pipe with flexible appliance connectors at terminal appliance connections. No readily observable material deficiencies in the gas distribution piping system beyond the sediment trap omissions noted above were observed at the time of the site visit.

8.4 Restrooms

Restroom plumbing fixtures, including water closets, lavatories, and associated supply and waste connections, were observed at multiple locations within the building. No readily observable material deficiencies in the restroom plumbing fixtures or associated piping were observed at the time of the site visit. The consultant performed representative testing of fixtures rather than testing every installed fixture; the consultant did not perform water flow measurement, temperature control verification at every fixture, or backflow prevention assembly testing.

8.5 Break Rooms

Two break rooms with installed plumbing fixtures (sinks, supply and waste connections, and associated installed appliances) were observed within the building. No readily observable material deficiencies in the break room plumbing fixtures or associated piping were observed at the time of the site visit.

8.6 Water Fountains and Miscellaneous Fixtures

Miscellaneous plumbing fixtures, where present, were observed during the walk-through survey. No readily observable material deficiencies in the miscellaneous fixtures or associated piping were observed at the time of the site visit.

8.7 Sump Pumps

No sump pumps or below-grade dewatering equipment were present at the subject building.

9. Electrical Systems

9.0 Electrical Systems Overview

The electrical systems serving the subject building included an underground three-phase service entrance, a primary distribution cabinet feeding six metered service positions, twenty-two individual distribution panels, the branch circuit wiring distributed throughout the building, and associated devices and fixtures. Service-level parameters, panel inventory, and condition observations are summarized in this section and detailed at the unit level in the Electrical Panel Schedule provided at Appendix C.

9.1 Service Entrance and Grounding

The electrical service to the subject building was provided through an underground service lateral terminating at a riser pull box located at the rear of the structure. The service was rated at 1,000 amperes, with delivered power configured as a three-phase, four-wire system at 208Y/120 volts. Service entrance conductors transitioned from the underground pull box through conduit into the building and terminated at the primary distribution cabinet located in the basement mechanical room. The service entrance conductors within the pull box and the underground portion of the service lateral were not directly observable.

Immediate Concern — Damaged Service Entrance Pull-Box Cover. The pull-box cover at the service entrance riser was observed in damaged condition at the time of the site visit, with openings that would permit water entry into the pull-box interior. Direct exposure of service entrance conductors to water intrusion is a recognized hazard: prolonged exposure can cause insulation degradation, conductor corrosion, and conductive contamination of the pull-box environment, leading to ground faults, short circuits, equipment damage, and potential life-safety hazards to building occupants and to service personnel accessing the pull box. The consultant flagged this condition as an **immediate concern requiring action prior to or concurrent with closing of any contemplated transaction**. The consultant recommended that a licensed electrician be engaged to replace the pull-box cover with a weather-rated assembly compliant with current National Electrical Code requirements, and to inspect the pull-box interior for evidence of prior water intrusion, conductor insulation damage, or corrosion of terminations.

Service grounding was provided by a driven ground rod electrode installed at the building exterior, with bonding of the metallic water service to the grounding electrode system observed at the basement water service entrance. No readily observable material deficiencies in the bonding and grounding system, beyond the pull-box cover condition documented above, were observed at the time of the site visit.

9.2 Distribution Equipment — Main Cabinet and Meter Packs

The primary electrical distribution cabinet was a General Electric assembly rated at 1,000 amperes and 208Y/120 volts, installed in the basement mechanical room. The primary cabinet supplied power to six (6) meter pack assemblies, each rated at 600 amperes, with a total of twenty-two (22) metered service positions distributed across the meter pack assemblies. Individual branch breakers serving each metered position were rated at 100 amperes.

The multi-meter service configuration suggested a legacy from prior multi-tenant or multi-account occupancy at the property; the building was served by a single occupying tenant at the time of the site visit. As noted at Item 8.3 with respect to the gas service, the consultant recommended that utility account configuration and aggregate electrical service costs be reviewed in connection with the user's transaction due diligence, including consolidation of separate metered accounts under a single billing arrangement where economically advantageous.

No readily observable material deficiencies in the primary cabinet or meter pack assemblies were observed at the time of the site visit, beyond the upstream service-entrance condition documented at Item 9.1.

9.3 Distribution Panels

Description. A total of twenty-two (22) electrical distribution panels were identified and documented at the subject property. The inventory consisted of one (1) house panel serving common-area and building-system loads, and twenty-one (21) individual tenant-unit sub-panels.

The basement house panel was a Square D QO-series load center rated 200 amperes at 208Y/120 volts, three-phase, four-wire (4W/3Ph), with a 40-space capacity. This panel served the elevator disconnect, hallway lighting, exit lighting, HVAC equipment, sprinkler system, and other building common-area loads. The panel was equipped with a main lug configuration (no integral main breaker); upstream overcurrent protection was provided by the appropriate breaker in the meter pack assembly documented at Item 9.2. The consultant recommended that the user verify, in connection with any planned electrical maintenance or modification work, the coordination of upstream overcurrent protection with the main lug panel rating.

The twenty-one (21) tenant-unit sub-panels were GE TLM-series load centers, each rated 100 amperes at 120/240 volts, single-phase, three-wire (3W/1Ph), with a 125-amp bus and 24-pole / 12-space capacity. All twenty-one panels were configured with main lug terminations (no integral main breaker); upstream overcurrent protection for each panel was provided by the 100-amp breaker at the corresponding metered position in the meter pack assembly documented at Item 9.2.

The GE TLM-series load center product line has been discontinued by the manufacturer; while reclaimed and aftermarket parts (breakers, replacement covers, mounting hardware) remain available, supply of factory-original components has trended downward over time. The consultant recommended that the user account for parts-availability constraints in long-term

electrical maintenance and capital planning, including the possibility of panel-level replacement should breaker compatibility issues develop in the future.

A representative number of panel dead-front covers were removed during the walk-through survey to permit visual observation of installed conductors, breaker installation, neutral and grounding terminations, and panel interior conditions.

Refer to the Electrical Panel Schedule in the attached Equipment Schedule for manufacturer, model, identification data, and circuit-load assignment specific to each panel.

Observations. All twenty-two panels were observed in service at the time of the site visit.

Panel #	Location	Manufacturer	Amps	Volts	Wire/Phase	Condition
1	Basement — House Panel	Square D	200	208Y/120	4W/3Ph	Fair
2	Unit 1	GE	100	120/240	3W/1Ph	Fair
3	Unit 2	GE	100	120/240	3W/1Ph	Fair
4	Unit 3	GE	100	120/240	3W/1Ph	Fair
5	Unit 4	GE	100	120/240	3W/1Ph	Fair
6	Unit 5	GE	100	120/240	3W/1Ph	Fair
7	Unit 6	GE	100	120/240	3W/1Ph	Fair
8	Unit 7	GE	100	120/240	3W/1Ph	Fair
9	Unit 8	GE	100	120/240	3W/1Ph	Fair
10	Unit 9	GE	100	120/240	3W/1Ph	Fair
11	Unit 10	GE	100	120/240	3W/1Ph	Fair
12	Unit 11	GE	100	120/240	3W/1Ph	Fair
13	Unit 12	GE	100	120/240	3W/1Ph	Fair
14	Unit 13	GE	100	120/240	3W/1Ph	Fair
15	Unit 14	GE	100	120/240	3W/1Ph	Fair
16	Unit 15	GE	100	120/240	3W/1Ph	Fair
17	Unit 16	GE	100	120/240	3W/1Ph	Fair
18	Unit 17	GE	100	120/240	3W/1Ph	Fair
19	Unit 18	GE	100	120/240	3W/1Ph	Fair
20	Unit 19	GE	100	120/240	3W/1Ph	Fair
21	Unit 20	GE	100	120/240	3W/1Ph	Fair
22	Unit 21	GE	100	120/240	3W/1Ph	Fair

For full nameplate data, including model numbers and panel-specific circuit assignments, refer to the Electrical Panel Schedule in the attached Equipment Schedule.

Panel-Level Deficiencies. Multiple panel-level deficiencies were observed during the walk-through survey:

Missing panel knockouts were observed at several panels distributed across the inventory. Open knockouts in distribution panels permit insect and rodent entry into the panel interior and

reduce the effectiveness of the panel enclosure as a barrier against contact with energized components. Installation of approved knockout closure plates was recommended.

One distribution panel located in the basement adjacent to the east exit door at the rear of the building was observed in service with the dead-front cover missing. A panel operating with the dead-front cover removed exposes energized bus, breakers, and terminations to direct contact by personnel passing through the area and represents a recognized shock and fire hazard. The consultant flagged this condition as **requiring action prior to or concurrent with closing of any contemplated transaction**, and recommended that a licensed electrician be engaged to reinstall the dead-front cover and to inspect the panel interior for any unrelated installation deficiencies.

Condition and Assessment Methodology. Per the methodology stated in the Equipment Schedule Reference Guide, electrical distribution panel condition was assessed by visual observation only. No age-based condition formula was applied to electrical panels, as the service life of a panel is governed by environmental exposure, load history, breaker condition, and corrosion exposure rather than by chronological age alone.

All twenty-two panels in the inventory were classified as Fair condition at the time of the site visit. Fair condition reflected the observed combination of (i) generally serviceable installation, (ii) functional bus and breaker connections at observed locations, and (iii) the panel-level deficiencies documented above. No panel-level conditions were observed that would, in the consultant's professional judgment, preclude continued service of the panels in their current configuration once the documented deficiencies are remediated.

The consultant noted as a general capital planning consideration that the GE TLM-series load centers serving the tenant units were of legacy product-line vintage and that the building-wide electrical system as a whole would benefit from a comprehensive electrical due-diligence evaluation by a licensed electrician, taken together with the branch circuit wiring concerns documented at Item 9.4.

This assessment was limited to visual observation and review of accessible nameplate data in accordance with ASTM E2018 guidelines. No load analysis, infrared thermographic imaging of energized panels, arc flash hazard study, insulation resistance testing, or breaker functional testing was performed as part of this engagement. The condition ratings herein reflect the equipment's apparent operational status and visual condition and do not constitute a warranty of future performance.

9.4 Branch Circuit Wiring

The visible portions of the branch circuit wiring system — including conductors, cables, raceways, wiring methods, and supports — were inspected throughout the accessible areas of the property during the walk-through survey. Substantial portions of the branch circuit wiring were concealed within wall, ceiling, and floor finishes and were not directly observable.

Branch circuit wiring was observed running exposed (not enclosed within raceway or protected cable assembly) in multiple areas of the building remodeled circa 1984. Under the wiring-method standards in effect at the time of the 1984 remodel, commercial building branch circuits were generally required to utilize approved raceways (rigid metal conduit, intermediate metal conduit, or electrical metallic tubing), metal-clad (MC) cable, armored (AC) cable, or other equivalent protected wiring methods. Open or individually exposed conductors and exposed nonmetallic-sheathed cable were generally not permitted in commercial occupancies, particularly where the conductors were subject to physical damage. The wiring-method standards currently in force under the National Electrical Code (NEC) similarly require protection of branch circuit conductors against physical damage in commercial Group B occupancies, with nonmetallic-sheathed cable installations subject to the use limitations and physical-protection requirements of NEC Article 334. The exposed wiring observed at the time of the site visit did not appear to satisfy the wiring-method requirements that were in force during the 1984 remodel and did not appear to comply with current NEC commercial wiring-method requirements.

The consultant flagged the branch circuit wiring as warranting comprehensive due-diligence evaluation. Given that (i) the visible portions of the wiring system exhibited apparent noncompliance with commercial wiring-method standards both at the time of installation and currently, (ii) substantial portions of the branch circuit system were concealed and could not be confirmed by visual observation alone, and (iii) the building-wide electrical system included other legacy components warranting independent evaluation (see Items 9.2 and 9.3), the consultant recommended that a comprehensive code-compliance evaluation of the entire branch circuit wiring inventory be performed by a licensed electrician prior to or in connection with closing of any contemplated transaction. The scope of such evaluation should include, at minimum, identification and documentation of all noncompliant wiring methods, assessment of the extent and accessibility of remediation, and preparation of a prioritized scope of work for bringing the system into substantial compliance with current commercial wiring-method requirements.

This assessment was limited to visual observation in accordance with ASTM E2018 guidelines. No insulation resistance testing, conductor temperature measurement, circuit identification testing, or voltage drop analysis was performed as part of this engagement.

9.5 Receptacles, Switches, and Lighting

A representative number of receptacles, switches, and permanently installed lighting fixtures were tested and visually inspected in accessible tenant spaces, common areas, and service

areas throughout the property at the time of the site visit. All tested receptacles exhibited correct polarity, secure mounting, firm wiring connections, and proper grounding as indicated on the consultant's testing device, where grounding was required. No evidence of overheating, arcing, conductor damage, or device looseness was observed at the tested receptacles. Switches operated correctly and were observed to be properly mounted. Lighting fixtures were functional when tested at the switch.

Missing device cover plates were observed at multiple locations within the building. Operation of a receptacle or switch device without an installed cover plate exposes the device wiring and connections to direct contact and represents a recognized shock and fire hazard. The consultant recommended installation of approved cover plates at all locations where they were observed to be missing.

The consultant tested a representative sample of devices rather than testing every installed device. The consultant did not perform load testing, voltage drop testing, neutral-load imbalance analysis, or fixture-level photometric measurement; such testing is a non-scope consideration under ASTM E2018-15.

9.6 GFCI and AFCI Protection

Ground-fault circuit interrupter (GFCI) protection was observed at a representative number of receptacles in restroom, break-room, and other locations where GFCI protection is required by current code. No readily observable material deficiencies in the GFCI protection inventory were observed at the time of the site visit; tested GFCI devices tripped and reset correctly when tested with the consultant's testing device.

Arc-fault circuit interrupter (AFCI) protection was not generally required for the commercial Group B occupancy of the subject building under the applicable building code at the time of original construction or the 1984 renovation; AFCI requirements under the National Electrical Code apply primarily to dwelling-unit branch circuits and selected other occupancies. No AFCI protection was observed in the building's branch circuit system, consistent with the applicable code framework for the occupancy type.

9.7 Smoke and Carbon Monoxide Detection

Building smoke detection and carbon monoxide detection equipment was observed within the subject building during the walk-through survey. As life-safety detection equipment, this inventory is addressed within Section 10 (Life Safety Systems) of this report.

10. Life Safety Systems

10.0 Smoke and Carbon Monoxide Detection

Building smoke detection and carbon monoxide detection equipment was observed within the subject building during the walk-through survey. The consultant performed visual observation of installed detector locations and configuration. No readily observable material deficiencies in the detection equipment inventory were observed at the time of the site visit.

Given that space heating was provided by fourteen (14) natural-gas-fired forced-air furnaces (see Item 7.1) and an additional five (5) electric packaged units with integral cooling sections in the basement, the consultant noted that carbon monoxide monitoring throughout the building represents a recommended best practice for life-safety protection of building occupants, regardless of whether such monitoring is strictly required for the commercial Group B occupancy under the applicable building and fire code. Annual functional testing of installed smoke and carbon monoxide detection equipment by a qualified fire protection contractor was recommended.

The consultant did not perform functional testing of installed detectors, verify battery condition where applicable, or assess detector age relative to manufacturer recommended replacement intervals. Such testing is a non-scope consideration under ASTM E2018-15 and is appropriately performed by a qualified fire protection contractor as part of routine maintenance.

10.1 Fire Alarm Systems

A building fire alarm system was observed within the subject building. The consultant performed visual observation of accessible fire alarm system components, including pull stations, audible notification appliances, and visible system signage. No readily observable material deficiencies in the fire alarm system were observed at the time of the site visit.

The consultant did not perform functional testing of the fire alarm system, verify supervisory connections to a monitoring service, or review current inspection and testing records for the system. Periodic inspection, testing, and maintenance of fire alarm systems in accordance with NFPA 72 (National Fire Alarm and Signaling Code) is required by the applicable fire code. The consultant recommended that the user obtain and review the most recent fire alarm system inspection and testing report from the building's monitoring or service vendor as part of transaction due diligence.

10.2 Fire Suppression Systems

The basement house panel documented at Item 9.3 was labeled as serving a sprinkler system, indicating the apparent presence of fire suppression equipment within the building. The extent of fire suppression coverage, the system configuration (wet pipe, dry pipe, preaction, or other), and the current operational status of the system could not be confirmed by visual observation during

the walk-through survey, as the system riser, control valves, and zone configuration were either inaccessible or not identifiable during the inspection.

The consultant recommended that the user obtain and review the following items from the property owner or fire protection vendor as part of transaction due diligence: current fire suppression system as-built drawings or coverage map; most recent annual inspection report performed in accordance with NFPA 25 (Standard for Inspection, Testing, and Maintenance of Water-Based Fire Protection Systems); current fire department or fire marshal records for the property; and confirmation of the system's coverage scope relative to current code requirements for the building's size, occupancy, and use.

10.3 Portable Fire Extinguishers

Portable fire extinguishers were observed at multiple locations within the building. The installed extinguishers appeared to be appropriately placed in accessible locations consistent with NFPA 10 (Standard for Portable Fire Extinguishers) placement requirements. Service tags on the inspected extinguishers indicated that periodic inspection by a qualified service vendor was current at the time of the site visit. No readily observable material deficiencies in the portable fire extinguisher inventory were observed.

The consultant recommended that the user verify continued annual inspection of all portable fire extinguishers and replacement of any extinguishers approaching the end of their service life on the inspection-tag schedule.

10.4 Emergency Lighting and Egress Signage

Emergency lighting fixtures and illuminated exit-path signage were observed at egress paths and stairwells throughout the building. The consultant performed visual observation of accessible emergency lighting and exit signage assemblies. No readily observable material deficiencies in the emergency lighting or egress signage inventory were observed at the time of the site visit.

The consultant did not perform functional testing of battery-backed emergency lighting fixtures, verify backup-battery service life, or review monthly testing records for installed emergency lighting equipment. Periodic functional testing of emergency lighting and egress signage in accordance with NFPA 101 (Life Safety Code) is required by the applicable fire code. The consultant recommended that the user obtain and review the most recent emergency lighting and egress signage inspection records as part of transaction due diligence.

10.5 Related Life-Safety Considerations Documented Elsewhere

Several physical conditions affecting life safety within the building were documented in other sections of this report. The user is directed to the cited items for full observation and recommendation detail:

- **Chimney serving multiple gas-fired furnaces** — unlined or inadequately lined; mortar deterioration; cap damage. A combustion safety inspection of all furnaces exhausting through the affected chimney was recommended pending masonry repair. See Item 4.10.
- **Heat exchanger condition risk at end-of-life gas furnaces** — sixteen of nineteen heating units classified at End of Life, with elevated risk of heat exchanger cracking and combustion-byproduct entry into the conditioned air stream. See Item 7.1.
- **Skylights of older vintage** — confirmed safety glazing classification not established. See Item 4.9.
- **Parapet walls below fall-protection threshold** — perimeter parapets less than 42 inches in height where rooftop mechanical service is performed. See Item 4.5.
- **Exterior stair guard and handrail noncompliance** — exterior stair guardrails and handrails not compliant with current IBC requirements. See Item 5.6.
- **Damaged service-entrance pull-box cover** — water intrusion risk to 1,000-amp service equipment; flagged as an immediate concern. See Item 9.1.
- **Missing dead-front cover at distribution panel** — exposed energized components in occupied space; flagged as an immediate concern. See Item 9.3.
- **Missing receptacle and switch cover plates** — exposed device wiring in occupied spaces. See Item 9.5.
- **Branch circuit wiring noncompliance** — comprehensive code-compliance evaluation by a licensed electrician recommended. See Item 9.4.
- **Suspect asbestos-containing material** — abandoned boiler with apparent asbestos-containing thermal insulation; AHERA-accredited inspector survey recommended. See Item 13.0.

The cumulative life-safety scope warrants coordinated planning by the user and engagement of the appropriate licensed professionals — including a qualified mechanical contractor, masonry contractor, licensed electrician, structural engineer, and AHERA-accredited environmental inspector — to address the documented conditions in a prioritized manner.

11. Interior Finishes

Styles and Materials

Ceiling materials: Drywall; lath-and-plaster; acoustic tile (suspended ceiling)

Wall materials: Drywall; exposed masonry; wood paneling

Floor coverings: Carpet; laminate; vinyl; sealed concrete

11.0 Ceiling Finishes

Interior ceiling materials observed throughout the building consisted of acoustic tile in suspended-grid assemblies, painted drywall, and painted lath-and-plaster at portions of the original building's interior.

Water staining of ceiling materials was observed at multiple locations on all four levels of the building (basement, first floor, second floor, and third floor). Affected areas were tested by the consultant using both a non-invasive moisture meter and infrared thermal imaging; no active moisture intrusion was detected at any of the stained locations at the time of the site visit. The observed staining was consistent with historical moisture intrusion that had subsequently dried, likely associated with the deferred condition of the roof membrane system documented at Item 4.1.

The consultant recommended that the user account for ceiling tile and finish replacement at affected locations in connection with the broader roof replacement scope documented at Item 4.1, and that the moisture condition at affected areas be re-tested following completion of roof replacement to confirm absence of ongoing intrusion.

11.1 Interior Wall Finishes

Interior wall finishes observed throughout the building consisted of painted drywall, exposed masonry at portions of the original building's interior, and wood paneling at selected locations. No readily observable material deficiencies in the interior wall finishes were observed at the time of the site visit.

The consultant noted that the exposed interior masonry surfaces corresponded to portions of the exterior wall envelope that lacked thermal insulation, as documented at Item 6.4. The visual character of the exposed masonry was generally consistent with the building's age and historic character but carried the thermal performance implications discussed at Item 6.4.

11.2 Interior Floor Coverings

Interior floor coverings observed throughout the building included commercial-grade carpet, laminate flooring, vinyl sheet and tile, and sealed concrete in selected basement and service areas. No readily observable material deficiencies in the interior floor coverings were observed at the time of the site visit.

11.3 Interior Doors

Interior doors observed throughout the building included solid-core wood doors in office and tenant-space applications, hollow-metal frames and doors at egress paths and fire-rated openings, and miscellaneous interior partition doors. No readily observable material deficiencies in the interior door assemblies were observed at the time of the site visit. The consultant did not test fire-rated assemblies for closer function, latch engagement, or smoke-seal integrity; such testing is a non-scope consideration under ASTM E2018-15.

11.4 Interior Stairs

Interior stairwells were observed serving vertical circulation between building levels. The stair treads, risers, and stringers appeared to be in serviceable condition at the time of the site visit.

Interior stairwells in commercial occupancies are required by IBC Section 1014 (Handrails) to be provided with continuous, graspable handrails on both sides. Handrails must meet specific graspability criteria — typically 1¼" to 2" outside diameter for round handrails, or equivalent profile for Type I or Type II handrail configurations under IBC 1014.3 — to ensure safe egress and occupant support. The installed interior handrail configurations did not appear to satisfy current IBC requirements; this condition paralleled the exterior stair handrail condition documented at Item 5.6.

The consultant recommended modification or replacement of the existing interior handrails to meet current IBC requirements in connection with any planned alteration work at the property, and earlier modification should user risk tolerance so warrant. The interior and exterior stair handrail scopes may be coordinated as a single scope of work to achieve economies of scale in design and installation.

11.5 Cabinetry

Built-in cabinetry was observed at break rooms and restrooms within the building. No readily observable material deficiencies in the installed cabinetry were observed at the time of the site visit.

12. Vertical Transport

12.0 Elevators

The subject building was served by a single passenger elevator installed within the elevator shaft addition at the rear of the original building. The elevator was identified as a hydraulic-type unit based on the building height (three above-grade stories plus basement, well within the typical hydraulic application range), the shaft configuration, and the machine-room arrangement observed during the walk-through survey.

State-issued certificates of operation and the most recent licensed inspection records observed in the elevator cab indicated that periodic state-mandated inspections were current at the time of the site visit.

The elevator was observed to be operational at the time of the site visit. The consultant rode the elevator between accessible building levels; the unit operated within normal travel parameters with no observed unusual noise, vibration, or door-operation anomalies.

Based on visual observation of the cab finishes, hoistway door operators, and machine-room equipment, the elevator appeared to be substantially beyond the typical service life for a hydraulic passenger elevator. The basis of this age assessment was visual observation of installed component vintage and overall installed appearance by the consultant; no installation records, modernization records, or state inspection history were made available to confirm the actual installation date or to identify any partial modernization scope that may have extended the system's useful life.

Condition and Remaining Useful Life. The typical service life for a hydraulic passenger elevator is generally 20 to 25 years for the cab, doors, fixtures, and control system, and approximately 30 to 35 years for the hydraulic jack and cylinder assembly. Continued service beyond these thresholds is common where the equipment has been maintained and where partial modernization (controller upgrade, fixture replacement, door operator refurbishment) has been performed; however, such continued service requires increasing maintenance attention and carries elevated risk of component-level failure as equipment ages.

While no immediate operational defects were observed during the consultant's limited visual inspection and the unit operated functionally at the time of the site visit, the equipment's apparent age placed it in the end-of-life category for component-level reliability. Common failure modes for hydraulic elevators of this vintage include hydraulic jack and cylinder corrosion (particularly at the below-grade portion of the jack assembly), valve and seal wear, control system obsolescence and parts unavailability, hoistway door operator wear, leveling accuracy degradation, and deterioration of cab interior finishes.

The consultant recommended that the user engage a qualified elevator contractor to perform a comprehensive evaluation of the installed elevator equipment, including: (i) assessment of the hydraulic jack and cylinder for evidence of corrosion or fluid loss; (ii) review of the controller and

machine-room equipment for obsolescence and parts availability; (iii) evaluation of the hoistway door operators and safety equipment; (iv) review of cab interior, fixture, and lighting condition; and (v) preparation of a prioritized modernization scope of work covering near-, mid-, and long-term capital requirements. The user was also advised to obtain and review the state-licensed elevator inspection history and any modernization records from the property owner as part of transaction due diligence.

This assessment was limited to visual observation in accordance with ASTM E2018 guidelines. No elevator load testing, safety testing (including no-load and full-load safety tests, governor testing, or buffer testing), pit and machine-room safety inspection, electrical safety testing, or code compliance inspection was performed as part of this engagement. Such evaluation is appropriately performed by a qualified elevator contractor in coordination with the state-licensed elevator inspector.

12.1 Escalators

No escalators were present at the subject building.

12.2 Dumbwaiters

No dumbwaiters or material lifts were present at the subject building.

13. Environmental Considerations

Scope Limitation Notice

Environmental considerations — including but not limited to asbestos-containing materials (ACM), lead-based paint, radon, mold and microbial growth, hazardous substances, indoor air quality, and other environmental hazards — are expressly identified as non-scope items under ASTM E2018-15. The scope of work performed under this PCA did not include identification, sampling, testing, or assessment of any environmental condition. The observations recorded in this section reflect physical conditions noted in plain view during the walk-through survey, are reported on an informational basis only, and do not constitute an environmental assessment, an environmental opinion, or a recommendation for environmental remediation.

A comprehensive environmental assessment of the subject property is appropriately performed under a separate scope of work — typically a Phase I Environmental Site Assessment conducted in accordance with ASTM E1527 (Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process), supplemented as appropriate by an AHERA-accredited asbestos building inspection survey, an EPA-accredited lead-based paint inspection or risk assessment, and other specialty environmental investigations as warranted by the building's age, prior use, and the user's transaction objectives.

13.0 Suspect Asbestos-Containing Material — Abandoned Basement Boiler

An abandoned boiler vessel was observed in the basement of the subject building during the walk-through survey. The boiler appeared to be inoperative, disconnected from active service, and substantially original to an earlier building heating system. The boiler vessel and associated piping appeared to be wrapped with a thermal insulation material whose visual characteristics — including jacket appearance, installed configuration, and apparent age — were consistent with the thermal insulation systems commonly installed on boilers and steam piping in commercial buildings of the early-to-mid twentieth century. Thermal insulation systems installed prior to approximately 1980 in commercial applications frequently contained asbestos fibers.

The consultant did not perform sampling, laboratory analysis, or any other identification testing of the observed insulation material. No representation as to the presence or absence of asbestos, or to the friability, condition, or risk characteristics of the observed material, is made in this report.

The consultant recommended that the user engage a qualified AHERA-accredited asbestos building inspector to perform an asbestos survey of the abandoned boiler, associated piping insulation, and any other potentially suspect materials throughout the building. The survey should be performed in accordance with applicable federal and state regulations and should result in (i) confirmation of the presence or absence of asbestos in each suspect material category through accredited laboratory analysis of representative samples, (ii) characterization of the condition of any confirmed asbestos-containing material (intact and undamaged, friable,

or damaged), and (iii) recommendations for management or abatement as appropriate. Where confirmed asbestos-containing material is identified, the scope and cost of any required abatement is appropriately developed under a separate professional engagement by qualified abatement professionals.

Pending completion of the recommended asbestos survey, the consultant recommended that the suspect material at the abandoned boiler not be disturbed, dislodged, or impacted by any building activity, and that access to the immediate area be limited as a precautionary measure.

13.1 Other Environmental Considerations Typical of Property Vintage

The subject building was originally constructed in 1906 and was renovated multiple times through 2021. Buildings of this vintage commonly carry environmental considerations beyond those observed in plain view during the walk-through survey. The consultant noted the following considerations on an informational basis only; no investigation of these matters was performed by the consultant under the scope of this PCA, and the consultant offers no opinion as to the presence, absence, or significance of any such condition at the subject property.

Lead-based paint. Paint products containing lead were in common use in commercial and residential construction in the United States prior to the U.S. Environmental Protection Agency's 1978 ban on lead-based paint in consumer applications, with some commercial applications continuing for additional years thereafter. Original paint surfaces within the subject building, where retained beneath subsequent paint applications, may contain lead. An EPA-accredited lead-based paint inspection or risk assessment performed in accordance with applicable federal and state regulations is appropriately commissioned where lead-based paint considerations are material to the user's transaction or to any planned renovation activity that would disturb existing paint surfaces.

Radon. Radon is a naturally occurring radioactive gas that may accumulate in below-grade enclosed spaces. The subject building contains a full basement. Spokane County, Washington is classified by the U.S. Environmental Protection Agency within Radon Zone 1 (Highest Potential), indicating predicted average indoor radon screening levels above the EPA action level of 4 pCi/L. Radon testing was not performed as part of this PCA. The consultant recommended that the user commission radon testing in accordance with EPA protocols, with particular attention to occupied below-grade and ground-level spaces.

Mold and indoor air quality. Given the historical ceiling water staining documented at Item 11.0 and the deferred condition of the roof membrane documented at Item 4.1, the consultant noted that concealed microbial growth associated with prior water intrusion is a potential consideration for the subject property. Indoor air quality testing and microbial sampling were not performed as part of this PCA. The user was advised to consider qualified indoor air quality and microbial assessment in connection with broader environmental due diligence, particularly in advance of any planned renovation or finish replacement that would disturb concealed wall, ceiling, or floor cavities.

Phase I Environmental Site Assessment. A Phase I Environmental Site Assessment performed in accordance with ASTM E1527 addresses recognized environmental conditions associated with the property's current and historical uses, surrounding land uses, and potential subsurface concerns. The consultant recommended that the user obtain or commission a current Phase I ESA in connection with transaction due diligence to address environmental matters that fall outside the non-scope boundary of this PCA.

— *End of Report* —