FINAL

Baseline Property Condition Assessment

4960 and 5050 Sanders Street,
Burnaby, British Columbia

Prepared for:

Realstar Management
77 Bloor Street West, Suite 2000
Toronto, ON M5S 1M2

Attention: Mr. Jim Langill

February 19, 2020

Pinchin File: 270732

Issued to:	**Realstar Management**
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Issued on:	**February 19, 2020**
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EXECUTIVE SUMMARY

Pinchin Ltd. (Pinchin) was retained by Mr. Jim Langill of Realstar Management (Client) to conduct a Baseline Property Condition Assessment (BPCA), subject to the limitations outlined in Section 6.0 of this report. As discussed with the Client this service did not include any specialist review of items such as mechanical/electrical systems, structural components, elevators, etc. The municipal addresses for the property are 4960 and 5050 Sanders Street, Burnaby, British Columbia (the Site). Mr. David Wiese, of Pinchin, conducted a visual assessment of the Site on January 29, 2020 at which time Pinchin interviewed and was accompanied by the Building Operator of Realstar Management (hereafter referred to as the Site Representative).

Pinchin was advised by the Client that the purpose of the BPCA was to assess visible deficiencies in relation to the potential re-financing of the Site.

The Site is a rectangular-shaped property approximately 1.8 acres in area. The Site is occupied by "Horizon Towers" which consists of two 13-storey apartment buildings containing a total 206 residential rental units (the Site Buildings). For the purposes of the report, the building located at 5050 Sanders Street is referred to as Site Building A while the building located at 4960 Sanders Street is referred to as Site Building B.

The Site Buildings are reported to have been constructed in approximately 1970 (i.e. ~ 50 years old), each with a footprint area of approximately 6,730 Square Feet (ft^2) and a total combined building area of 284,700 ft^2 including the Underground Parking Garage (UPG). The Site possesses a two-level UPG extending under the central plaza and between the footprints of the Site Buildings. The UPG provides secure parking for approximately 136 vehicles. Access to the Site (UPG and main pedestrian access) is provided via two entrances from Sanders Street adjacent to the north portion of the Site. No on-Site surface parking is provided.

The substructures of the Site Buildings and the UPG are constructed with below-grade cast-in-place concrete slabs-on-grade and concrete foundation walls. The superstructures of the Site Buildings consist of cast-in-place concrete walls supporting cast-in-place concrete floors and roof slabs. The superstructure of the pool building (atop the centrally located UPG) is also constructed of cast-in-place concrete walls supporting a concrete roof slab. The exterior walls of the Site Buildings consist primarily of painted concrete with areas of stone-dash stucco noted above and below punched windows on all elevations. Areas of decorative stone masonry are located adjacent to the main entrance of each Site Building. Painted parging cement was noted on exterior walls of the pool building (also housing the Site rental office).

The Site Buildings appear to be in satisfactory condition, commensurate with their ages and in better than comparable standing regarding maintenance to other similar residential properties in the area.

Based on our visual assessment the Site Buildings appear to have been constructed in general accordance with standard building practices in place at the time of construction.

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

At the direction of the Client, only deferred maintenance expenditures have been considered. Costs for on-going capital expenditures have not been included. For the purpose of this report, deferred maintenance expenditures are those deficiencies that fall into one or more of the following categories:

- Any deficiency that poses a safety hazard to the public or tenants of the building;
- Any deficiency that is observed to be damaging to the building or the operation of the tenants; and
- Any deficiency that, if left unattended, could cause accelerated damage to the component in question or associated components of the building in the short term.

Consideration has been given regarding required ongoing maintenance and repairs of the major elements, and at the direction of the Client, Pinchin has utilized a threshold of $10,000 per system, per year as a limit in determining and carrying anticipated expenditures.

Anticipated expenditures associated with maintenance and reparation of the major components below the threshold are presumed to be carried within the annual operating budget and are excluded from the report.

An immediate cost of $2,500 has been identified for immediate guardrail repairs to Units 407 and PH1 in Site Building A.

Regular maintenance should continue to be conducted on the roof systems, wall systems, balcony systems, structural elements, underground parking garage, elevator systems, interior finishes, Site features and the mechanical/electrical systems to ensure that the PUL of the major components is realized. The specific deficiencies identified during the BPCA and their associated recommendations for repair are described in the main body of the report. These deficiencies should be corrected as part of routine maintenance unless otherwise stated within the report.

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

TABLE OF CONTENTS

LIST OF TABLES

1.0 INTRODUCTION

Pinchin Ltd. (Pinchin) was retained by Mr. Jim Langill of Realstar Management (Client) to conduct a Baseline Property Condition Assessment (BPCA), subject to the limitations outlined in Section 6.0 of this report. As discussed with the Client this service did not include any specialist review of items such as mechanical/electrical systems, structural components, elevators, etc. The municipal addresses for the property are 4960 and 5050 Sanders Street, Burnaby, British Columbia (the Site). Mr. David Wiese, of Pinchin, conducted a visual assessment of the Site on January 29, 2020 at which time Pinchin interviewed and was accompanied by the Building Operator of Realstar Management (hereafter referred to as the Site Representative).

Pinchin was advised by the Client that the purpose of the BPCA was to assess visible deficiencies in relation to the potential re-financing of the Site.

The following document was previously prepared by Pinchin:

- *"Baseline Property Condition Assessment, 4960 and 5050 Sanders Street, Burnaby, British Columbia"*, prepared by Pinchin Ltd., prepared for Realstar Apartment Partnership and dated May 16, 2016.

It was reported to Pinchin that the costs associated with ongoing general maintenance of the major components of the Site Buildings are carried as part of the annual operating budget for the Site. At the direction of the Client a threshold of $10,000 per system, per year has been utilized in determining anticipated expenditures. Anticipated expenditures associated with maintenance and reparation of the major components below the threshold are presumed to be carried within the annual operating budget and excluded from the report.

At the direction of the Client, only deferred maintenance expenditures have been considered. Costs for on-going capital expenditures have not been included. For the purpose of this report, deferred maintenance expenditures are those deficiencies that fall into one or more of the following categories:

- Any deficiency that poses a safety hazard to the public or tenants of the building;
- Any deficiency that is observed to be damaging to the building or the operation of the tenants; and
- Any deficiency that, if left unattended, could cause accelerated damage to the component in question or associated components of the building in the short term.

The results of the BPCA are presented in the following report. This report is subject to the Limitations discussed in Section 6.0.

2.0 SCOPE AND METHODOLOGY

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

- The building envelope, comprised of the exterior walls, windows, exterior doors and roof systems;
- The balcony systems;
- The structural elements (i.e., slabs, beams, columns and walls);
- The underground parking garage;
- The elevator systems;
- The interior finishes of the common areas and a selection of individual tenant suites;
- The Site features;
- The mechanical systems (i.e., heating boilers, domestic hot water, etc.); and
- The electrical systems.

The object of the BPCA included the following:

- A visual examination of the property in order to assess the condition of the major elements;
- Review of general documentation on the repair/maintenance history of the elements, if available;
- Cursory review of previous reports pertaining to the Site Buildings, if made available by the Site Representative;
- Interviews and discussions with on-Site personnel regarding the repair/maintenance conducted on the Site Buildings;
- Documentation of observed existing deficiencies observed within the various elements;
- Photographic documentation of various components and observed deficiencies; and
- Compilation of Pinchin Ltd.'s findings in a formal written report including observed deficiencies, together with a list of recommendations for repair/replacement.

The report provides:

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

3.0 OBSERVATIONS AND COMMENTS

3.1 Site Information

General view of the north elevation of Site Building A.

General view of the east elevation of Site Building A.

General view of the south elevation of Site Building A.

General view of the west elevation of Site Building A.

General view of the north elevation of Site Building B.

General view of the east elevation of Site Building B.

General view of the south elevation of Site Building B.

General view of the west elevation of Site Building B.

Aerial view of the Site
(Courtesy of Google Maps 2020).

Table 3.1 – Site Information

Site Occupant/Name	**Horizon Towers**		
Site Address	**4960 and 5050 Sanders Street, Burnaby, British Columbia**		
Existing Land Use Type	Residential	*Primary On-Site Activity*	Apartment Buildings
Multi-Tenant/Single Occupant	Multi-Tenant	*Number of Units*	206
Number of Buildings	Two	*Site Area*	~ 1.8 acres
Number of Storeys (Excluding Basements)	13 each	*Building Footprint Area*	~ 6,730 ft^2 per Site Building
Date Buildings Constructed	~ 1970	*Total Building Area*	~ 87,490 ft^2 per Site Building (excluding UPG)
Date Buildings Renovated	Ongoing	*Basement and/or U/G Parking*	Yes, under each Site Building
Type of Roof Systems	Inverted Roof Membrane Assembly (IRMA)	*Number of Levels U/G*	Two
Type of Wall Cladding	Painted concrete Stone dash stucco Decorative stone masonry Parging cement	*Area of Roof Systems*	~ 6,730 ft^2 per Site Building

Table 3.1 – Site Information

Site Occupant/Name	**Horizon Towers**		
Type of Doors	Single Glazed (SG) units within aluminum frames Insulated Glass (IG) unit within an aluminum frame Hollow metal doors set in metal frames Wood doors set in metal frames SG units within sliding aluminum frames Overhead segmented metal picket doors	*Types of Windows*	Fixed and operable (i.e., horizontally sliding) SG units within aluminum frames in punched openings Fixed and operable (i.e., horizontally sliding) IG units within vinyl frames in punched openings
Above Grade Parking Area	None provided	*Electrical Source*	BC Hydro
Surface Type	Asphalt Concrete Grass	*Type of Heating/Cooling*	Natural gas-fired boilers feeding hydronic baseboards Make-Up Air (MUA) Units Air Conditioning (AC) units serving elevator pent-houses and the rental office

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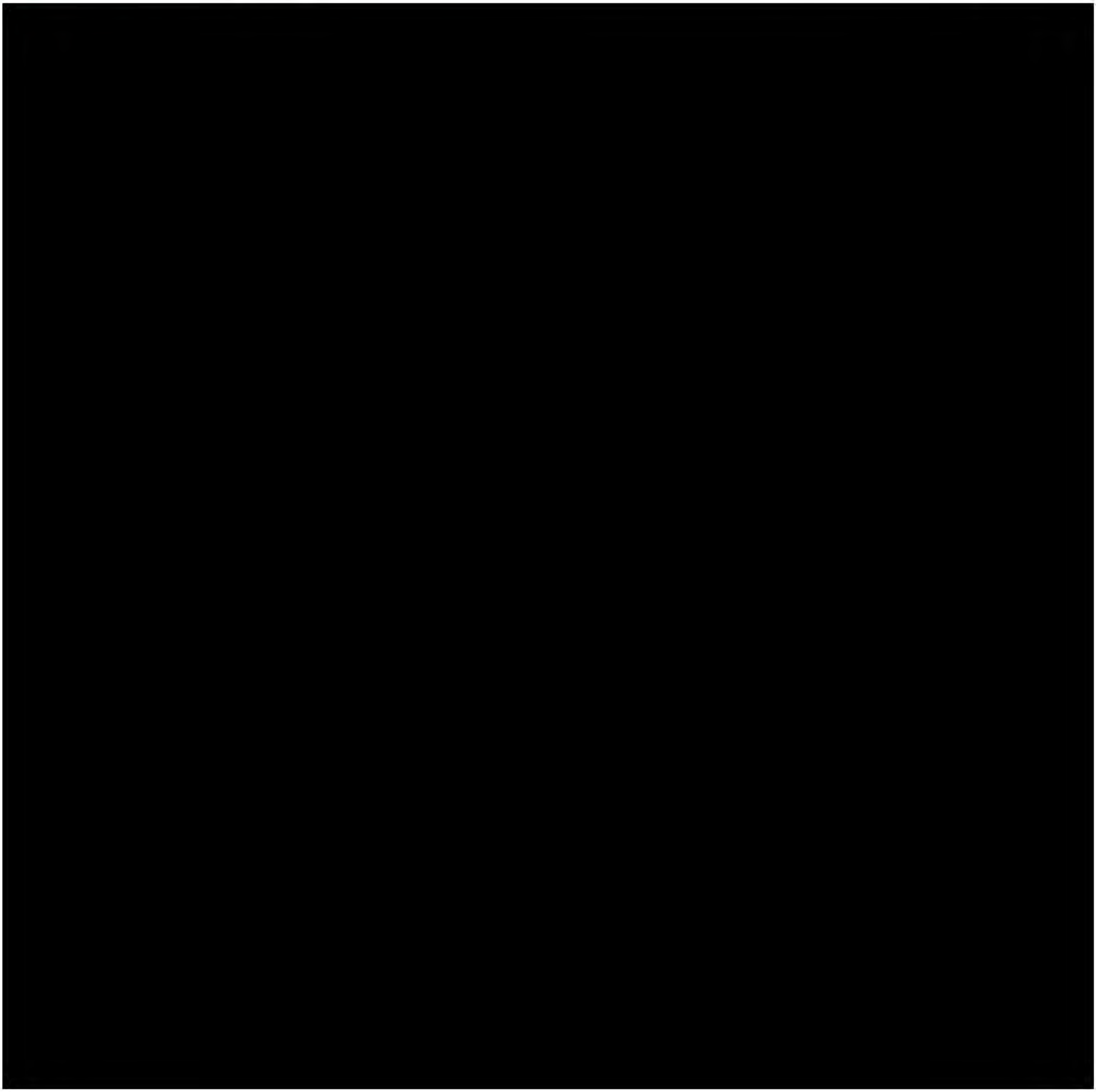


3.3 Wall Systems

The exterior walls of the Site Buildings consist primarily of painted concrete with areas of stone-dash stucco noted above and below punched windows on all elevations. Areas of decorative stone masonry are located adjacent to the main entrance of each Site Building. Painted parging cement was noted on exterior walls of the pool building (also housing the Site rental office).

The window systems serving the Site Buildings consist of operable Single Glazed (SG) units set within aluminum frames in punched openings. The window system serving the Site rental office consists of Insulated Glass (IG) units set in vinyl frames in punched openings.

North elevation main entrances to the Site Buildings utilize SG doors set in aluminum frames complete with fixed SG side-lites within aluminum frames. The entrance door to the Site rental office consists of an IG units within an aluminum frame. Doors serving the individual residential units consist of wood doors set in metal frames. Metal doors set in metal frames serve the corridors, stairwells and mechanical areas. Balcony doors consist of SG units within sliding aluminum frames. UPG access is provided by overhead segmented metal picket doors within metal frames.

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

Table 3.3 – Wall Systems

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
• None observed/reported.	• None required.
Minor Deficiencies/Findings	
• Areas of partially blocked wall vents were viewed from the balcony of Unit 904 in Site Building A.	• Conduct localized repair to ensure adequate ventilation of the units.
• Localized areas of failed sealant were noted adjacent to sliding glass doors and windows on the exterior walls of the Site Buildings.	• Conduct localized sealant replacement.
• Areas of condensation were noted on SG units serving the Site Buildings.	• Monitor interior humidity levels to reduce condensation on SG units.
• Localized areas of organic growth were noted on stucco inserts below windows as viewed from the balconies of the Site Buildings.	• Remove organic growth from exterior walls.

General view of typical painted concrete and stone-dash stucco wall systems serving both Site Buildings.

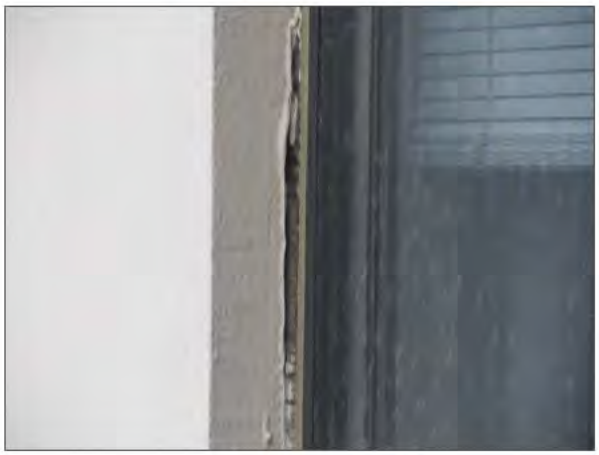
General view of typical stone-dash stucco panels serving the Site Buildings.

General view of typical concrete and stone-dash stucco wall systems serving the elevator penthouses of the Site Buildings.

General view of parging cement noted on exterior walls of the courtyard structure containing the pool and the Site rental office.

General view of typical stone veneer located at main entrances to the Site Buildings.

An area of failed sealant was noted adjacent to the sliding glass door of Unit 807 in Site Building B.

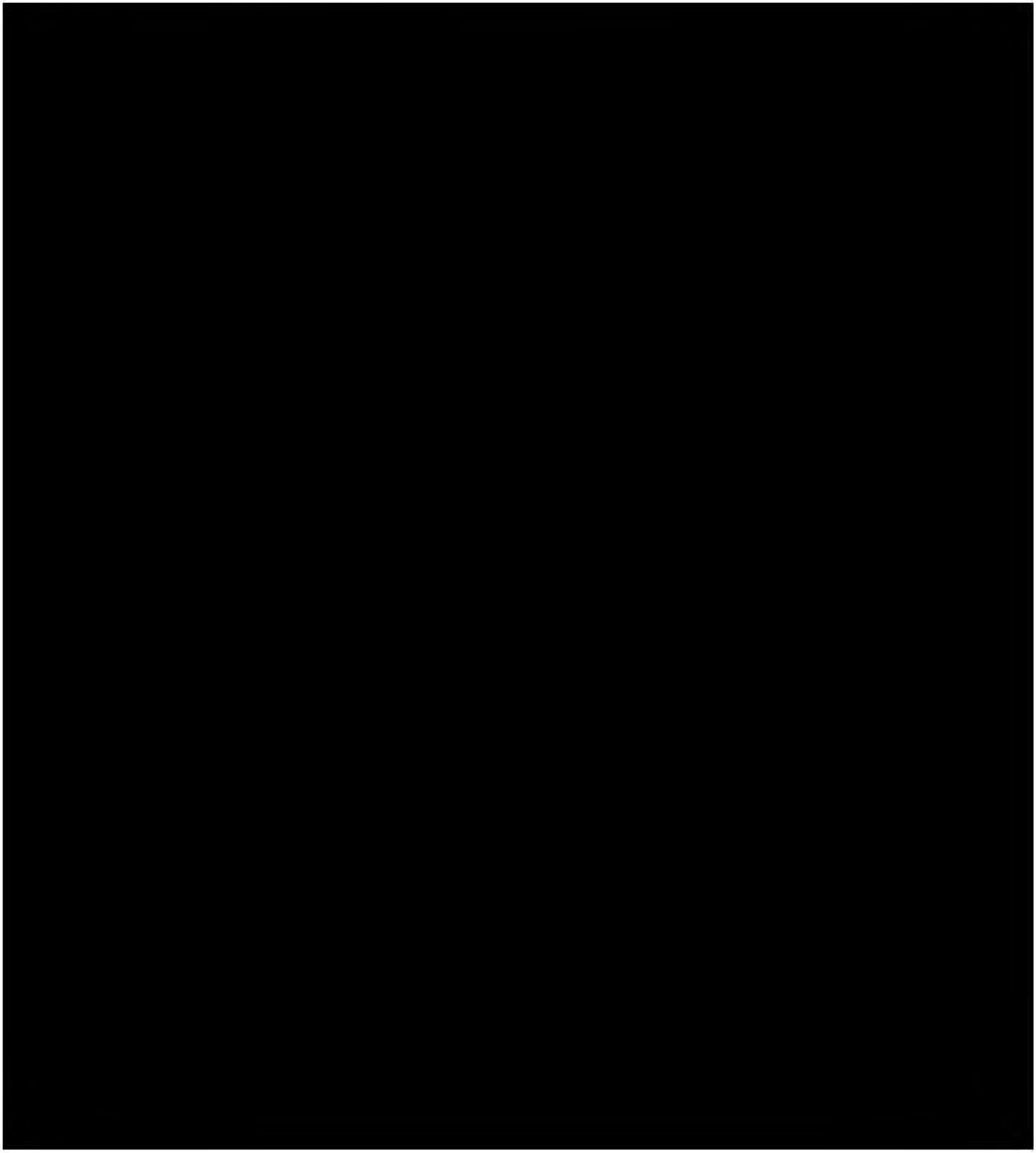


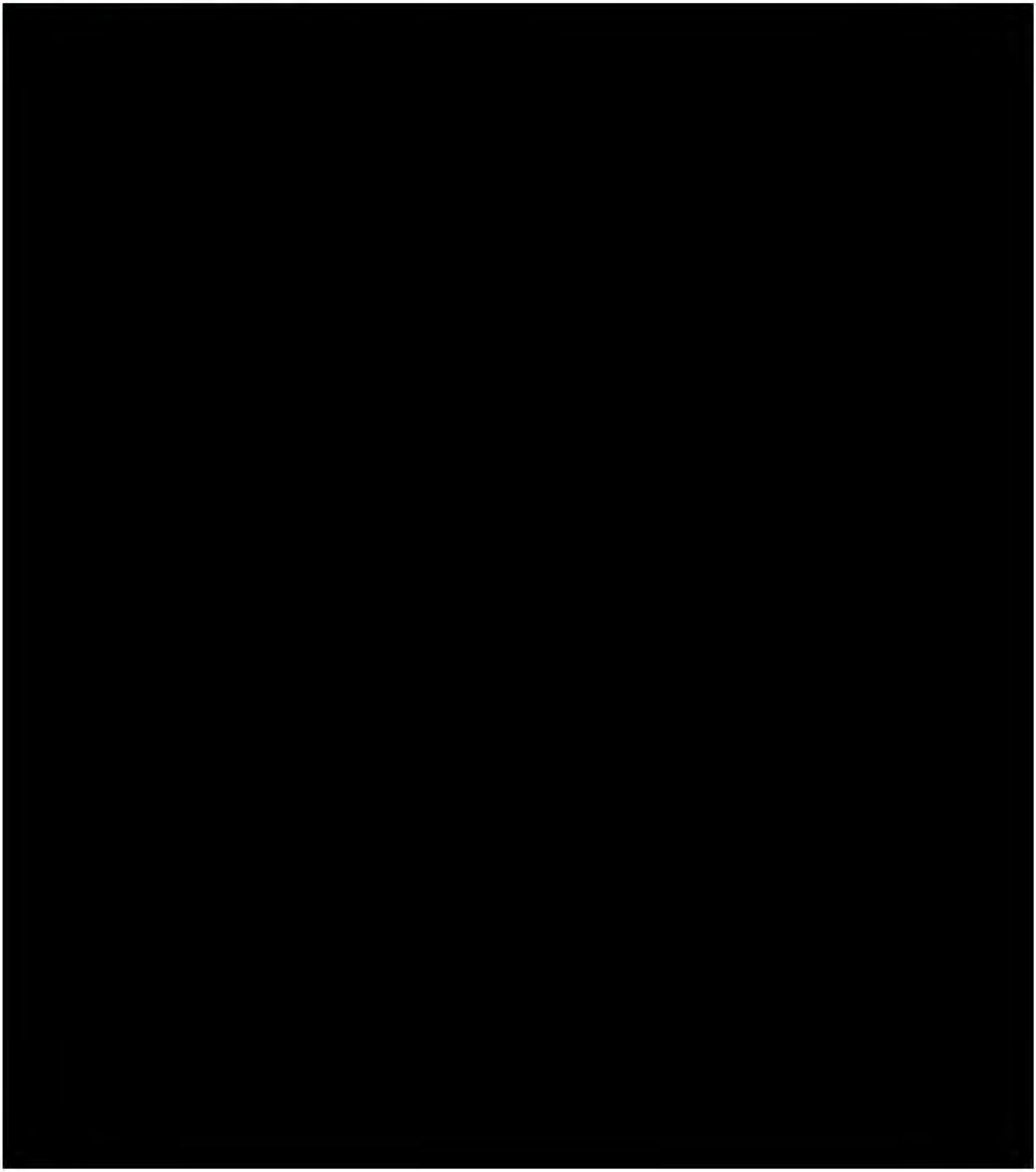
An area of failed sealant was noted in Unit 1202 in Site Building B.

Areas of failed sealant were noted at the balcony door of Unit PH2 in Site Building B.

The wall, window and door systems of the Site Buildings were generally noted to be in aged but serviceable condition. Assuming the above referenced deficiencies are addressed and regular maintenance is performed, the wall, window and door systems of the Site Buildings should perform in a satisfactory manner. Minor repairs to the wall systems can be addressed below the cost threshold of reporting.

Typical buildings of this age may contain PCBs in mastics, caulking and window putties. Testing for the presence of PCBs in these materials is beyond the scope of this BPCA report. The potential presence of PCBs in these materials could give rise to additional costs in future if extensive renovation requiring removals of these materials or demolition activities are undertaken at the Site. The extent of such potential issues could not be assessed as part of this BPCA report.





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3.5 Structural Elements

As outlined in the scope of work, a visual assessment of the condition of the structural elements was carried out on the elements which were visible at the time of the inspection. The substructures of the Site Buildings and the UPG are constructed with below-grade cast-in-place concrete slabs-on-grade and concrete foundation walls. The superstructures of the Site Buildings consist of cast-in-place concrete walls supporting cast-in-place concrete floors and roof slabs. The superstructure of the pool building (atop the centrally located UPG) is also constructed of cast-in-place concrete walls supporting a concrete roof slab.

No structural drawings were available to Pinchin for review.

Table 3.5 outlines the findings of the inspection of the structural elements:

Table 3.5 – Structural Elements

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
• None observed/reported.	• None required.
Minor Deficiencies/Findings	
• A localized area of exposed and corroded reinforcing steel was noted within a P2 basement storage room within Site Building B.	• Conduct localized concrete repair.
• Areas of stained and deteriorated concrete soffit were noted within P2 basement storage rooms within the Site Buildings.	• Conduct localized concrete repairs.
• An area of exposed reinforcing steel was noted on the north elevation of the courtyard building containing the pool and the rental office.	• Conduct localized concrete repair.

An area of exposed and corroded reinforcing steel was noted within a P2 basement storage room within Site Building B.

An area of stained and deteriorated concrete soffit was noted within a P2 basement storage room within Site Building A.

An area of exposed reinforcing steel was noted on the north elevation of the courtyard building containing the pool and the rental office.

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

Pinchin's visual review of the structural elements and information provided by the Site Representative indicated that no major deterioration existed within the visibly accessible components of the Site Buildings.

3.6 Underground Parking Garage

The Site possesses a two level, Underground Parking Garage (UPG) extending below the footprint of the central plaza area. The UPG is constructed with a lower level cast in-place concrete slab-on-grade with a reinforced concrete support structure (i.e., foundation walls, columns and beams) supporting a suspended concrete slab. An epoxy vehicular traffic membrane system has been applied to the suspended slab. The UPG provides secure parking for approximately 136 vehicles. Access to the UPG is provided via two entrances from Sanders Street adjacent to north portion of the Site.

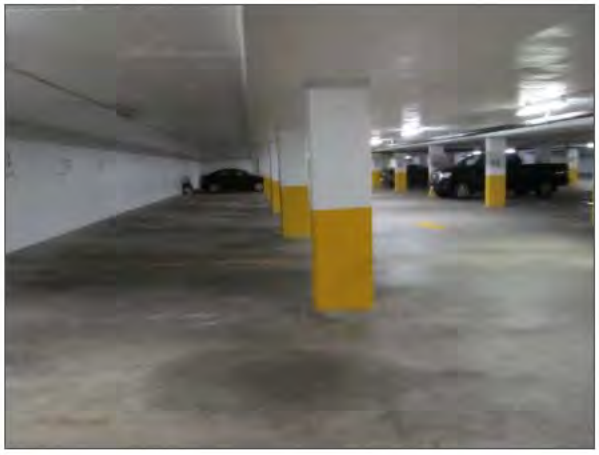
The traffic membrane was reportedly replaced in 2019.

Fire protection is provided by a firehose system and dry chemical fire extinguishers located within cabinets throughout the UPG system. Ventilation of the UPG is provided by passive exhaust vent shafts. Mechanical ventilation and CO detectors are not utilized. Drainage is provided by catch basins and trench drains which presumably discharge into the municipal sewer system.

Table 3.6 outlines the findings of the inspection of the underground parking garage:

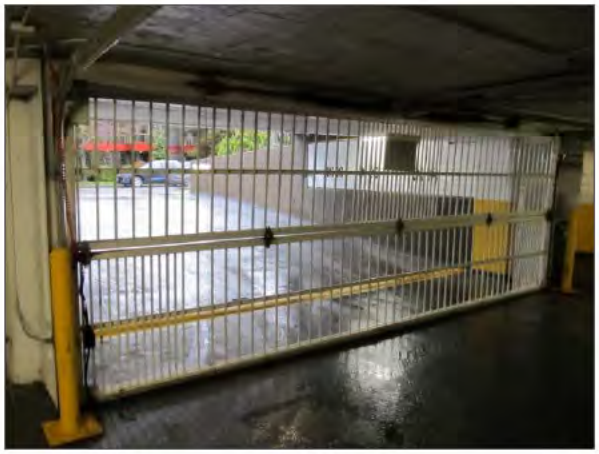
Table 3.6 – Underground Parking Garage

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
• None observed/reported.	• None required.
Minor Deficiencies/Findings	
• An area of concrete cracking was noted at the location of the UPG expansion joint.	• Conduct localized concrete repairs within the UPG.
• Areas of exposed reinforcing steel within the concrete suspended slab and localized cracking and concrete spalling were noted.	• Conduct localized concrete repairs within the UPG.
• An area of P1 soffit cracking was noted as viewed from P2.	• Conduct localized concrete repairs within the UPG.
• Areas of peeled paint were noted on soffits as viewed from P2.	• Repaint affected localized areas within the UPG.



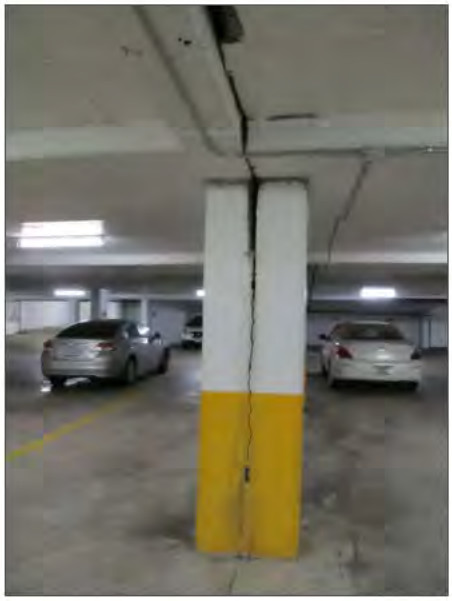
General view of a typical parking level within the UPG.

General view of a typical vehicular ramp serving the UPG.



General view of a typical overhead segmented metal picket door serving the UPG.

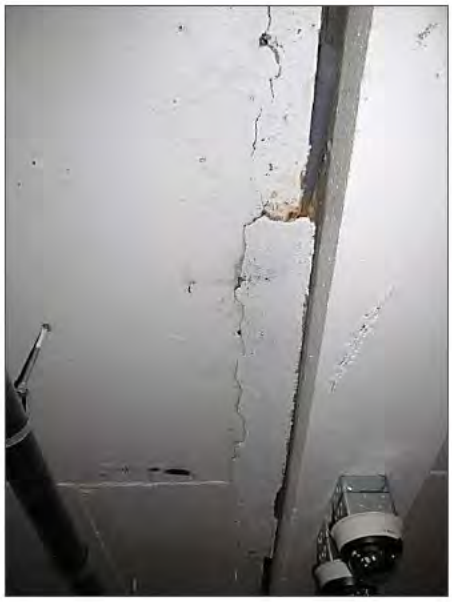
General view of a typical passive ventilation shaft serving the UPG.



An area of concrete cracking was noted at the location of the UPG expansion joint.

An area of exposed reinforcing steel within the concrete suspended slab was noted.

An area of exposed reinforcing steel within the concrete suspended slab was noted.



Areas of localized cracking and concrete spalling of the suspended slab were noted.

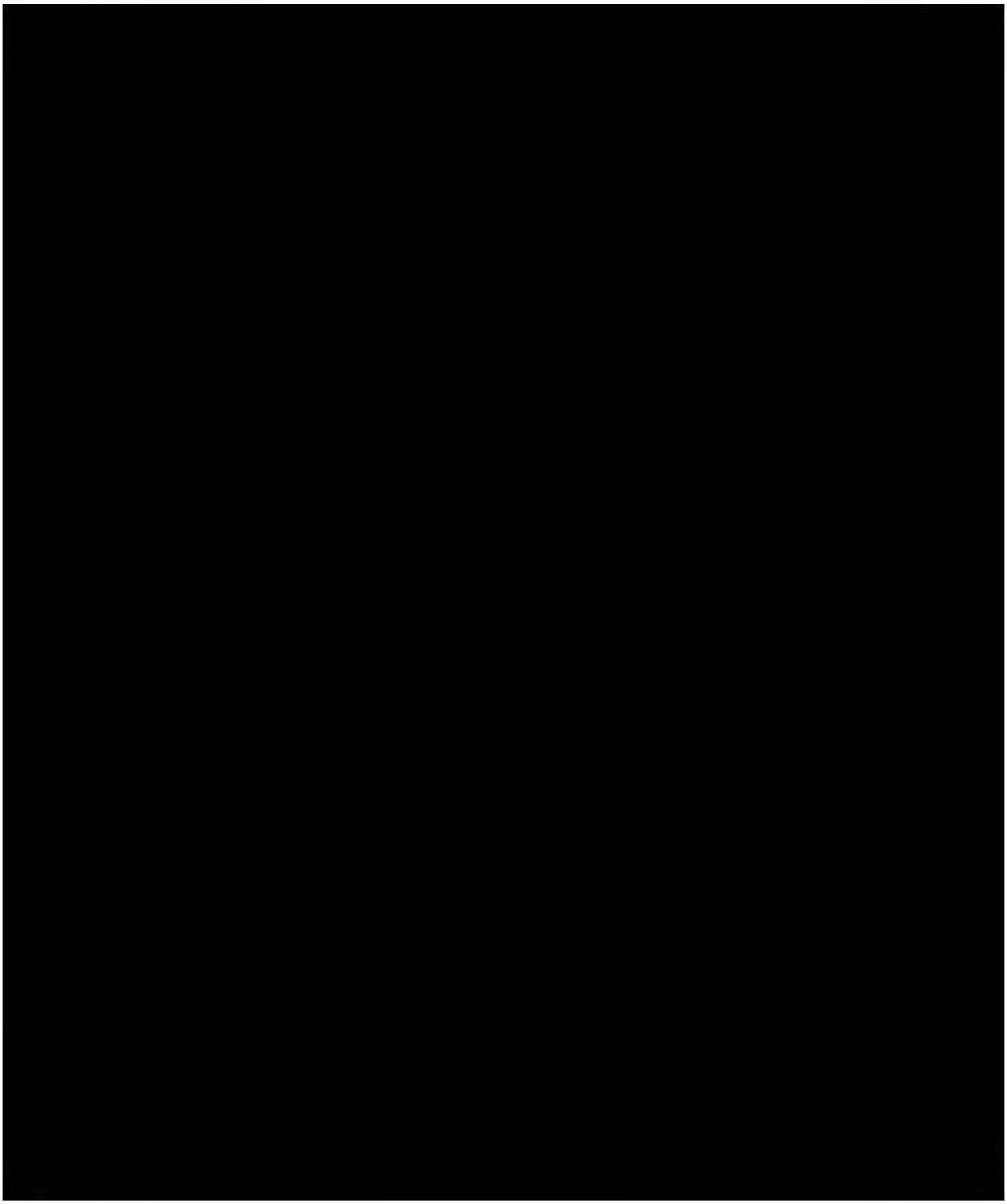
An area of P1 soffit cracking was noted as viewed from P2.

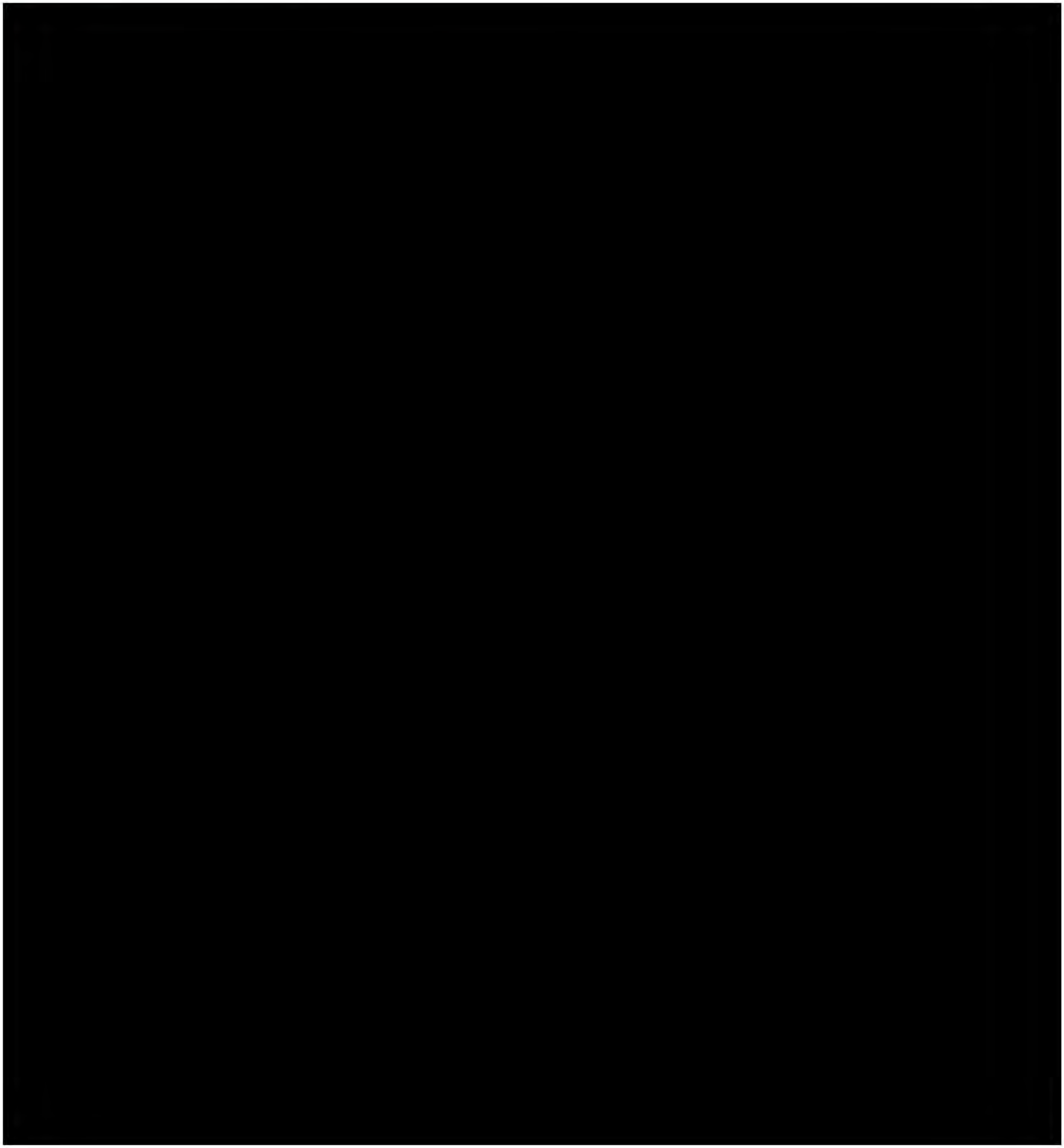
Areas of peeled paint were noted on soffits as viewed from P2.

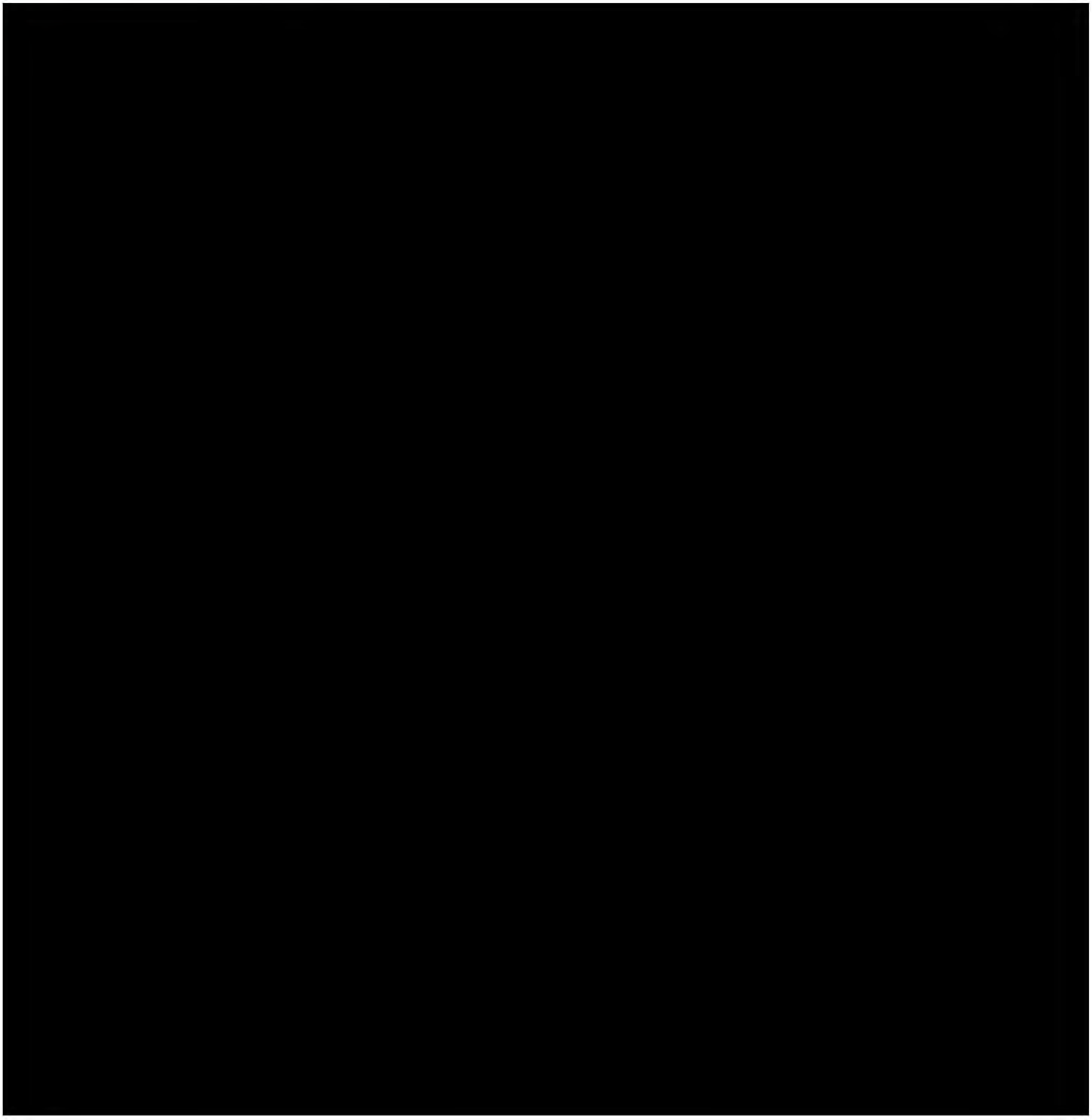
Areas of cracking were noted on P1 within the UPG.

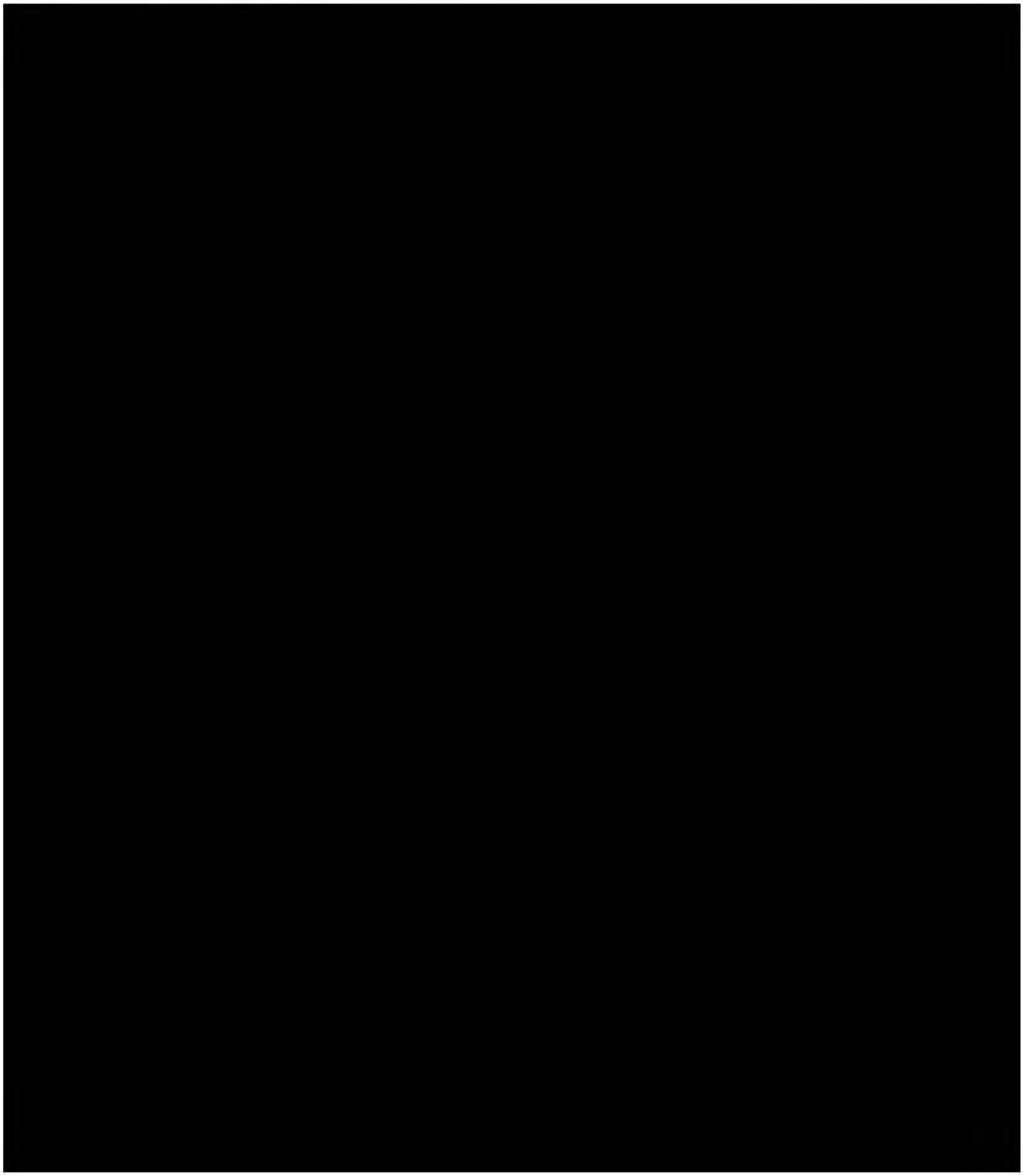
The UPG is in satisfactory condition with the exception of isolated areas of minor deterioration which should be required in the short term. In particular, deficiencies associated with exposed reinforcing steel, spalling and cracks within the UPG should be repaired within the short term as part of ongoing maintenance which can be addressed below the cost threshold of reporting.

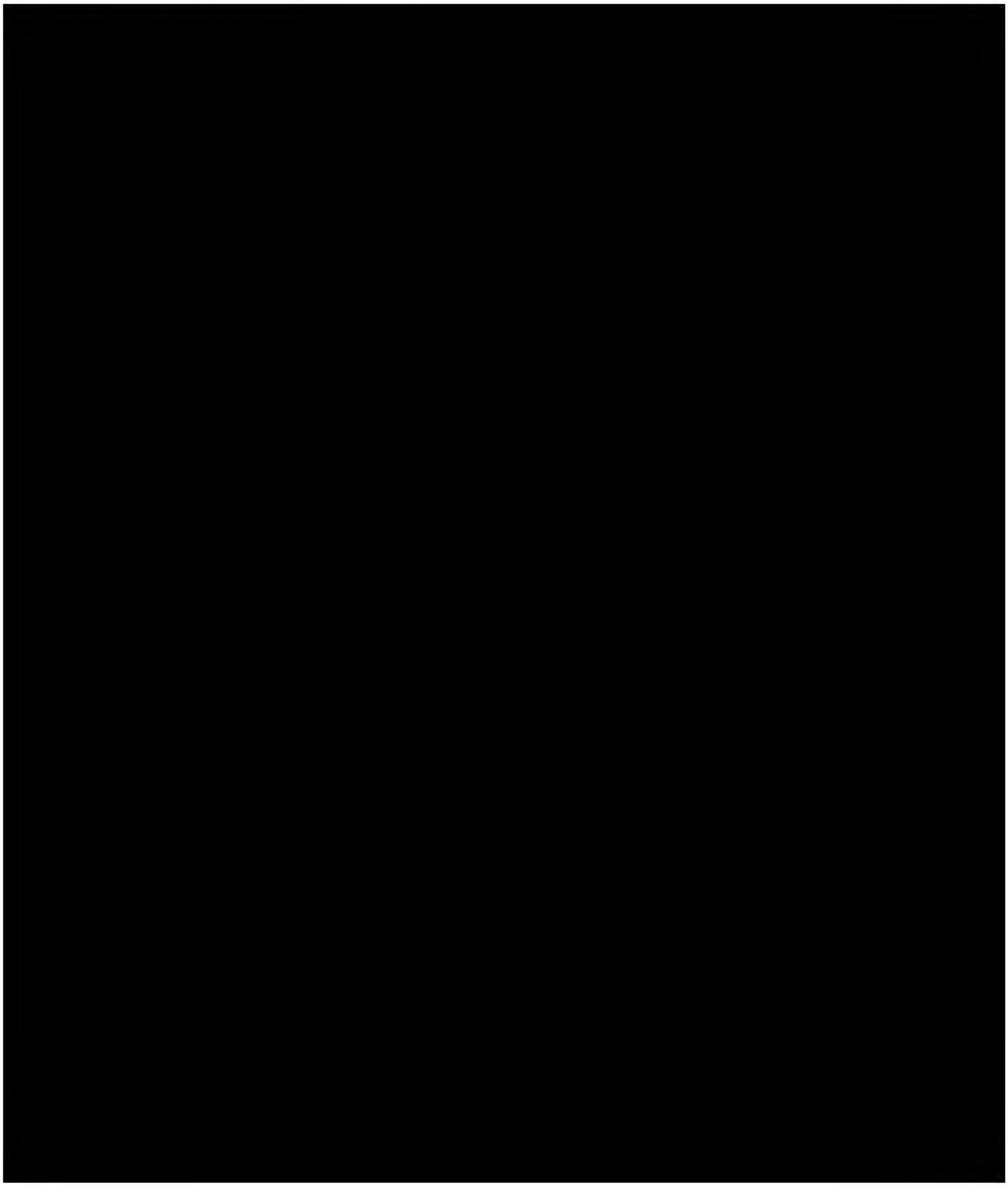
Assessment of the original or existing building design, compliance with prior or current Building Code or detection or comment upon concealed structural deficiencies are outside the scope of work. Accordingly, the findings are limited to the extent that the assessment has been made based on a walk-through visual inspection of accessible areas of the structure.

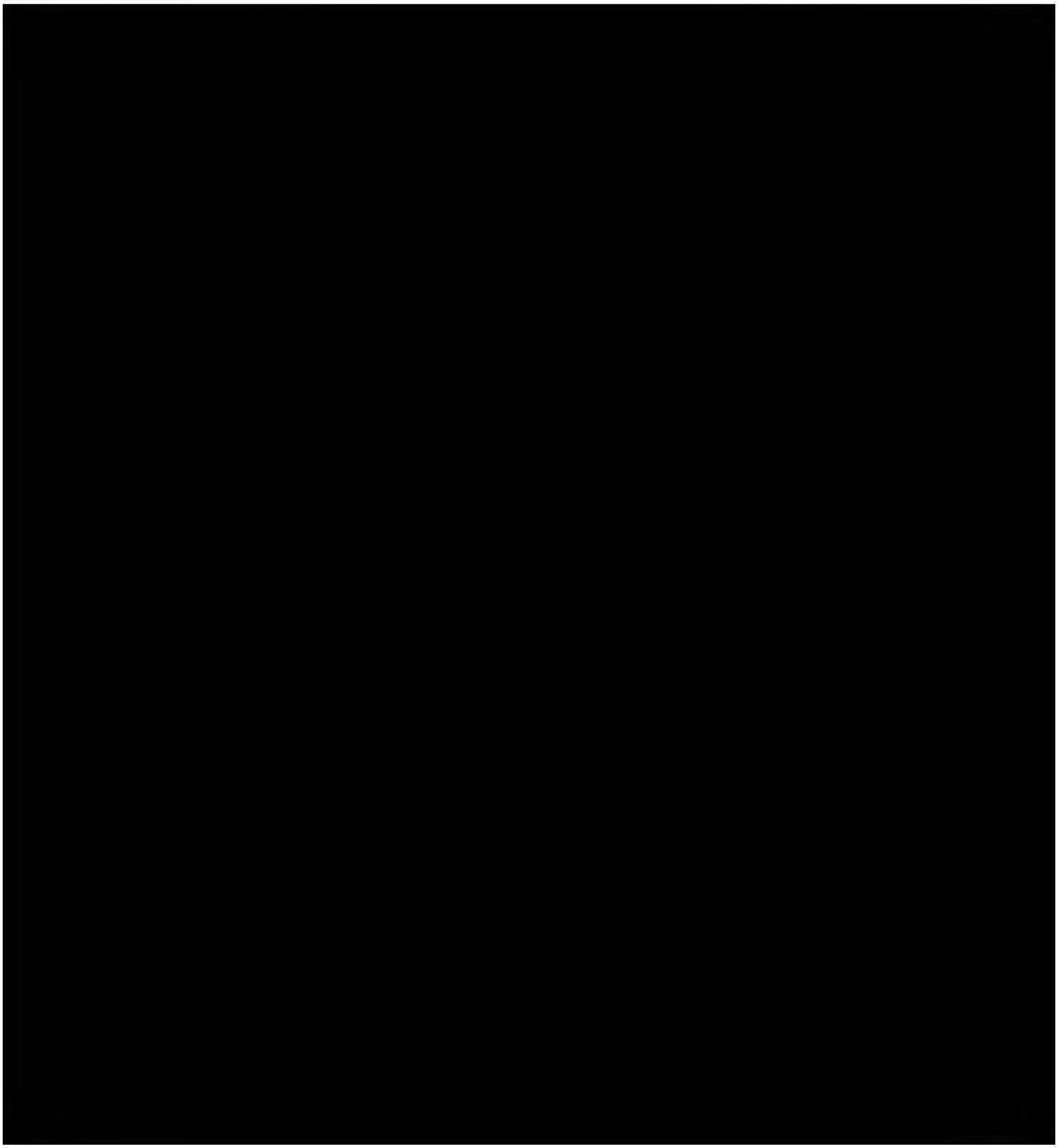


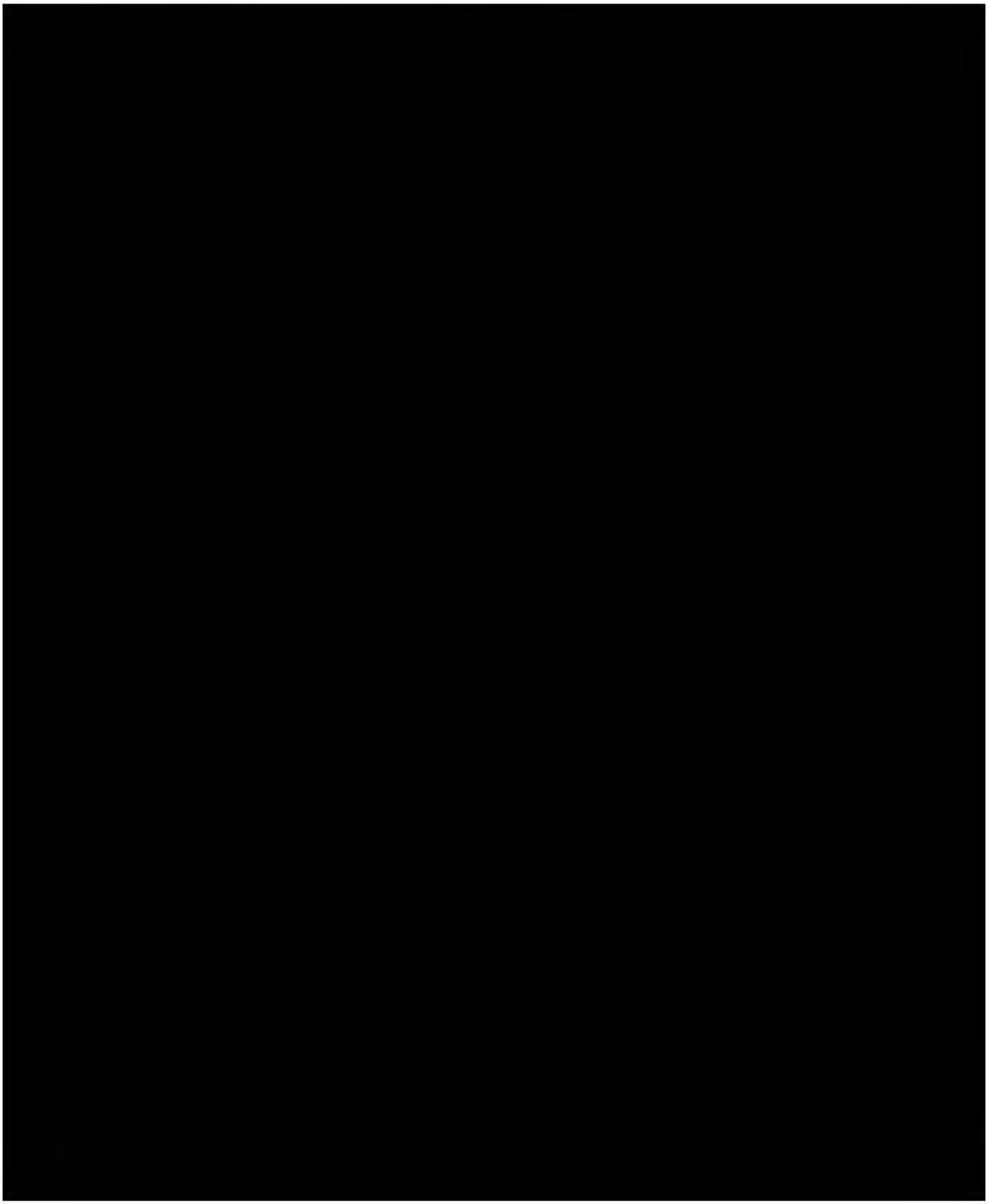












3.9 Site Features

The Site is a rectangular-shaped property, approximately 1.8 acres in area. The Site Buildings occupy approximately 45% of the Site. The remainder of the Site is primarily occupied by a swimming pool, tennis court and service structure (also housing the Site rental office) atop a cast-in-place concrete plaza located between Site Buildings A and B (atop the UPG). Areas of soft landscaping (i.e., grass, trees and shrubs) are located adjacent to all other elevations of the Site Buildings.

A liquid-applied membrane provides waterproofing to the cast-in-place concrete plaza deck. Reportedly the waterproofing membrane was replaced in approximately 2012 (i.e., ~ 8 years old). Drainage of the plaza is accomplished via surface drains which presumably discharge into the municipal sewer system. Since the inspection was limited to visible areas, no examination of the drains was performed and no review of the initial compliance with code was performed. The inspection of underground or concealed components is outside the scope of work.

Access to the Site (UPG and main pedestrian access) is provided via two entrances from Sanders Street adjacent to the north portion of the Site.

Table 3.9 outlines the findings of the inspection of the Site features:

Table 3.9 – Site Features

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
• None observed/reported.	• None required.
Minor Deficiencies/Findings	
• Areas of cracked concrete walkway were noted on the pedestrian approaches to the Site Buildings.	• Seal concrete cracks to prevent further subsequent damage.
• A missing stone was noted in the stone veneer retaining wall located adjacent to Site Building A.	• Conduct localized stone veneer repair.

General view of the tennis court located between the Site Buildings.

General view of a concrete retaining wall located along the north portion of the central plaza.

General view of the pool located atop the UPG between the Site Buildings.

An area of cracked concrete walkway was noted on the pedestrian approach to Site Building B.

A missing stone was noted in the stone veneer retaining wall located adjacent to Site Building A.

The Site features were noted to be in serviceable condition at the time of the Site visit.

Continued maintenance to the Site features can be completed below the threshold of reporting. Assessment of or comment upon concealed deficiencies and any buried/concealed utilities or components are outside the scope of work.

Assuming the above-mentioned deficiencies are addressed and continued regular maintenance is performed, the Site features should perform in a satisfactory manner.

3.10 Mechanical Systems

Major Service Providers

The following providers serve the Site Buildings:

Water	-	City of Burnaby
Electric	-	BC Hydro
Sewer	-	City of Burnaby
Natural Gas	-	Fortis BC
Police	-	Royal Canadian Mounted Police (RCMP)
Fire	-	City of Burnaby Fire Department

3.10.1 Heating, Ventilation and Air Conditioning (HVAC)

Heating within the residential units of the Site Buildings is provided by perimeter hydronic baseboard heaters which are supplied with hot water by four "Laars" natural gas-fired boilers (two per Site Building). Based on the data plates, the boilers possess input heating capacities of 749,970 BTUH each and were manufactured in 2005 (i.e., approximately 15 years old). Maintenance of the boiler units is reportedly completed by a licensed contractor on a regular basis.

Pressurization within the corridors of the Site Buildings is provided by two "Recold of Canada", Make-Up Air (MUA) units located in the P1 level emergency generator rooms within each Site Building. Based on observed condition, it is estimated that the MUA units are original to construction of the Site Buildings in approximately 1970 (i.e., ~ 50 years old) and are performing satisfactorily.

Pool filtration equipment was reportedly replaced in 2012 (i.e., approximately 8 years old), and is reportedly performing satisfactorily.

3.10.2 Domestic Hot Water

Domestic Hot Water (DHW) within Site Building A is provided by two "Raypak" natural gas-fired boilers. Based on data plates the "Laars" boilers each have input heating capacities of 399,900 BTUH and were manufactured in 2018 (i.e., approximately 2 years old). The boilers feed three "Bradford-White" DHW storage tanks, each with a capacity of 119 US gallons. Based on data plates, the DHW storage tanks were manufactured in 2012 (i.e., approximately 8 years old).

DHW within Site Building B is provided by two "Laars" and one "Raypak" natural gas-fired boilers. Based on data plates the "Laars" boilers have input heating capacities of 399,000 and 399,900 BTUH and were manufactured in 2004 and 2015 (i.e., approximately 16 and 5 years old respectively). Similarly, the "Raypak" boiler has an input heating capacity of 264,000 BTUH and was manufactured in 2015 (i.e., approximately 5 years old). The boilers feed three "Bradford-White" DHW storage tanks, each with a capacity of 119 US gallons. Based on data plates, two DHW storage tanks were manufactured in 2017 and one was manufactured in 2019 (i.e., approximately 3 and 1 years old respectively).

There was no shortage of DHW reported to Pinchin at the time of the Site visit.

3.10.3 Plumbing

Drainage piping within the Site Buildings consists of a combination of cast iron and Acrylonitrile Butadiene Styrene (ABS) as observed in accessible reviewed areas. Reportedly the plumbing risers for the Domestic Cold and Hot water consist of copper and PEX piping. Due to the concealed nature of the plumbing system the condition of the risers could not be verified. Reportedly the DCW and DHW piping was replaced in 1997 (i.e., approximately 23 years old).

Typical "Watts" 6" and "Conbraco" 4" backflow prevention devices were observed serving the Site Buildings with recent inspections completed by "Sitka Fire Protection" in May 2019. "Conbraco" 4" backflow devices were also observed; however, no corresponding inspection tags were observed.

3.10.4 Laundry Equipment

Basement laundry rooms within each Site Building each contain 7 electrically-powered washing machines and 7 electrically-powered dryers manufactured by "Huebsch". The laundry equipment is reportedly owned.

3.10.5 Fire Protection

Fire protection within the Site Buildings is provided by a stand-pipe system and firehose cabinets located on each residential floor, within the UPG and at rooftop levels. Additional fire protection within the Site Buildings is provided by stand-alone dry chemical fire extinguishers which are located within firehose cabinets and in service rooms. The inspection gauges on the fire extinguishers were noted to be charged to sufficient levels at the locations observed. The extinguishers and firehose cabinets are inspected annually by "Sitka Fire Protection Inc." and were last inspected in December of 2019.

Table 3.10 outlines the findings of the inspection of the mechanical systems:

Table 3.10 – Mechanical Systems (including HVAC, DHW, Plumbing, Laundry and Fire Protection)

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
• None observed/reported.	• None required.
Minor Deficiencies/Findings	
• No inspection tags were observed on the "Conbraco" backflow prevention devices.	• Conduct inspections of the "Conbraco" backflow prevention devices.
• The two "Recold of Canada" MUA units have attained their PUL.	• Pinchin recommends replacement of two MUA units when they are no longer deemed serviceable.

Partial view of the boilers located within the mechanical room of Site Building A.

General view of the boilers located within the mechanical room of Site Building B.

General view of a typical “Recold of Canada” MUA unit serving the Site Buildings.

General view of typical DHW storage tanks serving the Site Buildings.

General view of a typical "Watts" 6" backflow prevention device serving the Site Buildings.

General view of a typical "Conbraco" 4" backflow prevention device serving the Site Buildings.

Note: No inspection tag was observed.

General view of a typical Siamese firehose connection serving the Site Buildings

General view of a typical rooftop firehose connection serving the Site Buildings.

General view of a typical firehose cabinet containing a fire extinguisher serving the Site Buildings.

General view of the pool filtration equipment.

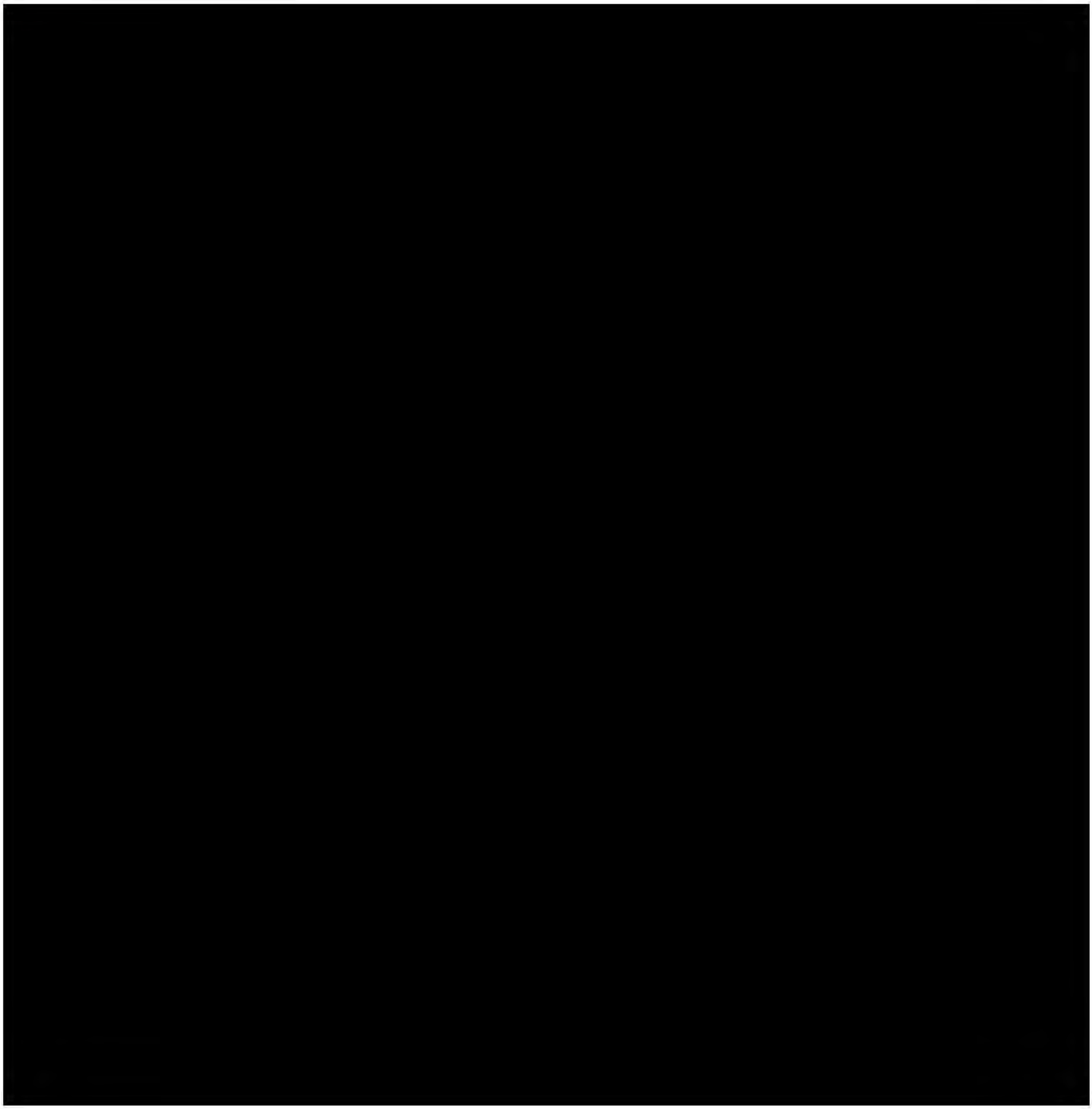
In summary, the mechanical systems within the Site Buildings are currently in serviceable condition. Pinchin recommends that the MUA units be replaced when they are no longer serviceable.

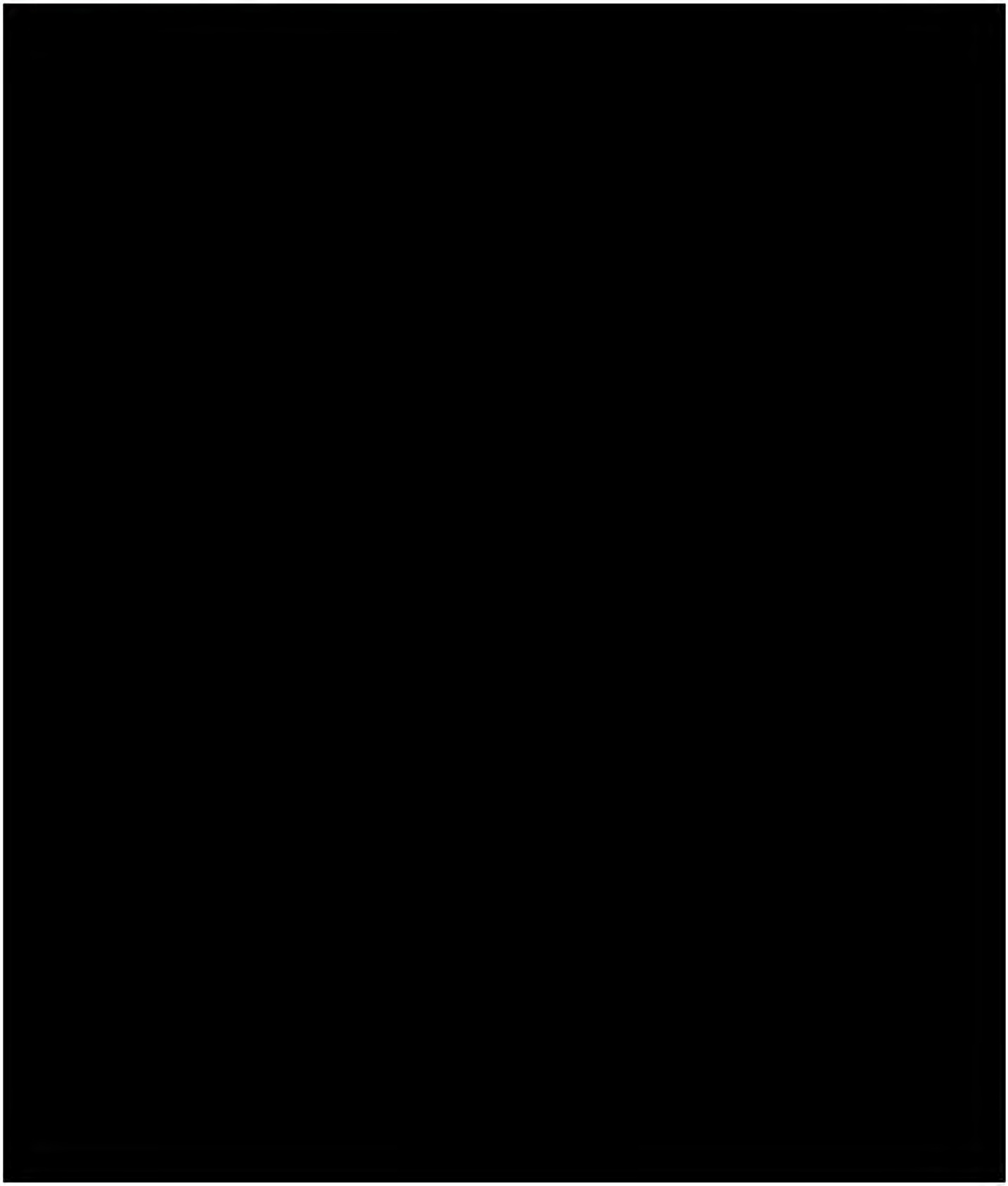
Assuming continued regular annual maintenance is performed, the mechanical systems should perform in a satisfactory manner.

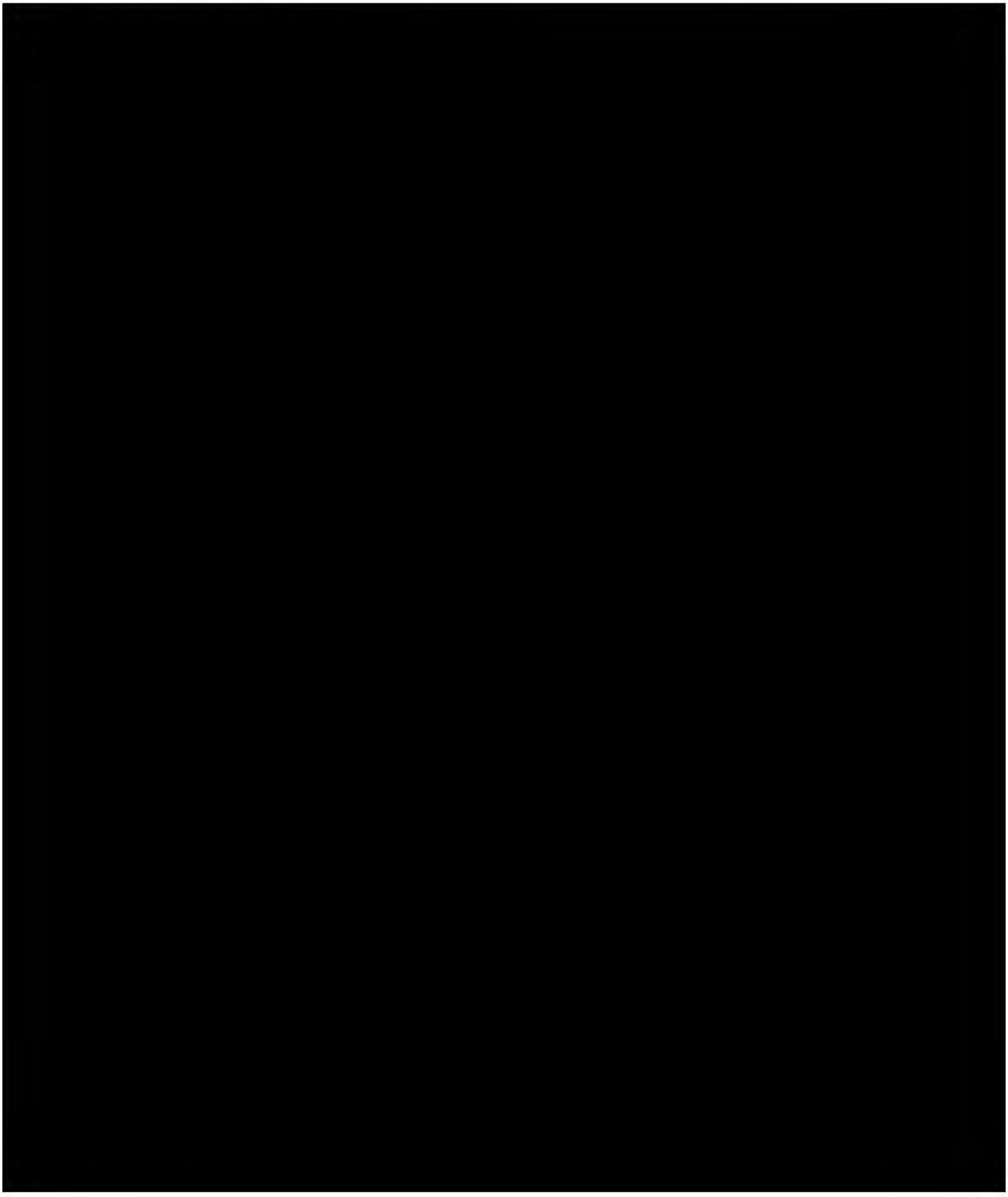
Cyclical replacement of appliances are reportedly included as part of the annual operating budget and are completed as part of regular in-suite tenant fit-ups when apartments are turned over.

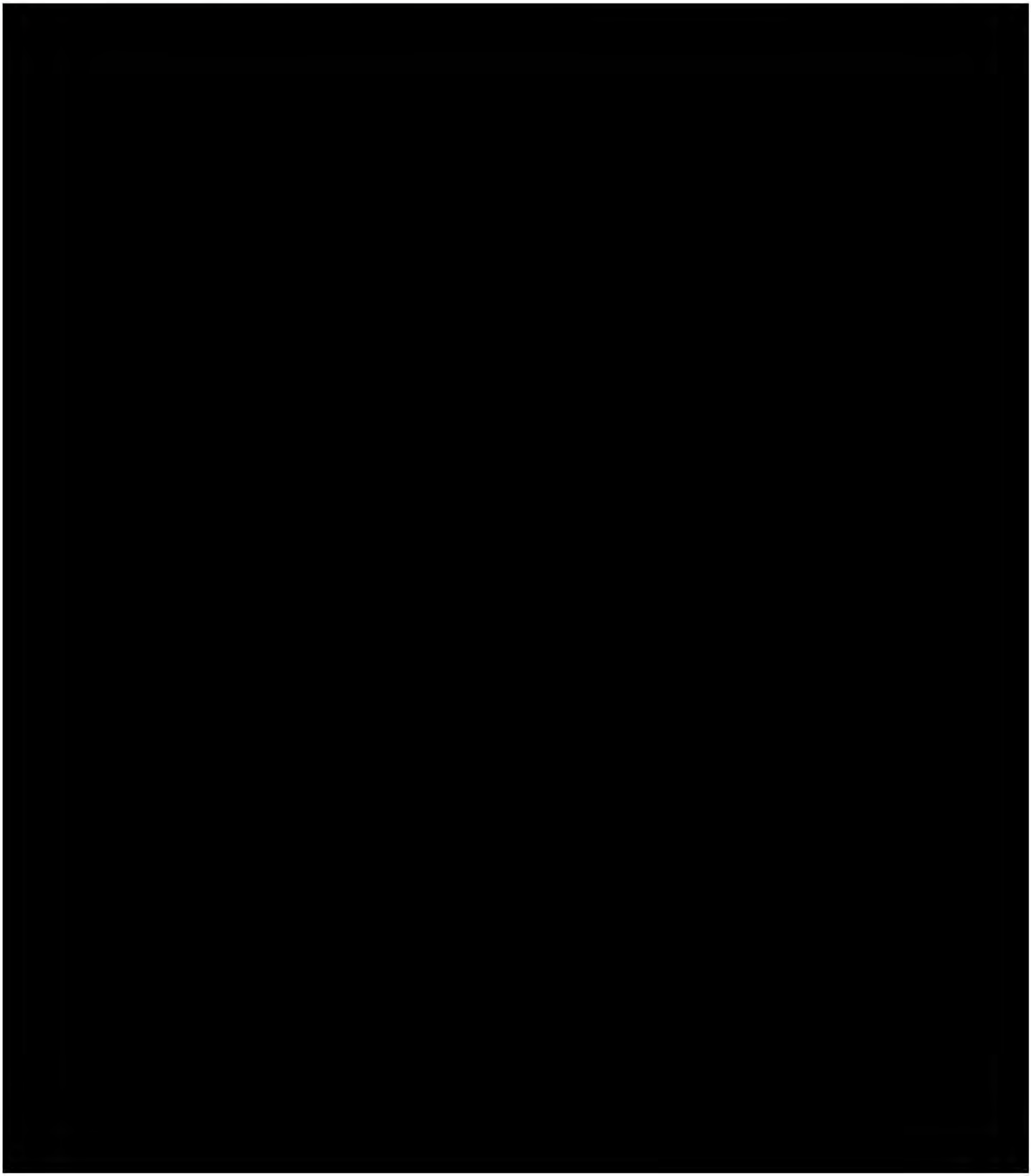
In accordance with the proposed scope of work, no physical or destructive testing or design calculations will be conducted on any of the major components of the Site Buildings. Similarly, the inspection of the interior of ductwork or associated mechanical components is not included in the scope of work.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

[redacted]









4.0 KNOWN VIOLATIONS OF CODE

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

5.0 CONCLUSIONS AND RECOMMENDATIONS

Based on Pinchin's review of the property, conducted on January 29, 2020 the Site Buildings appear to be in satisfactory condition, commensurate with their age and in comparable standing to other similar residential properties in the area. Based on our visual assessment the Site Buildings appears to have been constructed in general accordance with standard building practices in place at the time of construction.

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

At the direction of the Client, only deferred maintenance expenditures have been considered. Costs for on-going capital expenditures have not been included. For the purpose of this report, deferred maintenance expenditures are those deficiencies that fall into one or more of the following categories:

- Any deficiency that poses a safety hazard to the public or tenants of the building;
- Any deficiency that is observed to be damaging to the building or the operation of the tenants; and
- Any deficiency that, if left unattended, could cause accelerated damage to the component in question or associated components of the building in the short term.

An immediate cost of $2,500 has been identified for immediate guardrail repairs to Units 407 and PH1 in Site Building A.

Consideration has been given regarding required ongoing maintenance and repairs of the major elements and at the direction of the Client, Pinchin has utilized a threshold of $10,000 per system, per year as a limit in determining and carrying anticipated expenditures. Anticipated expenditures associated with maintenance and reparation of the major components below the threshold are presumed to be carried within the annual operating budget and excluded from the report.

Regular maintenance should be continued on the roof systems, wall systems, balcony systems, structural elements, underground parking garage, elevator systems, interior finishes, Site features and the mechanical/electrical systems to ensure that the PUL of the major components is realized. The specific deficiencies identified during the BPCA and their associated recommendations for repair are described in the main body of the report. These deficiencies should be corrected as part of routine maintenance unless otherwise stated within the report.

6.0 TERMS AND LIMITATIONS

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

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

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

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

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

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

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

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

The inspection of the interior of boilers, pressure vessels, equipment, fan coils, ductwork or associated mechanical, etc., was beyond the scope of work. It should be noted that the heating and cooling duct work within the Site Building may contain interior insulation. It is Pinchin's experience that interior insulation within duct work is prone to deterioration or development of mould which may require removal of the insulation. In the case where interior insulation is present within the duct work, Pinchin recommends that the duct work insulation be inspected for the presence of mould.

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

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

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

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