

Property Condition Report

Prepared for

Mark Moskwa

Regarding

**12 Suite Apartment Building
17105 Madison Ave.
Lakewood, Ohio 44107**

October 28, 2024

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Hope Construction, Inc. was retained by Mr. Mark Moskwa, the prospective Buyer, to inspect a property located at 17105 Madison Ave. Lakewood, Ohio 44107 (hereinafter referred to as "the Property").

The purpose of this inspection was to have a seasoned commercial construction professional examine the property and render an opinion as to its general condition, repairs needed (if any), and any major concerns from a structural perspective which might warrant further investigation.

This report is *not* intended as a certified appraisal, nor a recommendation to the Buyer as to whether to purchase or finance the Property. Furthermore, any advice contained herein represents the opinions of Hope Construction, Inc. and is not intended to represent an opinion of a licensed architect or engineer. No representations are made as to the legality or code compliance of any recommendations contained herein.

Concerns (if any) that are raised in this report are intended as honest concerns which may or may not include a recommendation for further investigation. If further investigation is not recommended, that does not constitute a warranty as to the suitability of the present condition, and if further investigation is recommended, it is done solely to protect the interests of Civista Bank and not to solicit further work or cause needless expenditures.

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This report is based on an inspection of the property on Thursday, October 24, 2024 and lasting several hours, and further review of various documents and online resources.

Any questions or concerns regarding the subject Property and the contents of this report should be directed to Robert J. Yanega at Hope Construction, Inc. by phone at (216) 302-8470 or email roberty@hopeconstruction.com.

Resume and Qualifications

Robert J. Yanega, CCI

2555 East 127th St.

Cleveland, Ohio 44120

Phone: (216) 302-8470

Email: roberty@hopeconstruction.com

QUALIFICATIONS

31 years in commercial real estate development and construction including all aspects of site selection, feasibility analyses, land use analyses, municipal and environmental approvals, financing, leasing, design, construction, renovation, owner representation and long-term maintenance and ownership issues.

EDUCATION

1984 Bachelor of Arts Degree, Kent State University Honors College

1985 Sales Training Programs - 3M, Premier Industrial Corporation

1987 Dale Carnegie Course, invited to become student instructor

1989 Hondros Career Centers - coursework resulting in real estate sales license

1991 Hondros Career Centers - completed coursework to qualify for brokers license

1990 to present - various continuing education related to real estate and construction

EMPLOYMENT

1993 - 2019 President, Hope Development Group, Ltd. and Hope Construction, Inc.
Successfully started new company and achieved \$3.5m in annual construction revenue; acquired real estate holdings and developed new projects both for our accounts and outside owners in a 3-state area; worked with developers to strategically renovate and reposition properties; provided consulting and analysis for site acquisition for major developers and institutions.

1986 - 1993 Project Director and Leasing Agent, Ray Fogg Companies
Oversaw projects through all phases from small to \$3m; did extensive predevelopment work, site selection, etc. Responsible for leasing for 2,000,000 sf portfolio; did numerous lease and development deals with Fortune 500 firms and private business owners despite weak economy.

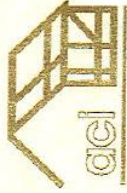
1985 - 1986 Senior Business Development Coordinator, Gilbane Building Company
Performed marketing support functions for then the 7th largest construction management firm in the U.S. Did presentations for major clients, institutions, and government agencies. On-site project monitoring and best practices documentation.

PERSONAL Qualified for and hold *Certified Construction Inspector* designation

Held, but no longer maintain Ohio Real Estate License; qualified for Broker's license

Member of various local non-profit boards

Association of Construction Inspectors



hereby certifies that

Robert Yanega, CCI

has been qualified for membership in the

Association of Construction Inspectors

and has been admitted by its Board of Directors and declared to be a

CCI

Certified Construction Inspector

and is hereby granted this certificate

under the conditions presented in its by-laws.

Signed and sealed this 15th day of August, 2001


Managing Director

Founding Principle of Hope Construction, Inc.

***The founding and sustaining principle of Hope Construction, Inc. is
integrity.***

***For unless a commitment to integrity is maintained, then all other
values which we may espouse - quality, value, economy, service -
are mere rhetoric. We at Hope Construction, Inc. are confident that as a
result of our commitment to integrity you will benefit from these
other important characteristics in our dealings with you.***

Property Overview

The Property is a three-story brick building constructed in 1959 and located at 17105 Madison Ave. Lakewood, Ohio 44107 on a .304-acre parcel of land with permanent parcel number 313-09-005. It is surrounded by a mix of single-family and multifamily residential properties and there are a mix of commercial buildings to the north, across Madison Ave.

There are 2 apartments on each level with 2 groupings – one front, one rear - with each group sharing a common front stairwell and a common rear stairwell. The rear stairwells allow access to mechanical closets and a basement laundry room for each group. There are 6 apartments per group, for a total of 12 units.

The building is constructed of concrete block with face brick, with a wood truss gabled roof with asphalt shingles. Floors are concrete over wood decking. There is a concrete driveway and concrete public sidewalks. Each suite is served by individually metered electrical and gas services with a conventional forced-air furnace. The only air conditioning is a through-the-wall unit in each living room. Domestic hot water is supplied by hot water tanks located in mechanical closets on each floor, serving the 2 units on that floor. Water is not individually metered, and the building water meter is located in a vault in the front lawn.

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The interior walls are primarily wood studs and plaster. Windows are mostly vinyl replacement slider windows. The laundry room windows are original steel frames. Interior finishes consist of carpeted living rooms, hallways, and bedrooms. Kitchens, are a mix of vinyl plank and sheet vinyl/linoleum, and there are some ceramic tile floors in bathrooms. The suites have original painted wall finishes. Bathrooms have a tub/shower combo, and a mix of fiberglass units and others with conventional tubs with ceramic or porcelain tile surrounds. The kitchen appliances consisting of range and refrigerator are furnished by the owner

The exterior grounds are landscaped with grass and a few plantings along Madison Ave. The adjacent lot to the rear (south) has mature trees. There is a garage structure that extends south from just past the rear of the building to the rear property line. The garage is constructed of unfinished concrete block with a wood-framed roof covered by roll roofing.

Inspection Walk Through and Photos

A thorough walk-through and guided tour was performed by Robert J. Yanega on Thursday, October 24, 2024. He was led by Matt, the on-site resident/manager. The inspection consisted of multiple phases:

- 1) Guided tour accompanied by the above-named individual. This commenced in the first-floor lobby and travelled throughout all spaces and suites in the building.
- 2) After the tour of the interior, Mr. Yanega inspected the exterior of the buildings and the interior of the garage, and then conducted a drone flight primarily to examine the roofs of the structures.

A total of 251 high-resolution photos, a portion of which are reproduced in this report, were shot by Mr. Yanega during this inspection. Also, approximately 10 minutes of drone footage were shot as well. Photos not appearing here have been stored on Google Drive and permission given to Halstead Capital to view.

The following notes and observations are grouped by area of interest, and specific concerns are then enumerated in the following section.

Inspection Notes:

Exterior grounds: The Property is in good condition. Walks and driveways are generally in good repair except as noted below. There is fencing on 2 sides of the property which is in fair condition.

Looking southwest at front and left side of the building



Looking southeast at front and right sides.



Looking northeast at the building rear and right sides



Looking northwest at left wall and rear of building.



Looking northeast at the rear wall



Looking south along rear garage wall



Looking northeast at front of garage



Exterior - Roof:

The roof is a gabled (“hip”) roof with asphalt shingles and is generally in good condition except as noted below.

Exterior - Other:

Gutters and downspouts were in generally good condition. Exterior masonry is generally in acceptable condition, except as noted in the next section. Windows are in good condition.

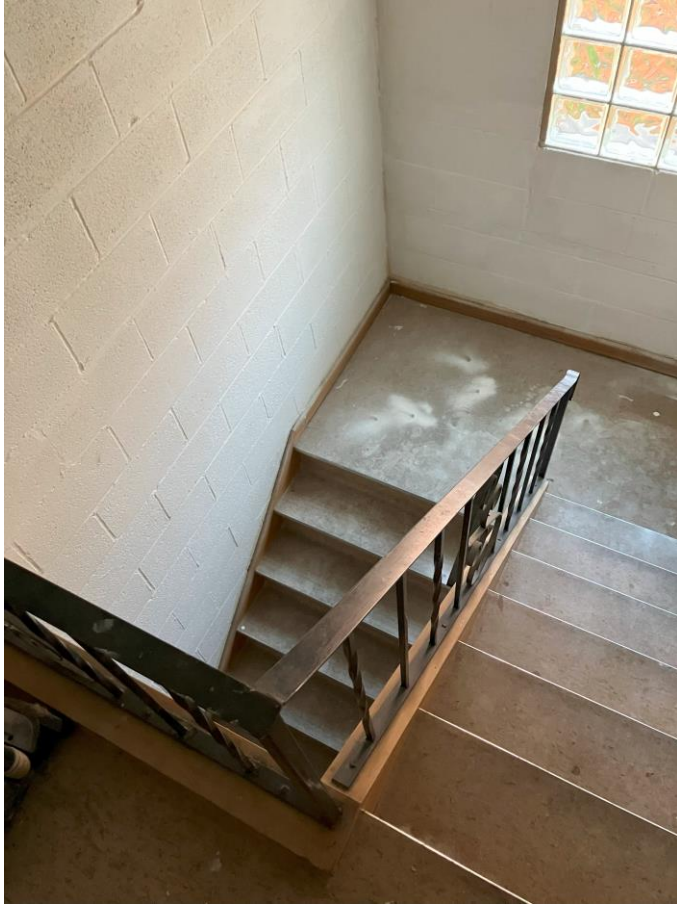
Interiors

Common Areas:

Typical front lobby and stairs



Typical rear stairwell



Typical laundry room



Unit Interiors

The interiors of all units inspected were in generally good condition and livable/rentable except apartment 7, which has bathroom ceiling damage, although it is occupied. Cabinets were in good repair, as were sinks and countertops. Appliances were of mixed age and condition, but in working order.





Electrical and Mechanical Systems: Overall, the electrical and mechanical systems appear to be in good working order, albeit having many older components that could be updated.

Typical electrical meter area of laundry rooms



Individual panel in each unit



Typical furnaces and hot water tanks in mechanical closets



Minor Concerns

The following is a list of observations and recommendations based on our visual inspection of the Property. None of the concerns expressed in this section, whether severally or cumulatively, constitute a reason to not proceed with this project. In any event, it is beyond the scope of this report to give a recommendation to lend against or to purchase this Property. Where warranted, we do give suggested ways of addressing these concerns, but we make no representations or warranties that our suggestions will be the best solution and we recommend securing the services of a professional in each of the specific areas (i.e., roofing, plumbing, etc.) to make specific recommendations to address each situation.

- 1) Tuckpointing/repair of certain spots on building exterior walls due to typical lintle rust and expansion. Left unaddressed, these voids will collect moisture which will become ice during the winter and eventually cause damage which would allow water penetration.

Some examples of minor tuckpointing needed:

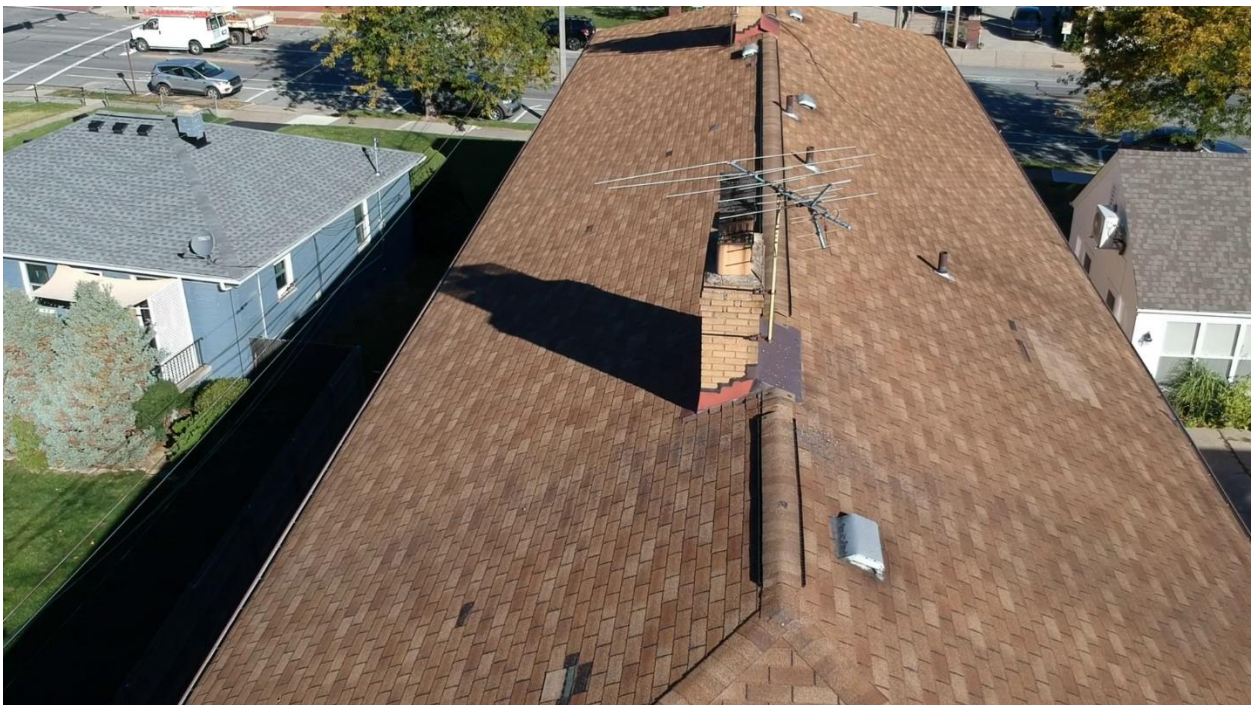


- 2) Brick area between drive and building wall. Some areas appear to be sunken and unable to shed water away from the building, and there appears to have been an area that was excavated, possibly for a downspout repair that was alluded to by a tenant. Removing all bricks and replacing with concrete sloped away from the building is recommended.

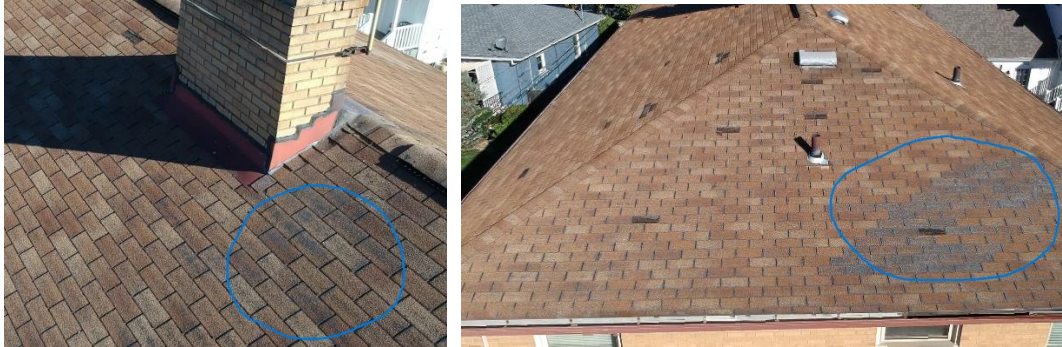


- 3) Missing and discolored shingles. There are 3 areas of concern on the roof. There are several shingles where tabs have been blown off, which is not unusual, and all but one location appears to have all of the underlying tabs intact which, while not ideal, still keeps water from penetrating.

Overall view of roof



3 (continued) The second item regarding the roof are two discolored areas as shown below.



The discoloration appears to be on the surface and is indicative of tree sap and other detritus being deposited there. Researching old Google street views, there are clearly large trees to the east of the building and overhanging the building. There is also evidence on site of them overgrowing the fence and of them having been removed from that area.

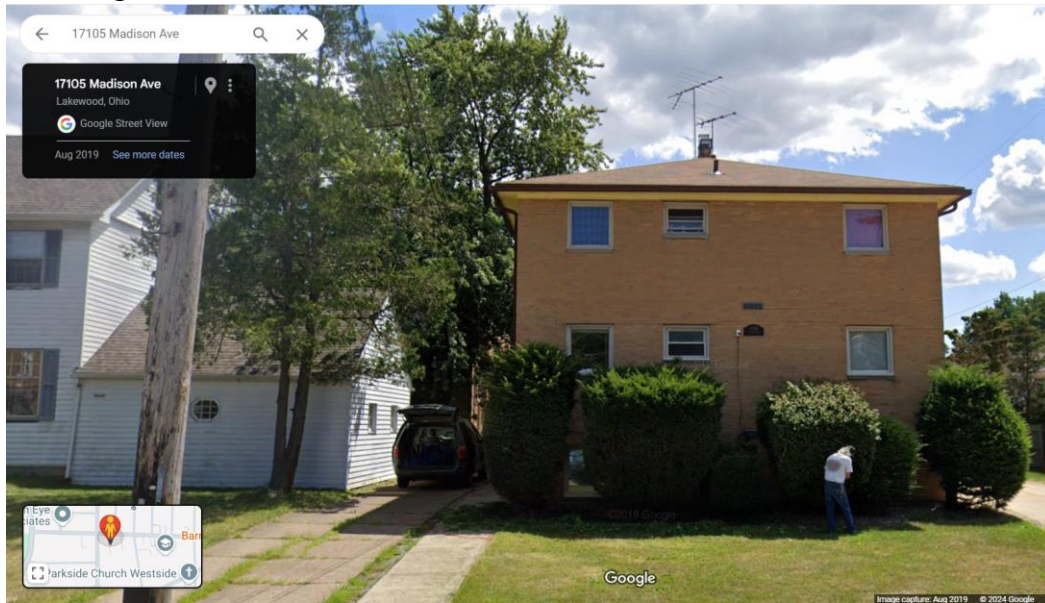
Present day



Old Google street view

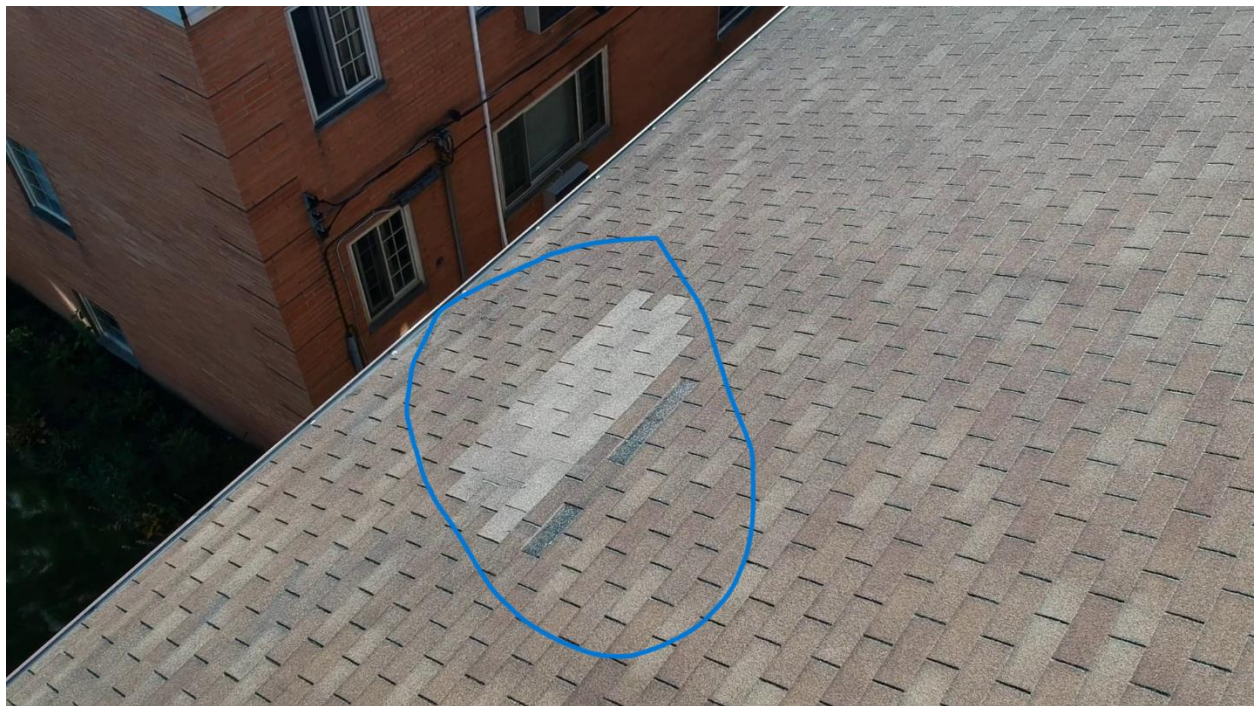


Old Google street view



Therefore it does not appear that there has been any permanent damage that would affect the roof integrity.

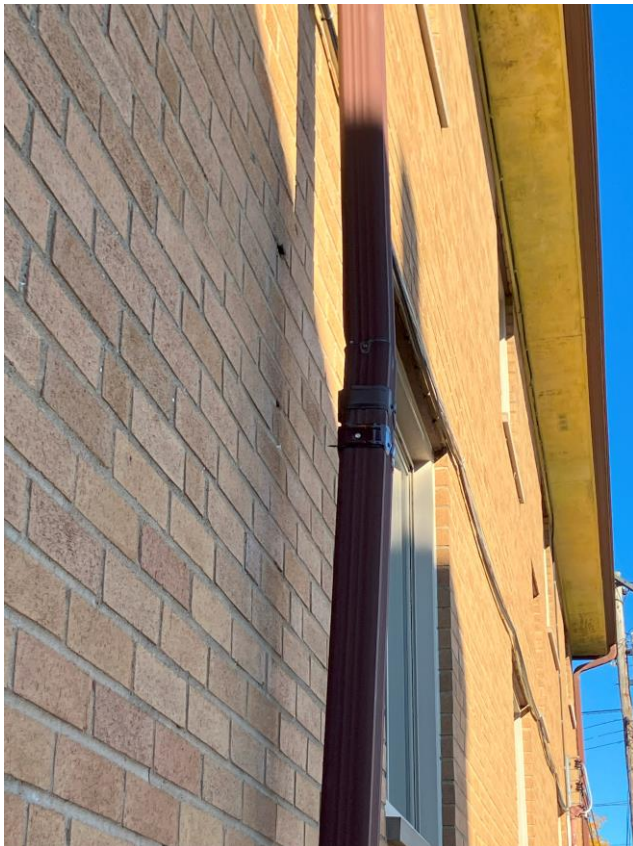
The third area of the roof appears to have had shingles replaced but, as it is exactly in the area where the tree was overhanging the building, is likely due to tree branches affecting the roof.



- 4) The plywood soffits will need painting or replaced with vinyl.



- 5) Re-attach downspout on east wall.



6) Clean catch basin near gas meters



7) Remove and re-pour approx. 25' of driveway. It does not pose an immediate concern, but could be a trip hazard.



- 8) Garage doors are inoperable, damaged, or missing.
- 9) Garage roof shows signs of possible leaking. Likely cause is rear gutter, which also needs work.
- 10) Ceiling in apartment 7 needs repair due to damage from bathroom above.



- 11) Repair/replace misc. electrical items in attic, mechanical rooms, and stairwells.



- 12) The stairwells in general need a lot of cosmetic attention, plus **the outside doors are not secure, allowing anyone to enter the building.**

Major Concerns

We have observed no areas of major concern at this time.

Summary and Conclusions

Based on our observations, and without knowledge of any environmental report or other considerations, the only areas of concern regarding this property are noted above. Based on qualified contractors performing the suggested repairs, the structural integrity of the building and its systems should be well-preserved, and the property should be even more attractive and marketable. We would be happy to discuss this and any other questions you might have. Thank you for this opportunity to be of service to you.