

Repairs should be undertaken, as a minimum, to structural items on the exterior facade.

6. Wall Between Hotel and Bank

- a. The wall between the hotel and the bank is required as a fire wall. At the present time, in our opinion, it does not meet current codes, particularly since structural elements from both buildings frame directly into the wall, and the wall does not extend up significantly above the roof of the buildings. It is our opinion that should a fire occur in either building, the firewall would not provide sufficient protection for the adjacent building. In the event of a collapse of either building, the integrity of this wall would be jeopardized since the collapsing structure could pull the wall over.

7. Security of the Building

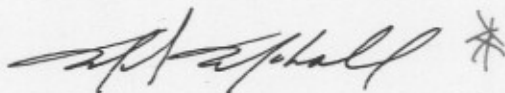
- a. It was noted that a number of the windows were broken and the doors were not secure. Access could be obtained from the outside of the building. A number of damaged and deficient floor and roof areas represent a hazard to anyone entering the building. Steps should be taken immediately to secure the building by boarding it up or other procedures should be taken to ensure that access is not obtained to the building.

In summary, a number of items have been identified, which in our opinion, represent the immediate potential for a collapse of elements in the building. In particular, we are concerned with the structural safety of the roof of the west wing (2-storey section of the building) and the possibility that it could collapse at any time without warning under snow loading. If collapse does occur, it could represent a hazard not only to any occupants of the building, but also pedestrians on the sidewalk, street or the parking lot. A second major issue is the fact that specific roof and floor areas could collapse and represent a hazard to any occupants of the building. Immediate, temporary structural repairs should be designed and reviewed during construction by a Professional Engineer. The owners should be requested to have a Professional Engineer inspect the entire building. Permanent repairs should be undertaken in accordance with recommendations by the owners' Professional Engineer.

It should be noted that our inspection did not cover all areas of the building, and as such, does not document all structural issues with respect to the building. The inspection does not address every structural item, which could only be undertaken by a more thorough inspection and analysis. This more detailed inspection and analysis should be undertaken by a Professional Engineer retained by the Owner.

Very truly yours,

HENDERSON PADDON & ASSOCIATES LIMITED



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Encl.

