September 15, 2026

StoneRiver Company
2151 Highland Avenue, Suite 200
Birmingham, Alabama 35205
Attention: Mr. Stuart Mackintosh, Vice President of Construction

Re: The Phares – 2310 Highland Avenue South, Birmingham, AL 35205 (SDG Job Number 25-108)

Dear Stuart:

Structural Design Group was retained by StoneRiver Company to observe and report on the current structural condition of the building at 2310 Highland Avenue South in Birmingham, Alabama, known as "The Phares". This letter supersedes my letter of November 10, 2025, on the same subject. It sets out the same conclusion in greater detail, and it incorporates photographs of the conditions described.

Basis of This Report: My observations were made during a walk-through of the building. I observed the structure visually and photographed the conditions described in this letter. My observations included the basement and foundation, representative dwelling units, the stairwells, the exterior walls, and the site and retaining walls. Where framing was exposed, or where finishes had already failed and left framing visible, I observed the members directly. No destructive investigation was performed, and no finishes were removed for the purpose of my observations. No material sampling or laboratory testing was undertaken. The opinions expressed in this letter are based on the conditions visible at the time of my observations, on the photographic record accompanying this letter, and on my experience with buildings of this type, age and construction.

1. Overstressed and Excessively Deflecting Floor Framing. The wood floor framing in the dwelling units and stairwells shows signs of being overstressed. This is evidenced by excessive deflection in the floors, observed as pronounced sloping, as separation between floor finishes and adjacent construction, and as movement underfoot. Deflection of this order indicates that the members are carrying load in excess of what their size, span and present condition will support. The stairs and their railings do not meet current code.

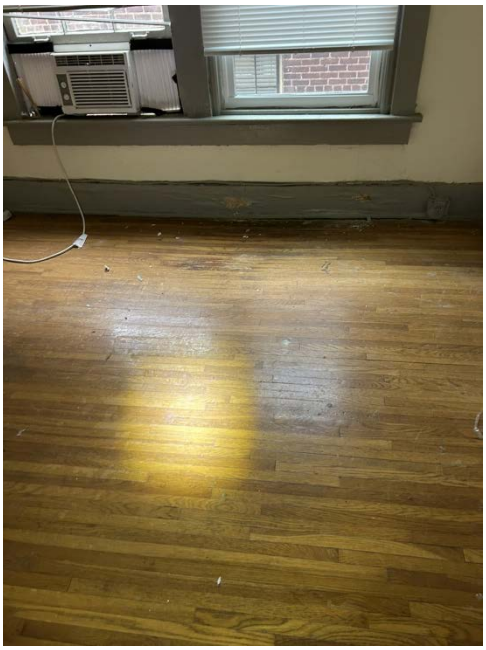


Figure 1. Floor in a dwelling unit. The wood floor framing below is deflecting under service load.

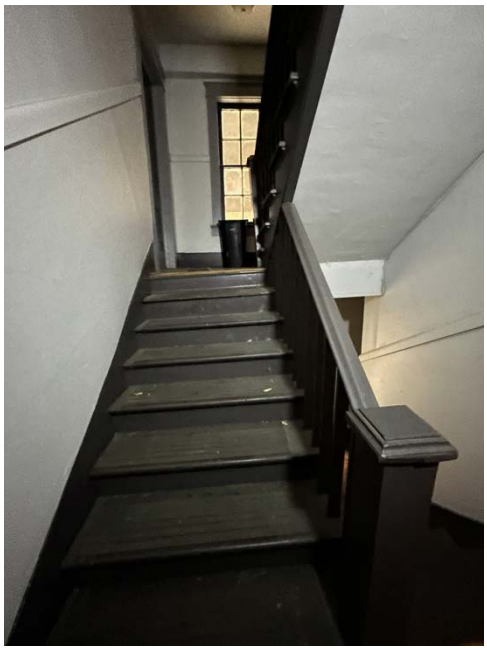


Figure 2. Stair in a typical stairwell. The stairs and their railings do not meet current code.



Figure 3. A second stairwell. Deflection is evident in the stair and landing framing.

2. **Moisture, Mold and Rot in the Basement.** The humidity in the basement has created an environment conducive to mold growth and rot. The framing exposed to that environment has deteriorated and would have to be replaced.



Figure 4. Framing in the basement. Sustained humidity has produced an environment conducive to mold growth and rot; this framing would have to be replaced.

3. **Rotted Joist Ends at the Exterior Walls.** At several locations, floor joists were exposed inside the building where they bear at the exterior wall. The joists have absorbed moisture from the masonry, and that moisture has produced deterioration and rot at the joist ends, the very point at which the member both delivers its load to the wall and, in turn, braces the wall against out-of-plane movement. This condition has two consequences at once. It reduces the vertical bearing capacity of the floor system at its supports, and it removes the lateral restraint that the floor framing provides to the masonry wall at each floor line. Loss of that support could result in a collapse of the wall and of the floor framing in that area. Because these joists stabilize the exterior wall, every one of the perimeter joists would have to be replaced and

properly anchored to the wall, while the exterior walls are held by exterior shoring.



Figure 5. Floor framing exposed at the exterior wall. The joists have absorbed moisture from the masonry and are deteriorated at their bearing.



Figure 6. Rotted joists exposed at the exterior wall at a second location, where the ceiling finish has failed.



Figure 7. Deterioration at a joist and girder bearing, observed from below.

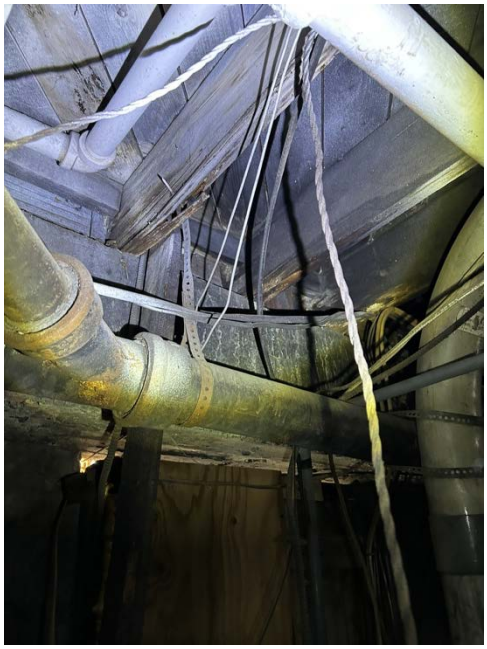


Figure 8. Rot at the joist bearing at a further location. Loss of this support could result in a collapse of the wall and floor framing in that area.

4. <u>Foundation Settlement and Loss of Ground Support</u>. There is foundation settlement and movement in the footings. Some of the interior footings have lost portions of their ground support, so that the footing no longer bears over its full area and the load it carries is concentrated onto the remaining bearing surface. Retaining and site walls have shifted, rotated and cracked and would have to be replaced. Exposed reinforcing steel is corroding. As the steel corrodes it expands, which pushes the concrete cover off the bar and exposes more steel, so the mechanism accelerates once it begins. The affected reinforcement would need to be cleaned, coated with a zinc-rich epoxy and the spalled concrete

patched.



Figure 9. An interior footing that has lost a portion of its ground support, so that it no longer bears over its full area.



Figure 10. Settlement and movement at an interior column and its footing. Exposed reinforcing steel is corroding; as it expands it pushes the concrete cover off the member.

5. **<u>Deterioration of the Mezzanine Walkway</u>.** There is significant slab deterioration on the mezzanine walkway above the courtyard leading to the residential area. There is spalling concrete in the slabs caused by corrosion of the embedded reinforcement pushing the concrete cover off the bar. The retaining wall supporting the mezzanine walkway has moved significantly. This wall supports a walkway used for access to the dwelling units.



Figure 11. The mezzanine walkway above the courtyard, where there is significant deterioration of the walkway slab.

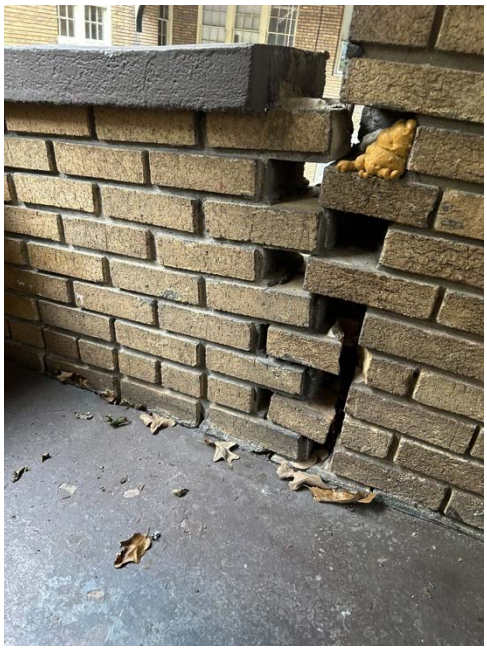


Figure 12. Significant movement of the retaining wall supporting the mezzanine walkway, with displacement of the masonry courses.

Structural Significance of the Observed Conditions: The significance of what is described above lies less in any single

item than in three characteristics of the conditions taken as a whole.

(1) ***The deficiencies are distributed, not local.*** The conditions described above were not confined to one unit, one bay or one elevation. Overstressed and deflecting floor framing was observed generally throughout the levels, and the deterioration at the framing bearings and in the foundations were observed at multiple separate locations. A defect that recurs throughout a structure cannot be addressed by local repair; it must be addressed by replacing the system in which it occurs.

(2) ***The deficiencies are interdependent.*** These conditions are not a list of separate problems that could be corrected one at a time. Moisture migrating through the masonry has rotted the joist ends. The rotted joist ends have simultaneously reduced the vertical bearing of the floor system and removed the lateral restraint that the floor framing provides to the exterior wall. Settlement of the footings has redistributed load into framing that is already overstressed. Correcting any one of these conditions requires the others to be corrected first or at the same time, under shoring, which is what drives both the scope and the cost of the work.

(3) ***The conditions are progressive and will not arrest on their own.*** The building is vacant and unconditioned. The moisture mechanism that produced the rot and the mold-conducive environment in the basement is still operating, and the footings that have lost ground support have no mechanism by which that support is restored. The condition I observed is, in my opinion, the best condition in which this building will be found; it will continue to deteriorate for as long as it stands in its present state.

Scope of Work Required to Repair the Structure: To return this building to a condition in which it could be lawfully occupied, the following work would be required. The sequence matters, because several of these operations cannot be carried out independently of one another:

(1) Shoring the exterior masonry walls externally for their full height, so that the floor framing bearing into them can be removed without loss of lateral support to the wall.

(2) Removing and replacing the perimeter floor joists at every level and re-anchoring the new framing to the exterior walls with positive connections.

(3) Removing and replacing the overstressed interior floor framing, which requires removal of the floor and ceiling finishes throughout.

(4) Underpinning or replacing the footings that have settled or lost ground support, which requires excavation beneath a building that is simultaneously shored above.

(5) Removing and rebuilding the retaining and site walls that have shifted, rotated and cracked.

(6) Removing substantially all of the mechanical, electrical and plumbing systems to permit the structural work, and replacing them upon completion.

Opinion: Taken together, the work described above is not a repair of this building. It is the removal and reconstruction of its primary structural system (the floor framing, the bearing of that framing into the exterior walls, and the foundations that support both) carried out while the exterior masonry is held up by temporary shoring. At the completion of that work very little of the original structure would remain, and the exterior walls themselves would have been rebuilt at every level. It is therefore my professional opinion that this building has exceeded its useful life and is not capable of being repaired by any means that preserves it as the structure it is. It is not economically viable to repair or renovate the structure. The cost to do so far exceeds the value of the building and, in my opinion, exceeds the cost of new construction of equivalent area.

Limitations: This letter reports conditions observed on the date or dates stated above and is not a warranty or guarantee of the condition of the building at any other time. No destructive investigation was performed. Concealed conditions may exist that are more extensive than those I observed. In a building of this age, and with this moisture history, it is my experience that concealed conditions can be worse than what is visible.

If you have any questions concerning the above, please give me a call.

Sincerely,

Stewart Lee

Stewart Lee, P.E.
Principal



September 15, 2026

StoneRiver Company
2151 Highland Avenue, Suite 200
Birmingham, Alabama 35205
Attention: Mr. Stuart Mackintosh, Vice President of Construction

Re: Caldwell Parc – 2312 Highland Avenue South, Birmingham, AL 35205 (SDG Job Number 25-108)

Dear Stuart:

Structural Design Group was retained by StoneRiver Company to observe and report on the current structural condition of the building at 2312 Highland Avenue South in Birmingham, Alabama, known as "Caldwell Parc". This letter supersedes my letter of November 10, 2025, on the same subject. It sets out the same conclusion in greater detail, and it incorporates photographs of the conditions described.

Basis of This Report: My observations were made during a walk-through of the building. I observed the structure visually and photographed the conditions described in this letter. My observations included the basement and foundation, representative dwelling units, the stairwells, the exterior walls, and the site and retaining walls. Where framing was exposed, or where finishes had already failed and left framing visible, I observed the members directly. No destructive investigation was performed, and no finishes were removed for the purpose of my observations. No material sampling or laboratory testing was undertaken. The opinions expressed in this letter are based on the conditions visible at the time of my observations, on the photographic record accompanying this letter, and on my experience with buildings of this type, age and construction.

1. <u>Overstressed and Excessively Deflecting Floor Framing</u>. The wood floor framing in the dwelling units and stairwells shows signs of being overstressed. This is evidenced by excessive deflection in the floors, observed as pronounced sloping, as separation between floor finishes and adjacent construction, and as movement underfoot. Deflection of this order indicates that the members are carrying load in excess of what their size, span and present condition will support. The stairs and their railings do not meet current code.



Figure 1. Cracking at the ceiling and beam line in a dwelling unit, consistent with deflection of the framing above.



Figure 2. Cracking across a unit ceiling. Distortion of this kind follows movement in the framing above.



Figure 3. Framing exposed where the ceiling and wall finish has failed, with the fallen finish material below.



Figure 4. A level set on a unit floor, showing the floor out of level.



Figure 5. A level set at a window opening in a unit, showing the opening out of level.



Figure 6. Detail of the level at the location above.



Figure 7. Level and tape set on a unit floor at a doorway, recording the out-of-level condition.

2. **<u>Moisture, Mold and Rot in the Basement</u>.** The humidity in the basement has created an environment

conducive to mold growth and rot. The framing exposed to that environment has deteriorated and must be replaced.

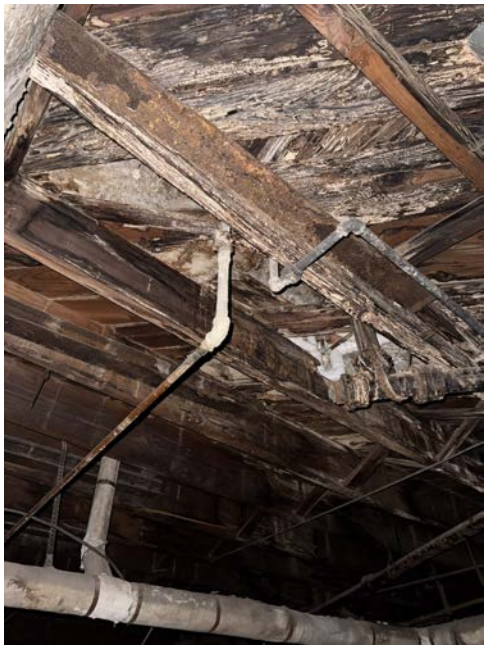


Figure 8. Framing in the basement. Sustained humidity has produced an environment conducive to mold growth and rot; this framing must be replaced.

3. **Rotted Joist Ends at the Exterior Walls.** At several locations, floor joists were exposed inside the building where they bear at the exterior wall. The joists have absorbed moisture from the masonry, and that moisture has produced deterioration and rot at the joist ends, the very point at which the member both delivers its load to the wall and, in turn, braces the wall against out-of-plane movement. Because these joists stabilize the exterior wall, every one of the perimeter joists would have to be replaced and properly anchored to the wall, while the exterior walls are held by exterior shoring. Until that is done, loss of this support could result in a collapse of the wall and of the floor framing in that area.



Figure 9. Floor joists anchored into the exterior wall. Members rotting at this bearing must be replaced and re-anchored.

4. **Foundation Settlement and Deterioration of the Footings.** There is foundation settlement along the walls

and deterioration of the footings. The footings have lost section and, in places, bearing area, so that the load they carry is concentrated onto what remains. Settlement of this kind redistributes load into framing that is already overstressed, and it does not reverse.



Figure 10. Foundation settlement along the wall line, with deterioration of the concrete beneath the framing.



Figure 11. A cracked interior footing. The fracture runs the full depth of the member.



Figure 12. Framing and foundation wall in the basement, showing settlement along the wall line.



Figure 13. Corroded steel bearing at the foundation wall, with deterioration of the supporting masonry.

5. **<u>Retaining Walls</u>.** Retaining walls have shifted, rotated and cracked and would have to be replaced. A retaining wall that has rotated has already exceeded the condition it was built to resist, and rotation of this kind does not stabilize

without intervention.



Figure 14. A site retaining wall that has shifted, rotated and cracked. Walls in this condition would have to be replaced.

6. **<u>Balconies</u>.** The balcony columns have rotated as a result of foundation settlement, and the balconies are pulling away from the main building structure. There is rotten wood in the balcony framing. The balconies would have to be rebuilt and properly attached back to the building. The separation is driven by movement at the foundation, so rebuilding the balconies alone would not correct the cause.



Figure 15. The balcony stack viewed from below. The balconies are pulling away from the main building structure.



Figure 16. Base of a balcony column at grade. The columns have rotated as a result of foundation settlement.



Figure 17. Underside of a balcony. There is rotten wood in the balcony framing.



Figure 18. The balcony stack on the rear elevation. The balconies would have to be rebuilt and properly attached back to the building.

Structural Significance of the Observed Conditions: The significance of what is described above lies less in any single item than in three characteristics of the conditions taken as a whole.

(1) The deficiencies are distributed, not local. The conditions described above were not confined to one unit, one bay or one elevation. Overstressed and deflecting floor framing was observed generally throughout the levels, and the deterioration at the framing bearings and in the foundations were observed at multiple separate locations. A defect that recurs throughout a structure cannot be addressed by local repair; it must be addressed by replacing the system in which it occurs.

(2) The deficiencies are interdependent. These conditions are not a list of separate problems that could be corrected one at a time. Moisture migrating through the masonry has rotted the joist ends. The rotted joist ends have simultaneously reduced the vertical bearing of the floor system and removed the lateral restraint that the floor framing provides to the exterior wall. Settlement of the footings has redistributed load into framing that is already overstressed. Correcting any one of these conditions requires the others to be corrected first or at the same time, under shoring, which is what drives both the scope and the cost of the work.

(3) The conditions are progressive and will not arrest on their own. The building is vacant and unconditioned. The moisture mechanism that produced the rot and the mold-conducive environment in the basement is still operating, and the footings that have lost ground support have no mechanism by which that support is restored. The condition I observed is, in my opinion, the best condition in which this building will be found. It will continue to deteriorate for as long as it stands in its present state.

Scope of Work Required to Repair the Structure: To return this building to a condition in which it could be lawfully occupied, the following work would be required. The sequence matters, because several of these operations cannot be carried out independently of one another:

(1) Shoring the exterior masonry walls externally for their full height, so that the floor framing bearing into them can be removed without loss of lateral support to the wall.

(2) Removing and replacing the perimeter floor joists at every level and re-anchoring the new framing to the exterior walls with positive connections.

(3) Removing and replacing the overstressed interior floor framing, which requires removal of the floor

and ceiling finishes throughout.

(4) Underpinning or replacing the footings that have settled or lost ground support, which requires excavation beneath a building that is simultaneously shored above.

(5) Removing and rebuilding the retaining and site walls that have shifted, rotated and cracked.

(6) Removing substantially all of the mechanical, electrical and plumbing systems to permit the structural work, and replacing them upon completion.

Opinion: Taken together, the work described above is not a repair of this building. It is the removal and reconstruction of its primary structural system (the floor framing, the bearing of that framing into the exterior walls, and the foundations that support both) carried out while the exterior masonry is held up by temporary shoring. At the completion of that work very little of the original structure would remain, and the exterior walls themselves would have been rebuilt at every level. It is therefore my professional opinion that this building has exceeded its useful life and is not capable of being repaired by any means that preserves it as the structure it is. It is not economically viable to repair or renovate the structure. The cost to do so far exceeds the value of the building and, in my opinion, exceeds the cost of new construction of equivalent area.

Limitations: This letter reports conditions observed on the date or dates stated above and is not a warranty or guarantee of the condition of the building at any other time. No destructive investigation was performed. Concealed conditions may exist that are more extensive than those I observed. In a building of this age, and with this moisture history, it is my experience that concealed conditions can be worse than what is visible.

If you have any questions concerning the above, please give me a call.

Sincerely,

Stewart Lee

Stewart Lee, P.E.
Principal



September 15, 2026

StoneRiver Company
2151 Highland Avenue, Suite 200
Birmingham, Alabama 35205
Attention: Mr. Stuart Mackintosh, Vice President of Construction

Re: Baycourt – 1054 24th Street South, Birmingham, AL 35205 (SDG Job Number 25-108)

Dear Stuart:

Structural Design Group was retained by StoneRiver Company to observe and report on the current structural condition of the building at 1054 24th Street South in Birmingham, Alabama, known as "Baycourt". This letter supersedes my letter of November 10, 2025, on the same subject. It sets out the same conclusion in greater detail, and it incorporates photographs of the conditions described.

Basis of This Report: My observations were made during a walk-through of the building. I observed the structure visually and photographed the conditions described in this letter. My observations included the basement and foundation, representative dwelling units, the stairwells, the exterior walls, and the site and retaining walls. Where framing was exposed, or where finishes had already failed and left framing visible, I observed the members directly. No destructive investigation was performed, and no finishes were removed for the purpose of my observations. No material sampling or laboratory testing was undertaken. The opinions expressed in this letter are based on the conditions visible at the time of my observations, on the photographic record accompanying this letter, and on my experience with buildings of this type, age and construction.

1. Overstressed Framing, Excessive Deflection and Misaligned Bearing. The wood floor framing in the dwelling units and stairwells shows signs of being overstressed, evidenced by excessive deflection in the floors. The stairs and their railings do not meet current code. The bearing walls do not align with the girders below them in several locations. Where a bearing wall lands between supports rather than over them, its load is delivered into the span of the joists beneath instead of into the girder, and those joists carry a concentrated load they were never sized for. This is a framing error rather than a maintenance failure, and it is the cause of the most severe overstressing and deflection I observed. Correcting a misaligned bearing line is not a matter of reinforcing a member. It requires new supporting structure beneath the wall, carried down through the building to a foundation capable of receiving it.



Figure 1. Spirit levels set on a unit floor, showing the floor out of level.



Figure 2. Levels set at the base of an interior masonry wall, showing the floor out of level at the wall.

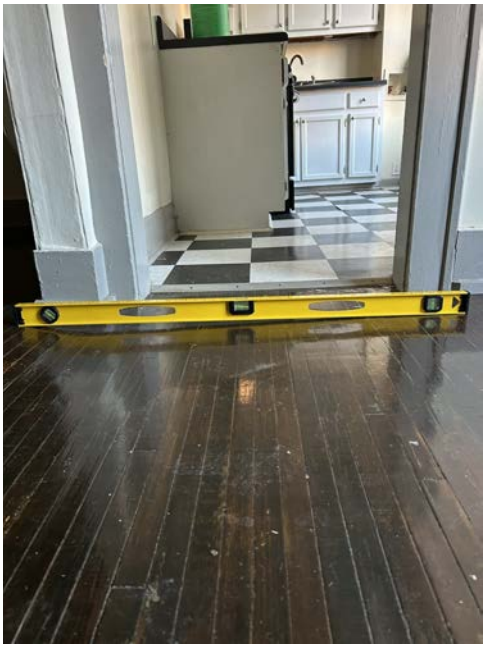


Figure 3. A level set on a unit floor, with the slope continuing through the doorway beyond.



Figure 4. Levels set on a unit floor at a doorway, showing the out-of-level condition.



Figure 5. Level and tape set on a unit floor at a door opening, recording the out-of-level condition.



Figure 6. A level set on a stair. The stair framing is also out of level.

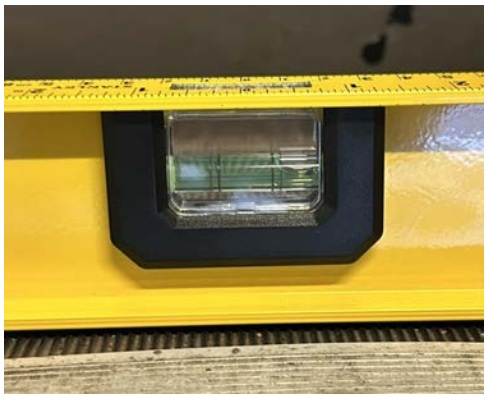


Figure 7. Detail of the level at the location above.

2. **<u>Moisture in the Basement and Rot at the Perimeter Bearing</u>.** The humidity in the basement has created an environment conducive to mold growth and rot. At the perimeter wall, the floor joists have rotted where they bear on the wall. Many of these members are compromised, and this framing must be replaced. The joist bearing is the point at which the floor both delivers load to the wall and provides lateral restraint to it, so deterioration here reduces vertical capacity and removes wall bracing at the same time.



Figure 8. Framing in the basement. Sustained humidity has produced an environment conducive to mold growth and rot.

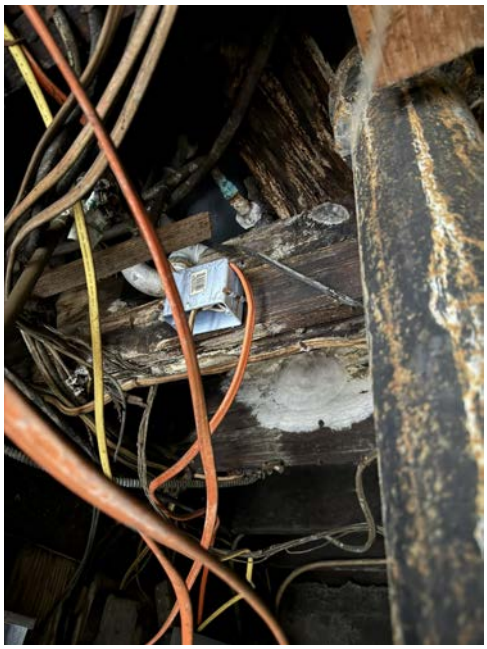


Figure 9. Deteriorated framing in the basement at the perimeter wall. Many of these members are compromised.

3. **<u>Differential Settlement of the Wall Relative to the Brick Veneer</u>.** There is an unusual settling of the exterior wall relative to the brick veneer. The result is that water is being directed back toward the building at the windowsills rather than away from it, which sustains the moisture mechanism that is rotting the framing inside. This differential settlement is caused by the rotten joists, rotten bearing walls and foundation supports that are in the process of failing. It is therefore a symptom of the structural condition, and it is also feeding it: the movement admits more water, the water

accelerates the rot, and the rot produces more movement.



Figure 10. The exterior wall and brick veneer, where the two have settled differentially.



Figure 11. The same condition at a second elevation. The movement directs water back toward the building at the windowsills.

4. **<u>Foundation Settlement</u>.** There is evidence of foundation settlement and rotation, including shifting of columns in the basement. Settlement of this kind redistributes load into framing that is already overstressed, and it does not reverse.



Figure 12. Crawl space at the perimeter. The framing bears close to grade, with settlement evident along the wall.



Figure 13. A masonry pier at the perimeter, with settlement and loss of ground support.



Figure 14. Basement column that has shifted as a result of foundation movement.



Figure 15. Foundation wall and pier in the basement, showing settlement.



Figure 16. Deteriorated masonry foundation wall at a beam bearing.

5. **<u>Settlement at the Entry Steps</u>.** There is excessive settlement at the entry steps. This has produced unequal tread and riser heights, which is not permitted by code and is a trip hazard at the principal entrance to the building. The

stairs must be replaced.



Figure 17. The entry steps. Settlement has produced unequal tread and riser heights, which is not permitted by code.

Structural Significance of the Observed Conditions: The significance of what is described above lies less in any single item than in three characteristics of the conditions taken as a whole.

(1) The deficiencies are distributed, not local. The conditions described above were not confined to one unit, one bay or one elevation. Overstressed and deflecting floor framing were observed generally throughout the levels, and the deterioration at the framing bearings and in the foundations was observed at multiple separate locations. A defect that recurs throughout a structure cannot be addressed by local repair; it must be addressed by replacing the system in which it occurs.

(2) The deficiencies are interdependent. These conditions are not a list of separate problems that could be corrected one at a time. Moisture migrating through the masonry has rotted the joist ends. The rotted joist ends have simultaneously reduced the vertical bearing of the floor system and removed the lateral restraint that the floor framing provides to the exterior wall. Settlement of the footings has redistributed load into framing that is already overstressed. Correcting any one of these conditions requires the others to be corrected first or at the same time, under shoring, which is what drives both the scope and the cost of the work.

(3) The conditions are progressive and will not arrest on their own. The building is vacant and unconditioned. The moisture mechanism that produced the rot and the mold-conducive environment in the basement is still operating, and the footings that have lost ground support have no mechanism by which that support is restored. The condition I observed is, in my opinion, the best condition in which this building will be found; it will continue to deteriorate for as long as it stands in its present state.

Scope of Work Required to Repair the Structure: To return this building to a condition in which it could be lawfully occupied, the following work would be required. The sequence matters, because several of these operations cannot be carried out independently of one another:

(1) Shoring the exterior masonry walls externally for their full height, so that the floor framing bearing into them can be removed without loss of lateral support to the wall.

(2) Removing and replacing the perimeter floor joists at every level and re-anchoring the new framing to the exterior walls with positive connections.

(3) Removing and replacing the overstressed interior floor framing, which requires removal of the floor and ceiling finishes throughout.

(4) Underpinning or replacing the footings that have settled or lost ground support, which requires excavation beneath a building that is simultaneously shored above.

(5) Removing and rebuilding the retaining and site walls that have shifted, rotated and cracked.

(6) Removing substantially all of the mechanical, electrical and plumbing systems to permit the structural work, and replacing them upon completion.

Opinion: Taken together, the work described above is not a repair of this building. It is the removal and reconstruction of its primary structural system (the floor framing, the bearing of that framing into the exterior walls, and the foundations that support both) carried out while the exterior masonry is held up by temporary shoring. At the completion of that work very little of the original structure would remain, and the exterior walls themselves would have been rebuilt at every level. It is therefore my professional opinion that this building has exceeded its useful life and is not capable of being repaired by any means that preserves it as the structure it is. It is not economically viable to repair or renovate the structure. The cost to do so far exceeds the value of the building and, in my opinion, exceeds the cost of new construction of equivalent area.

Limitations: This letter reports conditions observed on the date or dates stated above and is not a warranty or guarantee of the condition of the building at any other time. No destructive investigation was performed. Concealed conditions may exist that are more extensive than those I observed. In a building of this age, and with this moisture history, it is my experience that concealed conditions can be worse than what is visible.

If you have any questions concerning the above, please give me a call.

Sincerely,

Stewart Lee

Stewart Lee, P.E.
Principal

