

WESTSEA CONSTRUCTION LTD.

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November 27, 20223

By Mail

All Leaseholders and Residents of Orchard House
647 Michigan Street
Victoria, BC, V8V 1S9

Dear Leaseholders and Residents

Re: Information Update About Future Repair Projects at Orchard House

We are the owner and manager of the Orchard House apartment building ("**Orchard House**") in which you are leaseholders and/or residents. We refer to Westsea's letter dated October 23, 2023 that was sent to leaseholders enclosing the Orchard House operating expense budget for 2024 and also providing information about future repair projects at Orchard House.

This letter is to provide you with an update about future repair projects at Orchard House that have been recommended by our professional consultants and the anticipated commencement dates, estimated duration and opinions of probable cost ("**OPC**") for such repair projects.

Westsea's professional consultants have recommended that the following repair projects be undertaken to repair and maintain the Orchard House building and/or key components consistent with its original condition in accordance with Westsea's obligations under the Orchard House Lease.

1. Boiler Retube/Replacement Project

- a. Preliminary Scope of Work: Re-tube/replace the boiler, re-use/repair the boiler flue if possible and replace and store water storage tanks outside the boiler room.
- b. Anticipated commencement date: Spring 2024
- c. Estimated completion: Fall 2024
- d. Opinion of Probable Cost: \$1,010,000.00.

2. Low Voltage Meter Stack and Alarm Panel Replacement Project

- a. Preliminary Scope of Work: Replace the low voltage electrical meter stack and fire alarm panel at Orchard House.
- b. Anticipated commencement date: Spring 2024
- c. Estimated duration: 2 months
- d. Opinion of Probable Cost: \$350,000.00

3. Whirlpool Project

- a. Preliminary Scope of Work: Repair and/or remediate the whirlpool. Westsea has engaged our professional consultant to work with our professional mechanical contractor on the design drawings and specifications.
- b. Anticipated commencement date: Spring 2024
- c. Estimated completion: Fall 2024
- d. Opinion of Probable Cost: \$50,000.00

4. Water System Re-Piping Project

- a. Preliminary Scope of Work: Replacement of the domestic water system piping and the drainage lines on the main floor
- b. Anticipated commencement date: Spring 2025
- c. Estimated duration: 6 – 24 months
- d. Opinion of Probable Cost: Westsea does not yet have an opinion of probable cost for this future repair project.

The above commencement dates, duration and OPCs are only rough estimates and may change. They are provided to leaseholders and tenants for information and planning purposes.

The cost of future repair projects at Orchard House can only be clarified when the specifications for the contract have been determined and the repair project has been tendered. At that time, and depending on the estimated cost of the repair project, the repair project will be charged to leaseholders as an operating expense or assessed by way of a special assessment in accordance with the Orchard House Lease.

The actual costs of any repair project can only be determined when the repair projects are completed and operating expenses for Orchard House including for the repair projects have been audited for that year.

Westsea provides regular updates to leaseholders and tenants about ongoing and upcoming repair projects at Orchard House. Further information about these repair projects, scope of work, estimated contract costs and any special assessment for operating expenses will be sent to leaseholders when it is available.

Yours very truly,

WESTSEA CONSTRUCTION LTD.

Per: Brian Slater