

WESTSEA CONSTRUCTION LTD.

Developers & Managers of Prime Properties since 1947

#2108 – 1330 Harwood St., Vancouver, BC V6E - 1S8 Tel: (604) 681-2727 Fax: (604) 684-8075

By Mail

August 19, 2024

Orchard House Leaseholders

Re: Boiler Replacement and Hot Tub Repair Projects at Orchard House, 647 Michigan Street, Victoria, BC

We are the owner and manager of the Orchard House apartment building ("Orchard House") in which you are leaseholders. Westsea's engineering consultant has recommended that the boiler and water storage tanks at Orchard House be replaced and that the project be undertaken in 2 phases to allow sufficient time to order equipment and minimize impact on Orchard House's heating system during critical heating months (the "Boiler Replacement Project").

Further, Westsea's engineering consultant has recommended that the hot tub be repaired (the "Hot Tub Repair Project") and that the remediation work be undertaken at the same time as Phase 1 of the Boiler Replacement Project.

Following a competitive tender bid process, Summit Mechanical Systems has been selected to undertake the Boiler Replacement and Hot Tub Repair Projects.

Phase 1 of the Boiler Replacement and Hot Tub Repair Projects

Phase 1 of the Boiler Replacement Project and the Hot Tub Repair Project is tentatively scheduled to commence late August/early September 2024.

The duration of Phase 1 of the Boiler Replacement Project is estimated to take approximately 4 weeks. The duration of the Hot Tub Repair Project is estimated to take approximately 2-3 months. The schedule of these projects is subject to change depending on unknown conditions that may be discovered during construction.

Phase 1 of the Boiler Replacement Project will include the following scope of work:

- Installation of a standby domestic hot water system;
- Construction of a new concrete block wall enclosure inside the parkade on P2 (adjacent to the boiler room) to house new water storage tanks; and
- Equipment will be ordered for Phase 2 of the Boiler Replacement Project.

The Hot Tub Repair Project will include the following scope of work:

- Repairs to the drainage system and waterproofing; and
- Replacement of tiling.

The estimated contract price for Phase 1 of the Boiler Replacement Project and the Hot Tub Repair Project is \$1,056,970.60 (\$940,588.09 and \$116,382.51 respectively).

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Please keep in mind that this estimate may not be the final cost of Phase 1 of the Boiler Replacement Project and the Hot Tub Repair Project. In the event that a contractor and/or engineer is required to perform additional tasks, such work may increase the actual contract costs. The final contract costs will be confirmed at the end of the Boiler Replacement and Hot Tub Repair Projects.

Your estimated share of Phase 1 of the Boiler Replacement and Hot Tub Repair Projects according to your unit share entitlement pursuant to the Orchard House Lease is as follows and will be payable in 6 equal instalments commencing on October 1, 2024 and ending on March 1, 2025:

Suites ending '01	\$816.86	Suites – 310, 510, 710, 910	\$1,185.57
Suite 102	\$842.05	1110, 1410, 1610, 1810, 2010, & 2210	
Suites ending in '02 & 03	\$801.01		
Suites ending in '04 & '09	\$801.01		
Suites ending in '05	\$1,179.05	Suites – 210, 410, 610, 810	\$1,116.34
Suites ending in '06	\$786.56	1010, 1210, 1510	
Suites ending in '07 & 08	\$601.24	1710, 1910, 2110 & 2310	

Please deliver your post-dated cheques payable to **Westsea Construction Ltd.** to 2108 - 1330 Harwood Street, Vancouver, BC, V6E 1S8 before **Friday, September 27, 2024.**

We remind you that interest will be charged on all overdue operating expenses in accordance with the Orchard House Lease.

Phase 2 of the Boiler Replacement Project

Phase 2 of the Boiler Replacement Project is tentatively scheduled to commence in approximately late May/early June 2025, but may change depending on the weather as the building heating will need to be shut down. The duration of Phase 2 is estimated to take approximately 3-4 months, but is subject to change depending on unknown conditions that may be discovered during construction. A separate letter will be delivered to leaseholders describing the special assessment for Phase 2 closer to the commencement date in Spring 2025.

Phase 2 of the Boiler Replacement Project will include the following scope of work:

- Replacement of the 2 boilers;
- Repair of the boiler flue; and
- Replacement of the water storage tanks.

Temporary shutdowns of the existing hot water system may be required during both phases of the Boiler Replacement Project. Leaseholders will be notified prior to any necessary water shutdown.

Residents should be aware that noise disruption may occur from the construction areas. For safety, residents must not access the construction areas at any time and must stay away from all construction equipment.

Construction hours will be from 8:00am to 5:00pm on weekdays. However, it may be necessary to work outside of these hours.

Upon completion of the Boiler Replacement and Hot Tub Repair Projects, all costs will be reconciled and any difference will be charged or credited to your Suite's account in accordance with the Orchard House Lease.

If you have any questions or concerns during the Boiler Replacement or Hot Tub Repair Projects, please email Westsea at info@westsea.ca or contact Brian at 604-681-2727.

Thank you for your patience and co-operation.

Yours truly,
Westsea Construction Ltd.

A handwritten signature in cursive script that reads "Brian Slater". The signature is written in black ink and is positioned above a horizontal line.

Brian Slater
Property Manager