

WESTSEA CONSTRUCTION LTD.

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August 19, 2024

By Mail

All Leaseholders at Orchard House
647 Michigan Street
Victoria, BC, V8V 1S9

Dear Leaseholders:

Re: Update About Future Remediation Projects at Orchard House

We are the owner and manager of the Orchard House apartment building ("**Orchard House**") in which you are leaseholders.

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

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

1. Boiler Retube/Replacement Project

- a. Preliminary Scope of Work: Westsea's engineering consultant has recommended that the boiler and water storage tanks be replaced. Westsea's engineering consultant has also recommended that the project be undertaken in 2 phases. Further information about the commencement of and special assessment for the Boiler Replacement Project will be provided to leaseholders in further correspondence.
- b. Anticipated commencement date for Phase 1: Late August/Early September 2024
Anticipated commencement date for Phase 2: Spring 2025
- c. Estimated duration of Phase 1: 4 weeks
Estimated duration of Phase 2: 3-4 months
- d. Estimated Contract Cost for Phase 1: \$940,588
Estimated Contract Cost for Phase 2: \$1,081,810

2. Hot Tub Repair Project

- a. Preliminary Scope of Work: Westsea's engineering consultant has recommended that the hot tub be repaired and that the remediation work be undertaken at the same time as Phase 1 of the Boiler Replacement Project. Further information about the commencement of and special assessment for the Hot Tub Repair Project will be provided to leaseholders in further correspondence.
- b. Anticipated commencement date: Late August/Early September 2024
- c. Estimated duration: 2-3 months
- d. Estimated Contract Cost: \$116,382

3. Water System Re-Piping Project

- a. Preliminary Scope of Work: Westsea's engineering consultant has recommended that the domestic water supply and sanitary drainage piping in the building be replaced.
- b. Anticipated commencement date: Spring 2026
- c. Estimated duration: 12 – 24 months
- d. Opinion of Probable Cost: Westsea does not yet have an opinion of probable cost for this remediation project.

4. Low Voltage Meter Stack and Fire Alarm Panel Replacement Project

- a. Preliminary Scope of Work: Westsea's engineering consultant has recommended that the low voltage electrical meter stack be replaced. Westsea has also engaged an electrical consultant to review the replacement of the fire alarm panel at Orchard House. It is anticipated that the fire alarm replacement project will be undertaken at the same time as the electrical meter stack replacement.
- b. Anticipated commencement date: Westsea does not yet have an estimated date for when these remediation projects will be undertaken.
- c. Estimated duration: 2-3 months
- d. Opinion of Probable Cost: \$350,000

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

The cost of remediation projects at Orchard House can only be clarified when the specifications for the contract have been determined and the remediation project has been tendered. At that time,

and depending on the estimated cost, the remediation project will be charged to leaseholders as an operating expense in accordance with the Orchard House Lease.

The actual costs of any remediation project will only be confirmed when the remediation project(s) have been completed and operating expenses for Orchard House, including for the remediation project(s), have been audited.

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

Yours very truly,

WESTSEA CONSTRUCTION LTD.

Per: Brian Slater