

WESTSEA CONSTRUCTION LTD.

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August 26, 2026

All Leaseholders of Orchard House

647 Michigan Street
Victoria, BC
V8V 1S9

Dear Leaseholder(s),

Re: Orchard House Schedule of Operating Costs for the year ending December 31, 2025

Your 2025 Year End Schedule of Operating Costs for Orchard House is enclosed.

The actual operating expenses for the year were less than the estimated expenses. The Schedule of Operating Costs shows there is a surplus of operating expenses in the amount of \$327,663.00.

Amount to be recovered from the leaseholders for 2025 is as follows:

Normal operating surplus	\$327,663.00 (a)
Extraordinary project – boiler replacement phase 1	\$(1,116,732.00) (b)
The net amount owing by leaseholders for 2025 is	\$(789,069.00)

(a) The normal operating surplus will be applied against the extraordinary project deficit.

(b) This is the cost for the boiler replacement work started in 2024, net of the amount recoverable during the year. Phase 1 of the boiler project was not completed at year end.

Please find in the table below your proportionate share of the total deficit calculated in accordance with each leaseholder's unit share entitlement described in the Orchard House Lease (the "Lease"). The individual suite amounts shown will be charged to your account in 6 equal installments from November 1, 2026 to April 1, 2027.

For the leaseholder's proportionate share of the deficit, please provide 6 post-dated cheques payable to Westsea Construction Ltd. starting November 1, 2026 in the following amounts each. Please include your File number on your cheques.

Suites ending in '01	\$ 609.82	Suites - 310, 510, 710, 910	
Suite 102	\$ 628.62	1110 & 1410, 1610	
Suites ending in '02 & '03	\$ 597.98	1810, 2010, 2210	\$ 885.07
Suites ending in '04 & '09	\$ 597.98		
Suites ending in '05	\$ 880.21	Suites - 210, 410, 610, 810	
Suites ending in '06	\$ 587.20	1010, 1210, 1510,	
Suites ending in '07 & '08	\$ 448.85	1710. 1910, 2110 & 2310	\$ 833.39

Each leaseholder is reminded that interest will be charged on all overdue operating expenses in accordance with the Lease.