WESTSEA CONSTRUCTION LTD.

Suite 2108 – 1330 Harwood Street Vancouver, BC V6E 1S8
Telephone (604) 681 – 2727 Facsimile (604) 684 -- 8075

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

October 23, 2026

Dear Leaseholder(s)

Re: Orchard House Operating Expense Budget for the year 2027

Please be advised that Westsea Construction Ltd. ("**Westsea**") has finalized your estimated operating expense budget for the year 2027. The estimated operating expense budget for 2027 is $1,701,080.00.

The audit of Actual Operating Expenses for the year ending December 31, 2026 will take place in the second quarter of 2027. Upon completion of the 2026 audit by our accountants, all leaseholders will receive a copy of the audited Schedule of Operating Costs. Any budget deficit or excess will be charged or credited to current leaseholders in accordance with their unit share entitlement under the Orchard House Lease (the "**Lease**").

Your monthly fees to cover the 2027 estimated operating expenses are as follows:

Suites ending '01	**$ 657.33**	**Suites – 310, 510, 710, 910 1110, 1410, 1610, 1810, 2010, & 2210**	**$ 954.02**
Suite 102	**$ 677.60**		
Suites ending in '02 & 03	**$ 644.57**		
Suites ending in '04 &'09	**$ 644.57**		
Suites ending in '05	**$ 948.78**	**Suites – 210, 410, 610, 810 1010, 1210, 1510 1710, 1910, 2110 & 2310**	**$ 898.31**
Suites ending in '06	**$ 632.94**		
Suites ending in '07 & 08	**$ 483.82**		

Please deliver to our office by December 31, 2026 your 12 post dated cheques payable to Westsea Construction Ltd. post-dated January 1 to December 1, 2027. Please include your File number on your cheques.

Each leaseholder is responsible for their pro-rated share of the operating expenses as noted above and defined in the Lease. Monthly operating expenses are due the first day of every month and are to be dated for the 1st of every month. We remind you that interest accrues on all overdue operating expenses in accordance with the Lease.

Regards,

WESTSEA CONSTRUCTION LTD.

Per Stan Andrews, Property Manager
Encl.

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Other Matters – ORCHARD HOUSE

Projected Future Repair Projects: The following are projected future repair projects at Orchard House:

Fire Alarm System Replacement Project

This project is currently in progress. As described in our letters dated March 25 and August 26, 2026, there is an estimated contract cost in the amount of $2,439,084.00 with an estimated completion date of March 2027. Please keep in mind that this may not be the final cost of the project. In the event that a contractor/engineer is required to perform additional tasks such work may increase the contract costs. The estimated schedule is also subject to change depending on unforeseen conditions that may be discovered during the remediation work.

Water System Re-pipe Project

This project is currently in progress. As described in our letters dated July 8 and August 26, 2026, there is an estimated contract cost in the amount of $5,043,270.00 with an estimated duration of 52 weeks to complete. Please keep in mind that this may not be the final cost of the project. In the event that a contractor/engineer is required to perform additional tasks such work may increase the contract costs. The estimated schedule is also subject to change depending on unforeseen conditions that may be discovered during the remediation work.

Low Voltage Meter Stack

As described in our letter to leaseholders dated August 26, 2026, Westsea's engineering consultant has recommended that the low voltage electrical stack be replaced. Westsea does not have an estimated commencement date for when this repair project will be undertaken nor an opinion of probable cost.

Elevators

Repairs to the elevators continue to be undertaken on an ongoing basis as needed or as recommended by Westsea's professional consultants.

The cost of future remediation projects at Orchard House can only be clarified when the specifications for each project 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 or assessed by way of a special assessment in accordance with the Lease.

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

Further information about remediation projects at Orchard House will be provided to leaseholders when it is available.

Leaseholders are reminded that the Lease makes no provision for a group contingency fund. We strongly recommend that you maintain a personal contingency fund over and above regular maintenance payments.

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