

VIA EMAIL & MAIL

December 7, 2022

To the Owners of Joyce Place, Strata Plan LMS 992
3362-3376, 3378, 3380, 3382 & 3384 Vanness Avenue
Vancouver, BC

Dear Sir/Madam:

**RE: STRATA WINDUP – STRATA PLAN LMS 992
UPDATE FROM LIQUIDATOR**

The Liquidator would like to provide you with an update on matters that have occurred since its last letter to you dated November 9, 2022.

Structural and Life Safety Concerns

As you may be aware, there have been ongoing issues as it relates to the condition of the eight townhouse units located at 3364-3376 Vanness Avenue, Vancouver, BC (the “**Townhouse Units**”). These issues have been ongoing prior to the appointment of the Liquidator.

RDH Building Science (“**RDH**”) was recently engaged by Dwell Property Management (“**Dwell**”) to complete a review of the temporary shoring that was installed in early 2021 in the Townhouse Units. The purpose of the review was to ensure that, among other things, the shoring has performed as intended, the shoring has not been damaged, and to determine if, due to ongoing water ingress, additional shoring is required.

On December 5, 2022, the Liquidator and its legal counsel met with RDH to discuss, among other things, their report and next steps. During this meeting, the Liquidator was made aware of certain issues that may be a life safety or health concern for the residents in the townhouses and possibly the tower. Below is a summary of the issues:

- 1) The report provides, among other things, recommendations to address immediate structural and life-safety concerns in regards to the Townhouses. RDH advised that these issues must be addressed as soon as possible and are not optional as they pose a risk to life safety if they remain unaddressed. The estimated cost to complete this work is \$11,000 plus taxes; however, this may vary depending on whether there are, among other things, significant hazmat concerns.
- 2) RDH advised that there may be substantial mold build-up in several of the townhouses and a possible risk of asbestos or other contaminants that may be a serious health risk for the residents of same. That said, RDH advised that assessing this type of risk is not within their area of expertise; however, they wanted to make the Liquidator aware of the potential issues out of an abundance of caution. It was suggested that the Liquidator

seek the assistance of a health safety inspector or other party who has the expertise of assessing this type of risk.

- 3) The Liquidator was made aware of potential life-safety issues as it relates to the tower. This was based on, among other things, RDH's understanding of the overall project, issues identified to date, and knowledge/experience of buildings built similarly to Joyce Place. Given the nature and condition of the project, RDH recommended that the Liquidator conduct an assessment of the tower in order to assess its structural integrity and identify potential life-safety risks to the residents of same. The purpose of this assessment is not to create an exhaustive list of maintenance items required to promote the long-term use of the property (i.e. not a depreciation report) but rather to identify any life-safety risks that may otherwise warrant immediate attention. The cost to complete this assessment of the tower is estimated to be \$20,000. The Liquidator has asked RDH to provide a formal proposal which will be shared to the strata council and Dwell once received.

As a reminder, the Liquidator is an officer of the court and has a fiduciary duty to protect the interests of all stakeholders. The Liquidator's top priority is the health and safety of the residents of Joyce Place as well as the general public. The risks and exposure if these issues are not addressed may be insurmountable particularly in view that there is no insurance whatsoever in place. Accordingly, the Liquidator will be working alongside with its legal counsel, RDH, Dwell and the strata council members to take the necessary steps to address these issues which includes proceeding with the work identified in items #1 to 3 above. Leo Chan of Dwell has advised that the strata corporation has sufficient funds available to address these matters.

Insurance

The Liquidator has had extensive communications with CapriCMW, the strata corporation's insurance broker, to obtain an insurance policy for Joyce Place. The goal is to hopefully obtain quotes for general liability coverage and property coverage. Lloyd's underwriter had requested specific information with respect to the property which we've been told is a positive sign. As of today, we have not been provided terms for any policy but CapriCMW is hopeful that they will hear from the insurer soon.

Court of Appeal & Sale to Intracorp

As you may be aware, the commercial units are appealing the winding up of the strata. They are bringing an application to stay the wind-up confirmation order and effectively suspend the Liquidator's appointment. The application is to be heard on December 12, 2022. The Liquidator's intends to oppose the stay application as, in our view, it is unnecessary and may be counter-productive particularly in view of the active issues. The contract with Intracorp has been extended to July 5, 2023, which will hopefully be well after the conclusion of the appeal.

The Liquidator understands that there may be other issues on the table requiring its attention. However, for purposes of this update, the Liquidator has limited its commentary on the above major items.

Should you have any questions or concerns, please contact the Liquidator's office at joyceplace@crowemackay.ca. You can also get updates with respect to this matter on the Liquidator's website at www.joyceplacestrata.com. As a reminder, in an effort to minimize the costs of administration, any and all property related matters should continue to be forwarded to Dwell at leo.chan@dwellproperty.ca.

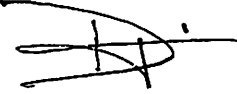
Yours very truly,

CROWE MACKAY & COMPANY LTD.

in its capacity as Court Appointed Liquidator of

The Owners, Strata Plan LMS 992 and not in its personal capacity

per:

A handwritten signature in black ink, appearing to be 'Derek Lai', written over a horizontal line.

Mr. Derek Lai, CPA, CMA, CIRP, LIT, CFE

Encl.