

IRC Building Sciences Group
6227 - 2nd Street SE, Suite 108
Calgary, Alberta, T2H 1J5
Tel: 403.452.5831, Fax: 403.452.5833
Toll Free: 1.888.607.5245

Sunnyhill Housing Co-operative
787 - 3 St. NW
Calgary, Alberta T2N 1P1

17 May 2018
Page 1 of 8

Attention: Mark Terrell

E-Mail: lightwizard@shaw.ca

RE: Proposal of Services & Fees: Consulting Services
Project: Sunnyhill Housing Co-operative
787 - 3 ST. NW, Calgary, Alberta
Reference: Proposal No. C10275P

Dear Mark Terrell,

Thank you for the opportunity to submit a proposal to provide Consulting Services for Sunnyhill Housing Co-operative located at 787 - 3 ST. NW in Calgary, Alberta.

This proposal is intended to address the request from both Sunnyhill Housing Co-operative and First Calgary Financial (FCF) to provide both a Phase I Environmental Site Assessment (ESA) and update the Building Condition Assessment (and not the Reserve Fund) which was previously completed by IRC in 2014. As part of the updating process for the BCA, IRC will need to revisit the site in order to confirm changes to the facility which might have occurred over the last 4 years since 2014.

Part A: Phase I ESA

A phase I ESA will be prepared by Envirotech Engineering in accordance with their areas of expertise for this service in accordance with the stipulated regulated standards. A copy of their proposal can be found attached to this proposal.

The general approach by Envirotech Engineering will include the following:

1. Records Review
2. Site Inspection
3. Interviews
4. Report

The Phase I ESA report will be submitted as a separate report given that no Phase I ESA formed part of the original BCA. It should be noted that the cost for the Phase I ESA in the proposal is an estimate only. Should the development (or Plan/Block/Lot) have been historically separated into multiple parcels of land, additional costs for the record review will be incurred which directly relates to the total number of parcels on record. The most probable base cost is \$3,800 which assumes the development is only 1 parcel of land. However, given the age and size of the existing development, the upset limit to complete the phase I is \$6,000.



Part B: Building Condition Assessment:

1. Objectives

The objectives of the assessment are to:

- Update the current condition of the building envelope walls via visual assessment
- Provide an estimate of the cost of capital replacements and repairs of each of the envelope systems the year in which the expenditure is expected to occur, based upon the actual conditions observed.

2. Scope of Work

The preparation of an Updated Building Condition Assessment will include:

- A walk-through to gather general information about the building noting specific changes to the building since 2014.
- Review of historical documentation pertaining to the building maintenance since IRC's last study in 2014, past repairs and/or past reports and studies.
- A Class 'D' opinion of probable costs for the implementation of each of the typical repairs and/or replacement. Updated budget costing will be provided for all of the recommended repair options within a ten (10) year time frame and; The assessment of components will be visual and will help to identify their current condition and their remaining service life. It has been assumed that the Building's Designer of Record has ensured that the design of the building is in compliance with the governing Provincial Building Code and any other applicable standards and by-laws. Building deficiencies observed will be commented on in regards to their code compliance.

3. Methodology

The following tasks will be performed in the preparation of the BCA:

Document Review

1. If found or available, drawings, previous studies, and other relevant information will be reviewed so that the original design intent, including typical details and materials, are understood prior to performance of the fieldwork.

Field Investigation

2. An on-site over-all visual review will be performed in order to approximate the as-built condition of the facility and to document observed deficiencies. Review of most components will typically be performed from the ground and roof level.
3. Photographs of typical and isolated deficiencies will be taken and will be included in the final report.

Reporting

4. Data collected during the field investigation will be presented in a written report.

Other

5. If other areas of concern are encountered that may require further testing, subject to approval from the First Calgary Financial, this work would be performed in accordance to IRC's Schedule of Rates. Contractor costs would be obtained at that time and would be task specific. Additional work and charges relating to unforeseen conditions would be discussed prior to commencement and would require written authorization from the Client before proceeding. During our field work, IRC will bring to attention items of



immediate concern before the report is issued.

Visible Exterior Finishes of the building proper including:

- a. Exterior Walls - exposed foundation walls, wall cladding system (brick masonry veneer, cap stones, EIFS, metal siding, wall construction (cracking, type and thickness of insulation, water problems, etc. will be reviewed).
- b. Sealants, Vents, Louvers and Flashings.
- c. Windows and Doors (weather-stripping, insulated glazing units, window and door operation).
- d. Caulking, Painting, Coatings.
- e. Exterior Steps, Patios, Decks.

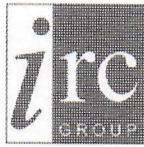
Professional Fees

The following are IRC's fee to complete the work outlined above. All costs include expenses and disbursements.

Professional Service	Our Fees
<i>Phase I ESA</i>	\$3,800 ^{note3}
<i>Building Condition Assessment</i>	\$2,500
<i>Total Amount for the two combined reports</i>	\$6,300

Notes:

1. *This proposal is valid for a period of 30 days.*
2. *All terms are net 30 days and subject to credit approval.*
3. *The fee for the Phase I ESA is based on having to review the development assuming there was a history of only being 1 land parcel. Additional costs to complete the Phase I report will apply should multiple parcels of land have existed on the site. The estimated upset limit for the report is \$6,000.*
4. *The BCA will be 100% invoiced upon submission of the draft study.*
5. *Above listed fees do not include applicable taxes.*
6. *The draft BCA will be provided in PDF format. The final BCA will be provided in PDF format along with one (1) hard copy if requested.*
7. *Additional bound copies may be requested at \$50.00 per copy.*
8. *A non-specialist review of the site general mechanical/electrical systems has been included in the BCA. However if First Calgary Financial requires a specialist review, the cost would be an additional \$2,500.00.*



Fees for Additional Services

For any work not included within the proposal or for work requiring additional effort above what was intended, IRC's schedule of hourly rates would apply, as follows. Client approval would be required prior to performing any additional work to which these hourly rates would apply.

Manager / Executive Director	\$ 190.00
Senior Project Manager / Associate Engineer	\$ 165.00
Project Manager / Senior Engineer	\$ 150.00
Engineer / Project Coordinator	\$ 125.00
Junior Engineer (EIT)	\$ 105.00
Engineering / Architectural Technologist (Drafter)	\$ 90.00
Clerical	\$ 60.00

All reimbursable expenses, such as long distance phone charges, living costs, mileage, transportation, lodging, meals, equipment rental, expendable items and supplies, will be charged cost plus 10 percent handling charge.

Notes for Schedule of Hourly Rates:

1. These rates apply to all items not covered elsewhere in proposal.
2. Work which must be performed beyond an 8 hour day or on holidays will be charged at 1.5x regular rate of \$500 per half day site visit.
3. All personnel involved in specialty assignments, litigation, hearings, etc. will be charged at 1.5 x the designated rate.
4. These rates do not include applicable taxes.

Project Team

The following members will form the core of the team for the project;

Robin Wynd, P. Eng.

Project Manager

Robin Wynd is a senior building scientist and civil engineer with 16 years of experience in the fields of building science and structural engineering. He has worked on numerous large and small projects for clients within the private, commercial, governmental and institutional sectors.

Robin has approximately 8 years of experience working in Calgary but worked primarily within Toronto, Ontario and other surrounding areas. Robin has completed numerous projects within the field of building science and regularly utilizes building envelope standards stipulated within CSA and ASTM.

Robin's experience also includes projects associated with the healthcare and institutional systems. Robin also has had experience with wood framed structures within the residential market for low rise condominiums for both new and existing buildings. Robin's experience on the restoration of various wood framed low-rise structures has permitted a sound understanding and knowledge of the importance of solid building envelope practices. Robin regularly applies this experience to new projects to prevent future problems from occurring within the building.



Brian Boomars, P. Eng.

Executive Director

Mr. Boomars is a graduate of the University of British Columbia (B.A.Sc. 1993) and is a Professional Engineer specializing in Building Sciences. He is an Executive Director of IRC and the manager of the operations in BC. His responsibilities include; 1) Building Enclosure Professional (BEP) services for assessments, rehabilitation, and new construction, 2) glazing system assessments and design, 3) building mechanical assessment and rehabilitation design, 4) paving condition assessments and rehabilitation design, 5) fall protection assessments and design, and 6) capital planning/reserve fund studies, depreciation reports, and full building condition assessments.

Mr. Boomars has managed projects as large as \$140 million, throughout Canada. Projects include: building envelope rehabilitations; new construction; major building additions; paving restorations; roofing restorations; interior renovations; HVAC upgrades; and electrical upgrades. Experience as Manager of Plant Engineering for United Parcel Service and Superintendent Architectural Operations and Maintenance at UBC has afforded Mr. Boomars first hand experience in assessing, prioritizing, planning and executing all facility maintenance and renewal requirements.

Schedule

IRC will coordinate with the Co-Operative to complete the BCA update so that the final report will be submitted 2 – 3 weeks after written approval from both FCF and the Co-Operative to proceed. Field investigation can happen any time before then but preferably prior to the onset of winter conditions. A draft report for client review would be submitted [2 weeks] following completion of the field investigation.

Additional Services

Once FCF has been provided with a the BCA, IRC can further assist all parties with remediation and repairs as required. IRC can design and engineer structural components, building cladding, roofing, window and door repairs and replacements including site components such as parking lots, provide bid solicitation, contract administration, and on-going review of construction projects.



Warranty and Liability

IRC warrants that its proposed services will be performed within the professional limitations outlined above and the attached Terms of Engagement.

IRC Professional Liability Insurance limits are \$2,000,000 limit of liability and \$2,000,000 aggregate limit.

Our budget does not include for effort required to resolve conditions that arise during the performance of the work that varies significantly from the specified scope of work. Additional work and charges relating to unforeseen conditions would be discussed prior to commencement and would require written authorization from the Client before proceeding.

Should you have any questions or concerns regarding this proposal, please do not hesitate to contact me.

Kind Regards,

IRC Building Sciences Group

A handwritten signature in cursive script that reads 'Robin Wynd'.

Robin Wynd, P. Eng.
Senior Building Sciences Engineer



Client's Authorization to Proceed – Proposal C10275P

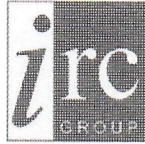
If this proposal is acceptable, please complete the following and email back to efrieser@ircgroup.com.

PHILIP Cox
Name of Person Authorizing Work

Philip Cox
Signature of Person Authorizing Work

431 785
Purchase Order No.

May 18/2018
Date



Terms of Engagement

GENERAL

IRC Building Sciences Group (IRC) shall render the Services, as specified in the attached Fee Proposal and Scope of Services (if provided), to the Client for this Project in accordance with the following terms of engagement. IRC may, at its discretion, and at any stage, engage sub consultants to perform all or any part of the Services.

COMPENSATION

Charges for the Services rendered will be invoiced in accordance with the Fixed Fee Proposal and/or the Schedule of Fees included with the proposal on a periodic basis as the Services are rendered. All Charges will be payable in Canadian Dollars (unless otherwise noted). Invoices will be due and payable by the Client within fifteen (15) days of the date of the invoice without hold back. Interest on overdue accounts is 2% per month. Work requested by the client beyond that outlined in the Fee Proposal shall be invoiced on a time and material basis. Work performed by IRC due to Contractor deficiencies or issues will be billed to the Client (the Client may be able to recover these costs from the contractor)

REPRESENTATIVES

Each party shall designate a representative who is authorized to act on behalf of that party and receive notices under this Agreement.

TERMINATION

Either party may terminate this engagement without cause upon thirty (30) days' notice in writing. On termination by either party under this paragraph, the Client shall forthwith pay to IRC its Charges for the Services performed, including all expenses and other charges incurred by IRC for this Project. If either party breaches this engagement, the non-defaulting party may terminate this engagement after giving seven (7) days' notice to remedy the breach. On termination by IRC under this paragraph, the Client shall forthwith pay to IRC its Charges for the Services performed to the date of termination, including all fees and charges for this Project.

ENVIRONMENTAL

Field investigation and engineering recommendations will not address or evaluate environmental issues such as, but not limited to pollution of soil, pollution of groundwater, asbestos issues, and mould issues.

PROFESSIONAL RESPONSIBILITY

In performing the Services, IRC will provide and exercise the standard of care, skill and diligence required by customarily accepted professional practices and procedures normally provided in the performance of the Services contemplated in this engagement at the time when and the location in which the Services were performed.

DOCUMENTS

All of the documents prepared by IRC or on behalf of IRC in connection with the Project are "instruments of service" for the execution of the Project as ownership of a physical object does not include ownership of copyright, ownership of a set of plans (drawings and specifications) does not mean that the Client also owns the copyright in them. The plans can be owned by the Client, but activities restricted by copyright law (such as making a copy, posting the plans on a website, or constructing a second project from the plans) still apply. The Client is entitled to the use of the instruments of service (usually the drawings and specifications), but only on the condition that the client has paid for the services represented by the instruments of service, and then only for the purpose intended. The Client's physical ownership of the plans does not mean that the plans can be copied, used on a web site, or used to construct another project. IRC retains the copyright in these documents, whether the Project is executed or not. These documents may not be used on any other project without the prior written agreement of IRC.

FIELD SERVICES

Where applicable, field services recommended for the Project are the minimum necessary, in the sole discretion of IRC, to observe whether the work of a contractor retained by the Client is being carried out in general conformity with the intent of the Services. Any reduction from the level of services recommended by the Client will result in IRC providing qualified certifications for the work.

LIMITATION OF LIABILITY

- The total amount of all claims the Client may have against IRC or any present or former partner, executive officer, director, stockholder or employee thereof under this engagement, including but not limited to claims for negligence, negligent misrepresentation and breach of contract, shall not exceed the construction contract amount and shall be strictly limited to the amount of any professional liability insurance the Consultant may have available at the time of this proposal.
- No claim may be brought against IRC in contract or tort more than two (2) years after the Services were completed or terminated under this engagement.

IRC GROUP SHALL NOT BE RESPONSIBLE FOR:

- The failure of a contractor to perform the work required for the Project in accordance with the applicable contract documents.
- The design of or defects in equipment supplied or provided by the Client for incorporation into the Project.
- Delays to delivery of services due to weather, acts of God, or conditions outside the control of IRC.
- Any cross-contamination resulting from subsurface investigations.
- Any damage to subsurface structures and utilities, which were identified and located by the Client.
- Any Project decisions made by the Client without the advice of IRC or contrary to or inconsistent with IRC advice.
- Delays to delivery of services due to unavailability or untimely delivery of Client drawings, reports or other documentation.
- Consequential loss, injury/damages suffered by the Client, including but not limited to loss of use, earnings and business interruption.
- The unauthorized distribution of any confidential document prepared by or on behalf of IRC for the exclusive use of the Client.
- Work or issues resulting from the work by other project consultants engaged by the client directly.

DISPUTE RESOLUTION

If requested in writing by either party, the Client and IRC shall attempt to resolve any dispute between them arising out of or in connection with this Agreement by entering into structured non-binding negotiations with the assistance of a mediator on a without prejudice basis.



Envirotech Engineering
Environmental Management & Consulting

May 8, 2018

VIA E-MAIL

IRC Building Sciences Group
Suite 108, 6227 – 2 Street SE
Calgary, AB
T2H 1J5

Attn: Mr. Robin Wynd, P.Eng.
Manager, Calgary Branch

**Re: Proposal for Phase I Environmental Site Assessment (“ESA”)
Sunnyhill Housing Co-operative – 725A - 3 Street NW, Calgary, AB**

Dear Mr. Wynd:

Envirotech Engineering (“Envirotech”) is pleased to submit the following proposal for your consideration. It is our understanding that IRC Building Sciences Group on behalf of the Sunnyhill Housing Co-operative, requires a Phase I ESA to evaluate the current environmental condition of the above referenced Property as a due diligence measure required for bank re-financing. We understand that the Sunnyhill Housing Co-operative is located at 725A – 3 Street NW, Calgary, AB; Plan 7711604, Block A and consists of sixty-six (66) residential units (the “Property”).

The Phase I ESA will identify all areas of potential environmental concern (“APECs”) as they pertain to current and/or historical activities on the Properties or surrounding properties. This proposed Phase I ESA will be conducted in accordance the following requirements: (i) the Canadian Standards Association (“CSA”) Standard Z768-01 – Phase I Environmental Assessments (November 2001) and (ii) the Alberta Environment and Parks (“AEP”) Alberta Environmental Site Assessment Standard (March 2016) as required by bank and finance companies.

The proposed Phase I ESA will be comprised of the following sequence of tasks:

Task 1 - Records Review

A records review will be undertaken to establish former owners/businesses that occupied the site as well as current and historical land use activities on the Property. This information will allow us to understand what kinds of operations have occurred at the site in the past. From this information, it may be possible to identify potential areas of contamination or environmental

liability at the site, which may not be visually obvious today. The records review will include, but will not necessarily be limited to, the following

- | | | |
|--|---|--|
| <input checked="" type="checkbox"/> Aerial Photographs | <input checked="" type="checkbox"/> Environmental Law Centre | <input checked="" type="checkbox"/> Fire Department Records |
| <input checked="" type="checkbox"/> City Directory | <input checked="" type="checkbox"/> AER Database | <input checked="" type="checkbox"/> City Environmental Records |
| <input checked="" type="checkbox"/> Historical Land Titles | <input checked="" type="checkbox"/> PTMAA | <input checked="" type="checkbox"/> Landfill Records |
| <input checked="" type="checkbox"/> Geological / Geotechnical Reports | <input checked="" type="checkbox"/> National Pollutant Release Inventory | <input checked="" type="checkbox"/> Environmental Site Assessment Repository |
| <input checked="" type="checkbox"/> Historical and Current Land Use Zoning | <input checked="" type="checkbox"/> Government of Alberta Authorization / Approval Search | <input checked="" type="checkbox"/> Fire Insurance Maps / Assessment Cards |
| <input checked="" type="checkbox"/> Company or Property Records | <input checked="" type="checkbox"/> AEP Groundwater Information System | <input checked="" type="checkbox"/> City or Provincial FOIP Information |
| <input checked="" type="checkbox"/> Prior ESA Reports | <input checked="" type="checkbox"/> Geological and soil maps | <input checked="" type="checkbox"/> Electrical Transformer Check |

This information will aid in determining the potential for environmental liability at the Property and will assist in directing focused site inspection efforts (if required). The document review process may identify other sources of information (not listed above) that may require or warrant additional review. The client will be consulted prior to undertaking any additional document review efforts at the Property (outside the scope of this assessment).

Note: The cost estimate for the record review portion is based on one (1) land parcel (Plan/Block/Lot). If the Property is found to historically be separated into multiple land parcels, the record review cost (i.e. land titles) may increase above the cost estimate provided. The Client will be notified of any increases to the cost estimate.

Task 2 - Site Inspection

The site inspection is generally undertaken to confirm/refute site conditions suspected through the document review process and to highlight "contaminant indicators" such as stained soils, stressed vegetation, solid waste/debris and any other common indicators of environmental impairment related to the building and/or Property. An Envirotech *Phase I ESA Field Checklist* will be completed at the Property during the course of the site visit which will review all pertinent areas of concern. The site inspection will include, but will not be limited to, the following:

- Reviewing activities on adjacent properties;
- Documenting physical site conditions (i.e. soil, groundwater, topography, drainage);
- Documenting current and historical (if possible) property use;
- Documenting the presence of any storage tanks or storage containers;

- Documenting the potential presence of any special attention items;
- Inspecting and documenting the building(s) for indications of contamination. In general, the interior building inspection will include heating/cooling systems, stains, drains/sumps and mechanical equipment (if applicable); and
- Documenting any other structures or notable improvements on the Property.

This information will aid in determining the potential for environmental liability at the Property and will assist in directing the interview efforts with regard to the Property. The site inspection process may identify other buildings, site infrastructure and property (not included in the proposal) that may require or warrant additional site inspection efforts. The client will be consulted prior to undertaking any additional site inspection efforts at the Property (outside the scope of this assessment).

Task 3 - Interviews

The interview process is undertaken to corroborate or augment information and data collected during the document review site inspection process. If possible, the interview will be coordinated with the site inspection. During the course of this task, on-site personnel (and/or other yet-to-be determined contacts) will be interviewed to determine normal practices at the Property with respect to the operation of the facility. The preliminary findings of the document review and the site inspection field checklist will also be utilized to assist in guiding the questions presented in the interview process.

The interview process may identify areas of the Property that may require or warrant additional document review and/or site inspection efforts. The client will be consulted prior to undertaking any additional assessment efforts at the Property.

Task 4 - Reporting

The data collected in Task 1 through 3 will be compiled into a final report which details the findings and conclusions of the Phase I ESA. One (1) electronic copy of the final report will be provided to the Client approximately 3 weeks following the initial project authorization. Hard copies of the final report can be provided for an additional fee. The report will be completed in accordance with industry standard Phase I ESA Reporting Requirements.

Closure

Envirotech is prepared to undertake the Phase I ESA for the estimated cost of \$3,800.00 (G.S.T. Excluded). Our professional fee schedule for 2018 is as follows:

Project Manager	\$165/hour
Environmental Specialist (Senior)	\$125/hour
Environmental Specialist (Intermediate)	\$115/hour
Environmental Specialist (Junior)	\$105/hour
Support Staff (Drafting or Clerical)	\$65/hour
Expenses	Cost + 10%
Vehicle Use	\$75/day
Communications/Travel	8% of Professional Fees

The project will be invoiced on the basis of professional services and disbursements provided at the time of billing. Invoices will show the amount of time each project member has provided, along with expenses that are billed at cost plus 10%. Full payment is due upon receipt of the final report. Applicable taxes (GST) will be applied at the time of billing.

Should the terms of this proposal be acceptable, please provide us with written authorization to proceed with the project. Please feel free to contact the writer at (888) 225-8755 Ext. 708 if there are comments or questions.

Sincerely,

ENVIROTECH ENGINEERING

Ms. Kimberly Sweet, BSc., P.Ag.
Environmental Specialist

cc Dan Bulat, Envirotech Engineering

Attachments: (i) Cost Estimate – Schedule A, (ii) Project Authorization Form

**COST ESTIMATE - SCHEDULE A
 PHASE I ENVIRONMENTAL SITE ASSESSMENT
 Sunnyhill Housing Co-operative – 725A - 3 Street NW, Calgary, AB**

	Cost (\$)
1.0 Tasks 1, 2 and 3: Document Review, Site Visit and Interview(s)	
Professional Fees – Project Manager	100.00
Professional Fees – Project Staff	1,000.00
Document Review Expenses – Allow	1,250.00
Miscellaneous Disbursements (includes 10% of Expenses Cost)	<u>200.00</u>
Subtotal 1.0	2,550.00
 2.0 Task 4: Reporting	
Professional Fees – Reporting	1,250.00
Hard Copy Reproduction (If requested – Additional Cost of \$150)	<u>000.00</u>
Subtotal 2.0	1,250.00
TOTAL ESTIMATED COST (GST Excluded)	3,800.00

PROJECT AUTHORIZATION FORM

As authorized below and dated May 18th 2018, I Dulip Gaj
(the "Client" or authorized "Client" representative) approve the scope of work and cost estimate provided in the May 8, 2018 Envirotech Engineering proposal document entitled:

**Re: Proposal for Phase I Environmental Site Assessment
Sunnyhill Housing Co-operative – 725A - 3 Street NW, Calgary, AB**

Client Signature:
Dulip Gaj
Signed Name:

Witness: ah
Andrea Berger
Signed Name:

Client / Company Contact Numbers:

403-270-8405
Phone:

403-270-8405
Fax:

Cell:

Sunnyhill@shaw.ca
Email:

Company Name & Billing Address:

Mailing Address (if different):

Sunnyhill Housing Co-operative
787 3rd nw
Calgary, AB
T2N 1P1

NOTE: Once project has been authorized please fax or scan a copy of the signed Project Authorization Form to Envirotech Engineering at 1-888-225-8756 or sweet@envirotecheng.com.