

DougLes Consulting
Services Incorporated

July 28, 2003

667 Beaver Lake Rd. (250) 380-6396 Victoria, BC V8Z 5N9

Roger Taylor
#417 545 Manchester Rd.
Victoria, BC

Attention: Roger Taylor

Dear: Roger,

Re: Owners of Strata #2720's buildings located at 545 Manchester and 520 Dunedin St.
Victoria, BC.

We have completed the annual review of the both the building envelope and the performance of the maintenance program.

As part of the review we worked with Bruce Cheadle of Brewster Engineering and Management Ltd. to get an independent opinion on the performance of the maintenance program. We started by choosing the sites to be opened for testing. Some of these sites were chosen by yourself and the remainder were chosen by Bruce.

The test sites were accessed by removing the stucco, testing the building paper, removing the building paper, testing the sheathing, and drilling through the sheathing to enable us to test the back of the sheathing and view the interior of the wall system.

I also opened the wall outside of unit #304 Hampton Court to follow up on the water damage discovered by the bedroom window.

Findings:

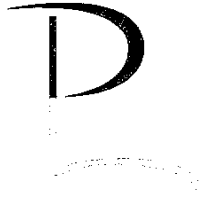
The moisture readings vary from, test site to test site, with the highest readings found on the balconies of #207 HC, #415 HC, and #410 CP. No mold, mildew, or rot was found at any of the test sites. In my opinion as there are no signs of deterioration and only one area with moisture readings above 20 percent (21.2 & 22.4) the higher readings do not represent a concern at this time. The test sites were selected as the most likely to be at risk of water infiltration and higher moisture readings.

The remainder of the test sites are below a level of concern.

Unit #304 HC

The stucco was removed outside the bedroom window revealing no obvious damage or signs of water penetration to the building paper or the sheathing. We removed a large area of the sheathing allowing us access to the interior of the wall system. There was no water damage to the back of the drywall and no other indications of water ingress. We continued to remove stucco further around the corner.

The corner of the building in this area did have some cracks in the stucco. I discovered upon removing the stucco that there were several poor details in the installation of the building paper. The paper had been turned up and was catching water ingress through the crack in the stucco. The area was close enough to the damage on the interior to be considered the source.

**Owners of Strata #2720**

July 28, 2003.

Attention: Roger Taylor**Page two**

I cannot guarantee that this is the source or the only source of water ingress, however it is the most likely. It should be noted that there was no water found inside of the wall, no mold, or signs of deterioration.

Future Maintenance

During the review of the building I noted several new cracks in the stucco. These appear to be normal building movement and settlement cracks. Cracks are normal in stucco. The building paper under the stucco protects the building from water ingress as a result of the cracks. It is only when the building paper has failed from and extensive exposure to the water ingress or if it has been installed incorrectly (as in unit 304) that there is a concern. . Given the water ingress to unit #304 HC the Strata may wish to seal these cracks.

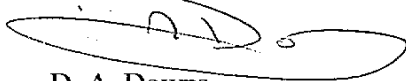
The design of the balconies makes them difficult to seal. There are too many flashing details and the cantilevered style allows movement that could affect the sealants used. The balconies are probably the weakest point in the system. Care must be taken to ensure that no indications of moisture or rot (soft spots) are ignored. I recommend planning to go over each balcony area and ensuring that the caulking is in good shape and re-caulking as required in two to three years. During future maintenance or inspections the balconies could also be inspected for signs of rot or structural concerns.

Conclusion

The maintenance program is performing as anticipated. There are no indications of water ingress causing significant concerns. The building is dryer than it was before the maintenance program was started and in my opinion any significant deterioration of the sheathing and structure has been "put to sleep". The maintenance program's "basic premise" is that we can maintain the face seal system of this building for an extended period of time while building funds to repair or remediate the exterior wall system when it is no longer feasible to maintain it or when the building's appearance dictates it. In my opinion there will be an increase in the maintenance required to maintain this system in the next two or three years as the caulking begins to deteriorate. Expect to have to do more caulking and sealing of the exterior walls and some additional repairs. It is difficult to predict the time and location of these repairs. It will become more important for individual owners to report any changes or signs of moisture.

For further information or clarification please feel free to contact me at 380-6396 or alternatively at 384-1390.

Yours truly,



D. A. Downs

Per DougLes Consulting Services Inc.