

Mr. Douglas S. Frey
Vice President
Northwynd Resort Properties Ltd

905 – 1708 Dolphin Avenue
Kelowna, BC V1Y 9S4
T: (250) 868-8800
F: (888) 371-1458

March 11th, 2013

Dear Mr. Frey,

Re: Sunchaser Vacation Villas, Fairmont Resort, Fairmont Hot Springs, BC – Project Monitoring Services

LTA Consultants Inc. (LTA) is pleased to present this proposal for Project Monitoring Services for the proposed renovations and repairs to the Sunchaser Vacation Villas Fairmont Hot Springs, BC.

Based on our review of the project documentation, we understand that the project comprises various renovations, improvements and repairs to seventeen buildings at the resort, with a current estimated budget of approximately \$34,500,000. Construction work commenced early in 2013 and the phased project is expected to take approximately 4 years to complete. Construction work for the project is being undertaken by Vic Van Isle Construction Limited, under a negotiated form of contract.

We understand that the project is being funded directly by the strata corporation for the development, and that independent third party monitoring services are required to review the preliminary budgets prepared by the contractor as well as the on-going monthly applications for payment. Based on a standard monitoring scope of service, we propose to charge the following fees:

[REDACTED]

The report will include a full review of the project drawings to gain an understanding of the scope and extent of the anticipated work. Further to our discussion, we will carry out a detailed review of the contractors budget for one building within each building series. This detailed review will include an independent measure of the building, together with a check of the contractors quantities and unit rates. In addition to this, we will carry out random spot checks on various other building and site work items within the other building for that series. We will also review the regulatory approval documentation (building permit), project procurement documentation, contract documentation, Geotechnical report and construction schedule. This fee would include all normal disbursements and expenses.

Preparation of monthly Progress Draw Reports. We propose a fixed fee of [REDACTED] per draw (excluding GST/HST). In providing this fixed fee, we have assumed that a site inspection will be conducted over a two day period, allowing one day for travel to the site in Fairmont including the site inspection, with a return to the office on the following day. Estimated travel time is approximately 12 hours. The balance of the reporting work will be undertaken by our staff from our Kelowna office.

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Our fee includes all automobile travel related costs and disbursements. We have assumed overnight accommodation will be provided directly by Northwynd Resort Properties Ltd at the resort, and have, therefore, excluded accommodation costs. We propose that the fee structure be reviewed on an annual basis for the benefit of both parties.

Our normal charge out rate for additional services is [REDACTED] (excluding GST/HST). LTA does not charge for travel related costs within the Central Okanagan.

Our report will include a site inspection and detailed description of the progress to date, photographs of the construction work, review of the application for payment submitted by the developer, preparation of a Progress Draw Certificate.

The work for this project will be carried out by our Mr. Lyndon Thomas, a Director of LTA, and Mr. Brent Armstrong, Quantity Surveyor. Mr. Thomas and Mr. Armstrong bring over 30 years of combined experience working on similar recreation projects in Western Canada. Enclosed with this proposal is a copy of our corporate resume, as well as a personal resume for our Lyndon Thomas and Brent Armstrong.

LTA maintains WCB coverage on its employees and a cover letter can be provided, if required. Additionally, LTA carries Commercial General Liability Insurance as well as Errors and Omissions Insurance. Copies of the policies can also be provided, as required.

We trust that this proposal meets your requirements. If you would like to discuss any aspects of this proposal, please do not hesitate to contact us.

Yours truly,



Lyndon Thomas, PQS, MRICS
Director

LTA Consultants Inc.

Encl.

About us...

LTA Consultants Inc is a firm of Professional Quantity Surveyors and Construction Cost Consultants providing cost management services from early feasibility through to project completion. Operating from its office in Kelowna, **LTA Consultants Inc** offers the following services:

Mortgage Monitoring and cost control during progress of construction work;
Preliminary Budgeting and Parametric Estimating.
Detailed Construction Cost Estimating and Preparation of Schedule of Quantities.
Undertaking Financial Feasibility and Comparative Design Studies.
Formal Value Analysis and Value Engineering studies for construction projects.
Cost Analysis of Green Buildings and environmentally acceptable and sustainable design solutions.
Preparing and applying cost-in-use studies.
Reporting on, evaluating and negotiation of contractual issues and construction change orders.
Preparation and agreement of final accounts.
Preparation of detailed reports for Litigation and Arbitration.
Project Management of Design Build Projects.

Personnel...

LTA Consultants Inc is owned and operated by Lyndon Thomas, PQS, MRICS, a Professional Quantity Surveyor with over 18 years of experience, both in Canada, the USA and overseas. He is widely experienced in many fields of construction work including *financial monitoring, cost planning, cost control and Project Management of Design Build and Public, Private Partnerships (P3).*

Professional qualifications include:

- The Canadian Institute of Quantity Surveyors – full member;
- The Quantity Surveyors Society of British Columbia – full member;
- Member of the Royal Institute of Chartered Surveyors;
- Diploma in Quantity Surveying, with Merit, University of Reading, England (1993)

Lyndon Thomas started his career as a Quantity Surveyor in 1989 working for Nurcombe Yates & Partners, a firm of Chartered Surveyors operating from offices in the United Kingdom. In 1995 he emigrated to Canada and took up employment with Spiegel Skillen and Associates Limited.

During his time at Spiegel Skillen and Associates, he became a senior associate managing the companies operations from the Kelowna Head Office. In May 2005, he left Spiegel Skillen & Associates Limited and started **LTA Consultants Inc.**

Experience...

Lyndon Thomas is widely experienced in many fields of construction work including office/commercial/retail, residential, leisure facilities, education, healthcare and civil construction work. He has managed cost control and cost planning on residential and institutional projects ranging in value from \$25,000 to over \$100,000,000. He has a proven track record in preparing accurate estimates for new building construction work as well as complex renovation work.

LTA Consultants Inc.
Professional Quantity Surveyors & Construction Cost Consultants
905 – 1708 Dolphin Avenue, Kelowna, BC V1Y 9S4
Tel: (250) 868-8800; Fax: (888) 371-1458; Email: lyndon@ltaconsultants.com

Relevant current Mortgage Monitoring experience for **LTA Consultants Inc** includes:

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| • Cavell Place Residential Sub-Division | Canadian Western Bank |
| • Leavitt Machinery Commercial Building, Kelowna, BC | Canadian Western Bank |
| • McGill Road Residential & Commercial Development, Kamloops, BC | Canadian Western Bank |
| • CIBC Commercial Building, Kamloops, BC | Canadian Western Bank |
| • Craftsman Collision Commercial Building, West Kelowna, BC | Canadian Western Bank |
| • Gaming Centre, Castlegar, BC | Canadian Western Bank |
| • Hartman Road Townhouse Development, Kelowna, BC | Canadian Western Bank |
| • Winsome Hill Townhouse Development, Kelowna, BC | Canadian Western Bank |
| • Ambrosi Road Townhouse Development, Kelowna, BC | Canadian Western Bank |
| • Trepanier Manor Residential Sub-division, Peachland, BC | Canadian Western Bank |
| • Bayview Townhouse Development, Salmon Arm, BC | Canadian Western Bank |
| • Franklyn Road Condominium Development, Kelowna, BC | Canadian Western Bank |
| • Valley First Place Office Development, Kelowna, BC | Valley First Credit Union |
| • McCurdy Road Commercial Development, Phase 2, Kelowna, BC | Valley First Credit Union |
| • Commercial Building 1, Baron Road, Kelowna | Valley First Credit Union |
| • Commercial Building 2, Baron Road, Kelowna | Valley First Credit Union |
| • KMS Tools, Commercial Building, Kelowna, BC | Prospera Credit Union |
| • Sheraton Four Points Hotel, Kelowna, BC | ROI Capital |
| • Fairfield Inn By Marriott, Vernon, BC | Interior Savings Credit Union |
| • Westbridge Commercial Development, West Kelowna | Interior Savings Credit Union |
| • Honda Powerhouse Commercial Development, Kelowna, BC | BDC |
| • Andres Mall Commercial Development, West Kelowna, BC | BDC |
| • Transwest Helicopter Hanger, Oliver, BC | BDC |
| • Central Chevrolet GMC Dealership, 100 Mile House, BC | BDC |
| • Commercial Office Building, Vernon, BC | BDC |
| • Highland Pellet Plant, Merritt, BC | BDC |
| • Okanagan Crush Pad Winery, Summerland, BC | Bank of Montreal |
| • Osprey Avenue Residential and Commercial Development | Bank of Montreal |
| • Custom Home, Sheerwater Court, Kelowna, BC | Bank of Montreal |
| • 5100 Anderson Way Commercial Development, Vernon, BC | Bank of Montreal |
| • 4900 Anderson Way Commercial Development, Vernon, BC | Bank of Montreal |
| • Riverside Village Commercial Development, Penticton, BC | Bank of Montreal |
| • Kettle Ridge Phase 1 Sub-division, Naramata, BC | Bank of Montreal |
| • Kettle Ridge Phase 2 Sub-division, Naramata, BC | Bank of Montreal |
| • Murano Condominium Development, Kelowna, BC | Bank of Montreal |
| • Villa Siena, Townhouse Development, Kelowna, BC | Bank of Montreal |
| • Fuzion on Bernard, Kelowna, BC | Bank of Montreal |
| • Mills Road Condominiums, Kelowna, BC | Bank of Montreal |
| • Heaton Place Retirement Complex, Armstrong, BC | CIBC |
| • Orchard Park Car Wash Facility, Kelowna, BC | CIBC |
| • Lake Country Lofts, Lake Country, BC | Peoples Trust Company |
| • Magnolia Gardens Condominiums Phase 2, Kelowna, BC | Peoples Trust Company |
| • Kal Tire Office Building, Vernon, BC | Kal Tire |

Additional projects can be provided, if required.

References...

- Mr. R.G. (Bob) Brown, Assistant Vice President, Real Estate Lending, Canadian Western Bank Tel: (250) 979-6696;
- Mr. Barry Abel, Director of Commercial Banking, CIBC Tel: (250) 868-5356;
- Mr. Tony Zushtok, Manager, Major Accounts, Business Development Bank of Canada Tel: (250) 470-4820

Lyndon Thomas, PQS, MRICS

Director

Academic Qualifications

- Diploma in Quantity Surveying, with Merit, University of Reading, England (1993)

Professional Skills

- Mortgage monitoring and cost control during progress of construction work
- Construction cost estimating and preparation of schedule of quantities
- Preliminary budgeting and parametric estimating
- Formal value analysis and value engineering studies
- Financial feasibility and comparative design studies
- Cost analysis of green buildings and environmentally acceptable and sustainable design solutions
- Preparing and applying cost-in-use studies
- Reporting on, evaluating and negotiation of contractual issues and construction change orders
- Preparation and agreement of final accounts
- Project management of design build and 'P3' projects
- Preparation of detailed reports for litigation and arbitration

Professional Memberships

- The Canadian Institute of Quantity Surveyors – Full Member
- The Quantity Surveyors Society of British Columbia – Full Member
- Member of the Royal Institute of Chartered Surveyors

Key Skills & Experience

Lyndon Thomas is a Director of LTA Consultants Inc and heads up their operations from Kelowna, BC. He is a fully qualified Professional Quantity Surveyor with over 18 years of experience, both in Canada, the USA and overseas. He is widely experienced in many fields of construction work including cost planning, cost control, financial monitoring and project management of public, private partnerships (P3).

As Principal in charge, Lyndon provides cost consulting services on a variety of residential, healthcare, education, aviation control, office/commercial/retail, prison, leisure facilities and civil construction projects. He has managed project procurement, cost control and cost planning on institutional and residential projects ranging in value from \$25,000 to over \$150,000,000. He has a proven track record in financial monitoring and preparing accurate estimates for new building construction work as well as complex renovation work.

Relevant Projects

Sheraton Four Points Hotel, Kelowna, BC
 Fairfield Inn by Marriott, Vernon, BC
 Boulder Mountain Lodge, Best Western, Revelstoke, BC
 Baldface Lodge, Nelson, BC
 Academy Hill Phase 1 Residential Development, Kelowna, BC
 Osprey Avenue Commercial and Residential Development
 McGill Road Residential & Commercial Development, Kamloops, BC
 Murano Condominium Development, Kelowna, BC
 Fuzion on Bernard, Kelowna, BC
 Mills Road Condominium Development, Kelowna, BC
 Heaton Place Retirement Complex, Armstrong, BC
 Westbridge Commercial Development, West Kelowna, BC
 Kelowna Honda Powerhouse
 Orchard Park Care Wash Facility, Kelowna, BC
 Kal Tire Office Building, Vernon, BC
 Commercial Office Development, Vernon, BC
 Riverside Commercial Development, Penticton, BC

Brent Armstrong AT

Quantity Surveyor

Academic Qualifications

- Architectural Technologies Diploma, Building Development – Southern Alberta Institute of Technology (1999)
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Professional Skills

- Mortgage monitoring and cost control during progress of construction work
- Construction cost estimating and preparation of schedule of quantities
- Reporting on, evaluating and negotiation of contractual issues and construction change orders
- Preparation and agreement of final accounts

Professional Memberships

- The Canadian Institute of Quantity Surveyors – Associate Member

Key Skills & Experience

For the past 11 years, Brent has served in various capacities within the construction industry, since his graduation from the Southern Alberta Institute of Technology in 1999. He has worked in both British Columbia and Alberta, serving in the role of quantity surveyor, project coordinator, project manager, and contract administrator, for projects ranging in size from small residential renovations, through to large high-rise commercial buildings. Brent's technical training and experience is invaluable to LTA and our clients.

Relevant Projects

Sheraton Four Points Hotel, Kelowna, BC
Fairfield Inn by Marriott, Vernon, BC
Baldface Lodge, Nelson, BC
Academy Hill Phase 1 Residential Development, Kelowna, BC
Osprey Avenue Commercial and Residential Development
McGill Road Residential & Commercial Development, Kamloops, BC
Heaton Place Retirement Complex, Armstrong, BC
Westbridge Commercial Development, West Kelowna, BC
Kelowna Honda Powerhouse
Orchard Park Care Wash Facility, Kelowna, BC
Kal Tire Office Building, Vernon, BC
Commercial Office Development, Vernon, BC