ELLIOTT ENGINEERING INC.
35 CEDAR STREET, SAULT STE. MARIE, ON

Building Conditions - Summary Report
For Hydro One / API, Suite 'A'
2 Sackville, Sault Ste. Marie, ON
May 2018

Hydro One Sault Ste. Marie, LP
2 Sackville Road
Sault Ste. Marie, ON
P6B 6J6

EE File No. E18002

Title: **Buildings Condition Summary Review Suite 'B' – Phase 1**

Project: **2 Sackville Road, ON**

Attention, Mr. Kevin Lewis, General Manager, Hydro One Sault Ste. Marie, LP

Please find attached our buildings review report as performed April of 2018. Please contact us with any clarifications or concerns.

Regards,

Pat Giunti,
Project Manager

Stan Elliott, P.Eng.
Design Engineer

LICENSED PROFESSIONAL ENGINEER
S.C.P. ELLIOTT
2018/06/14
PROVINCE OF ONTARIO

Buildings Condition Summary Review

SUITE 'B'

2 Sackville Road

Sault Ste. Marie, ON

ELLIOTT ENGINEERING INC.
35 CEDAR STREET, SAULT STE. MARIE, ON

Buildings Condition Summary Review – Phase 1

Office & Yards Complex

SUITE 'B'

2 Sackville Road

Sault Ste. Marie, ON

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Exterior photo

Exterior Photo – Looking North East, viewed from Northern Avenue
Suite 'A'

Exterior photo

Exterior Photo – Looking South East, viewed from Sackville
Suite 'B'

Aerial photo

General Site Photo – Aerial 2 Sackville Road – Looking North East

Introduction

Elliott Engineering Inc. was retained by Hydro One Sault Ste. Marie LP (Hydro One) & Algoma Power Inc. (API), to provide a summary condition review of the buildings and general site, located at 2 Sackville Road, Sault Ste. Marie, ON. For the purpose of this report the property shall be referred to as ***Hydro One***. This report shall be Phase 1 of the deliverable to be provided. Phase 2 shall be options and plans for possible floor layouts, space allocation and user areas for a two-tenant joint facility and property use.

The buildings are presently being used for offices, maintenance services and stores. The site contains, offices, maintenance buildings, parking, pole storage, transformer storage, electrical sub-station as well as overhead transmission lines. The property is owned by Brookfield Renewable Energy Group (Brookfield) with the space being leased to Hydro One Sault Ste. Marie LP (Hydro One) who in turn sub-leases to Algoma Power Inc. (API). It is believed that Brookfield has no active role on the property other than to act as the "Leaser". All three companies are closely if not solely vested in the production and transmission of electrical power locally, provincially and nationally.

The purpose of the review is to provide a general indication of the type of construction, operation, facilities, size and occupancy of the buildings as well as the condition and description of the site. The review is intended to provide a potential purchaser and or leaser with a general overview of the building, property, systems and ancillary equipment as it exists at the time of the review. The building was observed in its current state to document the general condition and create a report suitable for issue to potential purchasers and or to the commissioners of the report for future economic evaluations. It shall be noted that commissioning of this report was co-supported by Hydro One and API as part of possible future logistics of their services and location and the possible reworking and or renovation of the existing layout to provide more efficient working spaces.

Further to that which is noted above, our office attended the site on five separate occasions to gather information, review existing conditions and take photos. Maintenance and management staff were questioned in regard to building history and specifics.

Limitations

Elliott Engineering Inc. make no warranty, representation, or guarantee of any kind regarding the lifespan or suitability of the building(s) or its ancillary equipment.

Elliott Engineering Inc. will not be responsible for consequential effects of the resulting factual Report, or the discovery of certain conditions and/or taking preventative measures relative to these conditions, on the real or perceived property values, or on the ability to sell, finance or insure the property.

In order to achieve the objectives outlined, we arrived at conclusions based upon the best information presently known to us. No investigative method can completely eliminate the possibility of obtaining partially imprecise or incomplete information; it can only reduce the possibility to an acceptable level. Professional judgment was exercised in gathering and analyzing the information obtained and in the formulation of conclusions. Like all professional persons rendering advice, we do not act as absolute insurers of the conclusions we reach, but commit ourselves to care and competence in reaching those conclusions. In order to properly understand the suggestions, recommendations and opinions expressed in the report, reference must be made to the Report in its entirety.

Very limited attempts have been made to predict the lifespan of some components or systems. Many systems are contained behind finishes and layers of building materials and are therefore inaccessible for review. It is possible and even likely that issues beyond the scope of this review exist within these areas. Due to the complexity and size of the building there are areas that were not either able to be reviewed or were not reviewed.

The client (Hydro One & API) agreed that Elliott Engineering Inc.'s employees, officers, directors and agents shall have no personal liability to the client in respect of a claim, whether in contract, tort and/or any other cause of action in law related to this report. Accordingly, the client expressly agrees that it will bring no proceedings and take no action in any court of law against any

of Elliott Engineering Inc.'s employees, officers, directors, or agents in their personal capacity. Any potential purchasers must perform their own assessment.

Elliott Engineering Inc., Hydro One and API will not be liable for any loss, damage, cost or expense incurred or arising by reason of any person using or relying on information in this document.

No attempt has been made to search for any environmental issues or concerns. However, there is a Designated Substance Survey report attached to this document in the Appendix for reference. This report was commissioned in 2009 and falls outside of Elliott Engineering Inc.'s purview. Elliott Engineering Inc. did not investigate any aspect of environmental Engineering (mold, dust, chemical, fume, etc) as it is beyond the scope of our review and Elliott Engineering Inc. have no experience in this area.

It shall be noted that drawings used for this report have been gathered from Hydro One archived files and municipal sources. They represent the buildings and facility in their general layout, design and information. There may arise occasions where the actual may differ from the plans. These differences to our knowledge of those drawings that are most reflective of the actual, are small and presently it is our belief do not significantly affect the objectives of this report. Future renovations and additions may require further confirmation on the actual construction.

Objectives

The objective of this report is to provide a general overview only of the construction, operation, facilities, systems, size and occupancy of the building. Our intent was to observe the building in an operating condition and report what we observed. We have noted visible items of concern if any were observed during our review.

Upon review of this document it is our expectation that the proponents would determine if they are further interested in the property and in its existing condition and as to whether it may fit into future objectives. This review provides limited costs current or future associated with operating, maintaining or replacing any system or component on the property. ***A Phase 2 document report shall be issued at a later date, denoting spaces, renovations, order of magnitude costs and client usage.***

Assessor Qualifications

Mr. Stan Elliott, P.Eng – Senior Design Engineer

Mr. Stan Elliott is a senior design Engineer with an extensive background in Engineering and construction.

- Graduated May 1997, Lakehead University, Bachelor of Engineering
- Qualified as Professional Engineer (P.Eng) in July 2001
- Currently licensed in Ontario.
- Ontario Ministry of Municipal Affairs and Housing, Large Buildings, Structural, and Legal certificates.

Mr. Elliott has worked on both small and large commercial, institutional and industrial projects for a variety of clients. Prior to entering the engineering field Mr. Elliott served a carpenter apprenticeship. That field experience has proven to be a valuable asset to the firm. Mr. Elliott is design Engineer, he is able to develop new concepts and deliver solutions. The type of engineering experience at Elliott Engineering Inc includes new buildings, additions to existing buildings of all styles, bridge inspection, bridge rehabilitation, shoring design, piling design, foundation design, overhead cranes, wood structure design, concrete structures, mechanical systems, electrical systems design on a variety of industrial, commercial and institutional projects. Mr. Elliott in a specialist in 3D design.

Mr. Pat Giunti, Senior Designer, Project Manager

Attended Sault College Architectural Technician program, 1987-1989

Mr. Giunti has worked for various Engineers and industrial fabricators. He has gained through his time in the field a wealth of experience. Previous employers include STEM Engineering Group, Kresin Engineering, Superior Industrial Rail, St. Mary's Paper, and Trivers Engineering. He has worked on both large and small projects within various disciplines and with functions as a contract manager, project coordinator and architectural designer. Mr. Giunti also functions as an overseer in the office reviewing drawings that are to be issued for construction on a majority of projects.

Facility Descriptions

The property and facility contain four primary buildings with one single wide portable and one mobile trailer as well an electrical transmission station on a 5.5ha lot located within the middle of the City of Sault Ste. Marie, where it abuts industrial and institutional spaces.

Due to the very nature of the portable and mobile trailer their condition shall not be part of this report.

Suite 'B' – Presently Hydro One Tenant Space

Refer to Appendix 'A' Building Dwgs & Appendix 'B' Photos.

Basement Floor Plan – A.01

Main Floor Plan – A.02

Exterior Elevations – A.03

Exterior Elevations – A.04

Wall Sections – A.05

Wall Sections – A.06

General Description

Suite 'B' is a two story building. Original construction date is unknown. In 1994 to 1995 as an addition to the existing Suite 'B' was added. This also included a Link to both buildings by way of a narrow corridor. The construction and finishes of the Link are consistent with the construction of Suite 'A'.

Over the building life several interior renovations have been undertaken. No major renovated structural items were noted. Upgrades to the electrical and the mechanical were undertaken. The building is 2 stories consisting of a main floor with a basement (underground). It is approximately 24,000 square feet. The photos and drawings that are included within this report are merely representative of the type of layout, equipment and general construction of the Suite. As such they are not intended to provide a fully documented representation of the building.

Building Envelope – Roof / Walls

Review of the drawing archives was unable to turn up the original existing drawings and therefore the original date of construction. Earliest drawings indicate interior renovations and new electrical work in 1981. However the building appears to be considerably older. Archival drawings indicate that as well as a renovation in 1981 there was renovations both interior, exterior and yard taking place in 1984, 1994-1995, 2001 and 2011. Many of these renovations were to interior works and layout.

Suite 'B' is a single-story building with a full basement. There is also an exterior ramp/loading dock to the south. This loading dock/ramp section of the building does not contain a basement. The overall area comprising both floors is approximately 24,000SF. The exterior of the building is constructed of exterior aluminum panels (wet system) on rigid insulation on steel girts, c/w air barrier, weather proof gypsum board, wood studs, batt insulation, vapour barrier and interior gypsum board. The exterior walls have a designed 'R' value of R23.5. Since the addition of the exterior aluminum panels the exterior of the building has aged well and it is in relatively good condition. However, there is an issue with leaking and damage at the windows sills, jambs and heads similar to Suite 'A' but not as extensive. It is our belief that the caulking used to prevent 'weather' from entering the building has shrunk and cracked at the panel joints. There would seem to be a coloration between the leaks and the aluminum panel banding above the windows as well as the color of the caulking its self which may increase its failure rate. Due to this problem maintenance staff in the past were required to repair interior finishes around windows. It was noted after discussions with staff that there has been a schedule of replacement and repair of the caulking when building funds become available. It is our belief that not all the exterior walls have been re-caulked. Going forward there should be a concerted effort to affect repairs to the caulking. As yet there was no appearance of any real compromise to the building envelope except at windows. But it shall be noted that this report is predicated on what can be easily observed and as such there may be ongoing damage that is not observable. The roof of the suite was replaced in 2011 or 2012 with a PVC single ply membrane. This new roof should function correctly with little maintenance for the next 15 to 20 years. The roof has 2-2" layers of rigid insulation and as such has a designed 'R' value of

R31. For the purposes of this report the roof was re-reviewed. The roof presently did not exhibit any unusual characteristics and no standing water was observed.

Interior Construction

The interior construction on all floors is relatively similar and is of common construction. The basement has interior non-load bearing gypsum board on metal stud walls predominantly. There are also some interior concrete block walls within the basement (stair wells, specialty rooms that are no longer required and elevators), some of these are be wrapped in furring and gypsum board while others remain exposed. The floor finish is generally painted concrete. In some areas the paint is spalling off the floor due to a water issue in the past. It is our understanding that the floor is scheduled to be repainted in the future. The ceiling finish in the basement is suspended acoustic tiles (SAT) in the minority of the rooms while the remainder of rooms are exposed to the floor construction and partial original wall construction. Doors and frames are hollow metal painted. Some of the doors are fire rated where required such as entrance to mechanical rooms and fire separation of spaces. The first floor interior framing as noted is similar to the basement (metal stud and gypsum board). However, there are few demountable interior partitions as well as a significant number of office cubicles. The floor finish of the first floor is predominantly carper except at the main lobby entrance, stairwells and washrooms. These areas have received ceramic tile. The ceiling finish is SAT. There are washrooms located on the main floor and in the basement, which seem to adequately serve the needs of the staff except. There is also an extensive change room / shower facility for both male and female staff. Possible change room / washroom renovations may be considered in the future. This shall be addressed in Phase 2 report. The washrooms have barrier free components that would have met the requirements of the OBC at the time of construction. It can be assumed that these washrooms do not meet the requirements of the present OBC. As such any renovations, alterations or additions to the washrooms will require a component of barrier free that meets the present code.

Structural Construction

The building is constructed of traditional reinforced concrete footings and concrete foundation walls. The foundation walls are approximately 12' in height. The basement and the first floor have interior load bearing elements (steel columns). The floor of the first floor consists of open web steel joists (OWSJ) with metal deck and poured concrete. The drawings indicate that the elevator and stairwells are also supported by steel columns and beams. This structure is common and not unusual in its construction. The foundation design appears to be suitable assuming the soils encountered were as per the design intent (70 kPa, 1500 psf).

The roof framing is as noted, a system of steel beams and open web steel joists (OWSJ) supported by a regular grid of steel columns. The OWSJ are generally 24" deep and appear to be appropriate for the spans observed. The primary framing appears to be suitable for the loads intended. The structural connections observed on site (welds and bolts) appear to be suitable and in accordance with standard practice.

The floor framing for the first floor is also a system of steel beams and OWSJ supported by a regular grid of steel columns. The OWSJ are generally 24" deep for both floors and appear to be appropriate for the spans observed. The primary framing appears to be suitable for the loads intended. The structural connections observed on site (welds and bolts) appear to be suitable and in accordance with standard practice.

The roof is supported on a 1 1/2" metal deck welded to the OWSJ. The deck appears to be welded every second flute and crimped on the joints as per standard practice. The OWSJ are welded down as evidenced by the burn marks on the underside of the support beams.

Exterior Windows

The windows were observed from both the interior and exterior and are the original windows of the 1994-1995 construction. The window units are Alumicor 900 series clear anodized hermetically sealed double glazed. They are fixed upper light with tinted glass and an 'open out' ventilating unit. At the time of review no evidence of condensation was on the sills nor moisture within the glazing itself. As described earlier there are issues with the insulated aluminum wall panels and that there are leaks in the building envelope at the windows. This of itself is not reflective of the windows themselves but rather (as described earlier) a failure in the wall assembly and cladding. Generally, the window and curtain wall system appear to be in good condition. The windows are now over 23 years old should have an additional life of 10 more years. However, at some point the windows shall require replacing, possibly unit by unit or en masse.

Exterior Doors

The exterior doors at the south entrance to Suite 'A' anodized aluminum in aluminum frames and side lights. The side lights are Alumicor 900 series clear anodized hermetically sealed double glazed. The doors were found to be in good condition. The primary entrance door is equipped with push pulls.

Water Service

Refer to ***General Site Conditions*** report document. Suite 'B' receives their water (as does the entire complex) from one single supply (PUC off of Sackville) located in the basement. Domestic potable water lines run from Suite 'A' throughout, in ceiling spaces and underground pipes.

Hot Water

Hot water for the building is located within the mechanical room. One hot water system serves both buildings (Suite 'A' and Suite 'B'). The hot water heater is an in-line ON DEMAND electric unit with an additional 119gallon auxiliary tank. The requirement for the auxiliary tank is primarily for the supply of hot water to the washrooms for showers. The remainder of hot water demand would be for simple bathroom and kitchenette use.

Sanitary Sewer

Refer to ***General Site Conditions*** report document. Specifically Appendix items A.07, A.08 and A.09. There is a single sanitary sewer running from the southwest corner of the basement out to the municipal sanitary sewer located within the middle of Sackville

Heating Cooling / Ventilation System

Suite 'B' is serviced by 7 roof top units that supply both heat and air conditioning. These units were installed after June of 2011 as can be identified by the manufacturers labels. The individual roof top units provide fresh air ventilation to the building. As well there is also a dedicated air conditioner that services the server room only. The unit is of a similar manufacture date. These units are no older then 7 years and are in good working condition. They are serviced regularly and could have a life expectancy of an additional 10 to 15 years. Further to the roof top units there is also a single HRU (heat recovery and ventilation unit) which is located within the basement. It would appear that this unit was installed in the renovation and addition work that took place in 1994-1995. The unit from appearances and discussions with staff works fine. It is regularly maintained and services. The HRU is 25years old and may be reaching the end of its serviceability. The life expectancy is unknown. The heating, cooling and fresh air

is delivered to the space via a standard system of main trunks and secondary ducts and ceiling mounted diffusers. The design seems typical for this type of commercial space.

Electrical Description

The electrical system is supplied to the entire facility (all buildings and ancillary equipment) via an exterior pad mounted 11.5 kV-A transformer. From the pad the power is run unground to the electrical room the north east corner of the basement of Suite 'B". The primary electrical service is 1600amp, 3 phase, 4 wire 600/347V. There are several sub panels located throughout the floors and the basement. The details of these panels and services is complex is well beyond the scope of this report but it should be noted that is is extensive. There are several drawings located within the archive that show the electrical services.

Random lights, switches and outlets were checked. Staff was questioned as to the acceptability of the electrical. No problems were noted. The electrical services are adequate for the tenant use presently

Life Safety & Conveyance

The fire alarm is monitored on a 24 hour basis. The fire alarm control panel is a located within the main entrance located within the vestibule.

Smoke/Heat Detectors

There are smoke and heat detectors throughout the tenant space as well as the service areas. There are fire alarm bells throughout the facility. Fire extinguishers are also located throughout. The fire alarm and its associated devices are annually inspected and certified by an outside agency (Troy Life & Safety). Further to this the system is also checked by annually by Hydro One staff.

Sprinkler System

The building does not have a sprinkler system. However, the server I.T. room is supplied with dry chemical fire suppression devices.

Elevator

The suite is served by a freight elevator. The elevator is original to the construction. The elevator is manufactured by Dover and has been certified by TSSA. The elevator is annually maintained and certified by Thyssen Krupp. At the time of the original inspection the elevator was good working order and sees a very low cycle usage.

Appendix A – Suite 'B'

Building Plans

Basement Plan – A.01

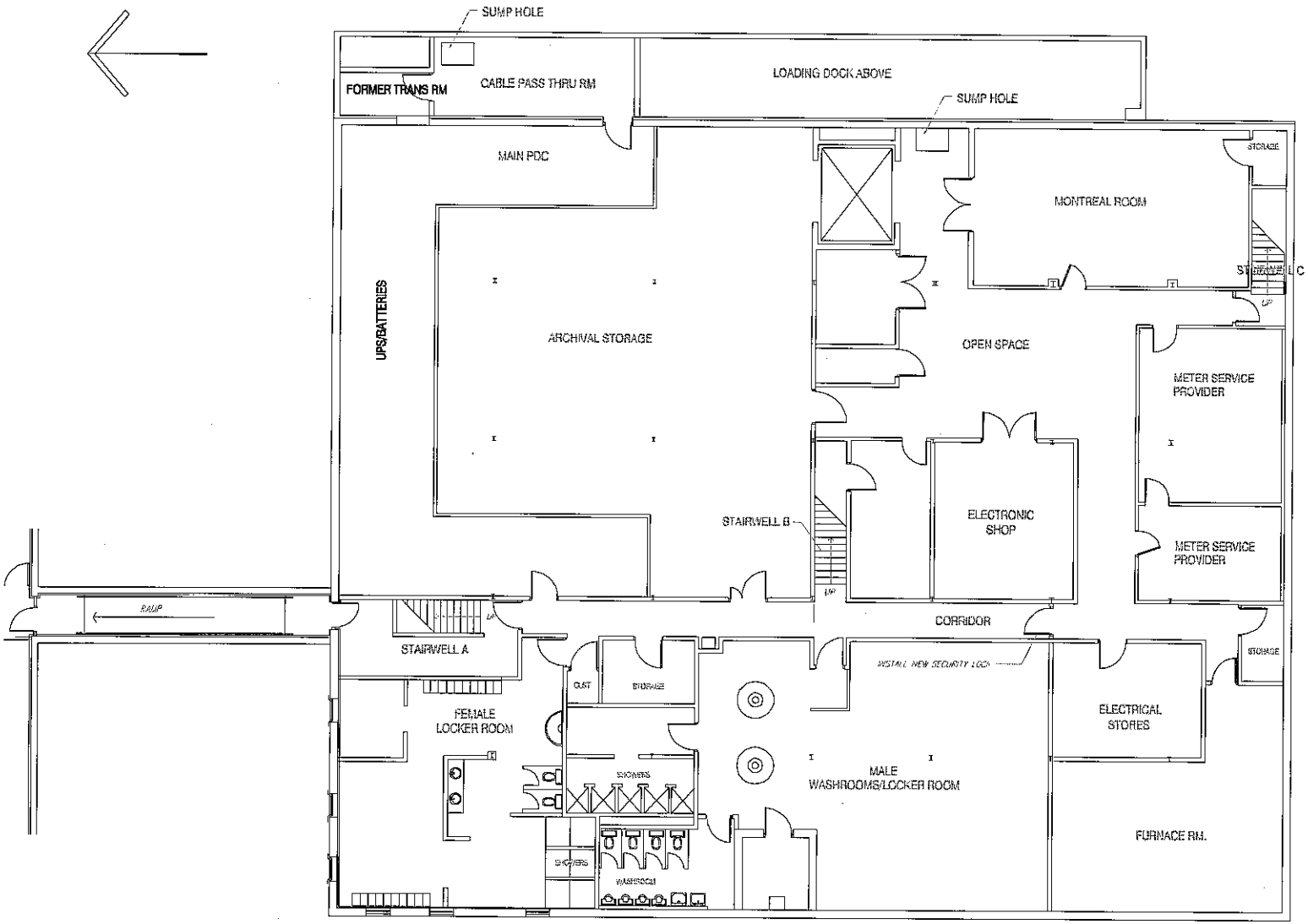
Main Floor Plan – A.02

Exterior Elevations – A.03

Exterior Elevations - A.04

Wall Sections – A.05

Wall Sections – A.06



BASEMENT FLOOR PLAN
SCALE: 1:150

SUITE 'B' BASEMENT PLAN

CTA
ARCHITECT
199 Queen St. East, Suite 300, Sault Ste. Marie, Ontario

seal

project

GREAT LAKES POWER TRANSMISSION

MSP LEASE AGREEMENT

at

2 Sackville Road
Sault Ste. Marie, Ontario

date	rev no.	revision	by	appd

drawing name

WORK CENTRE
BASEMENT FLOOR PLAN
MSP LEASE

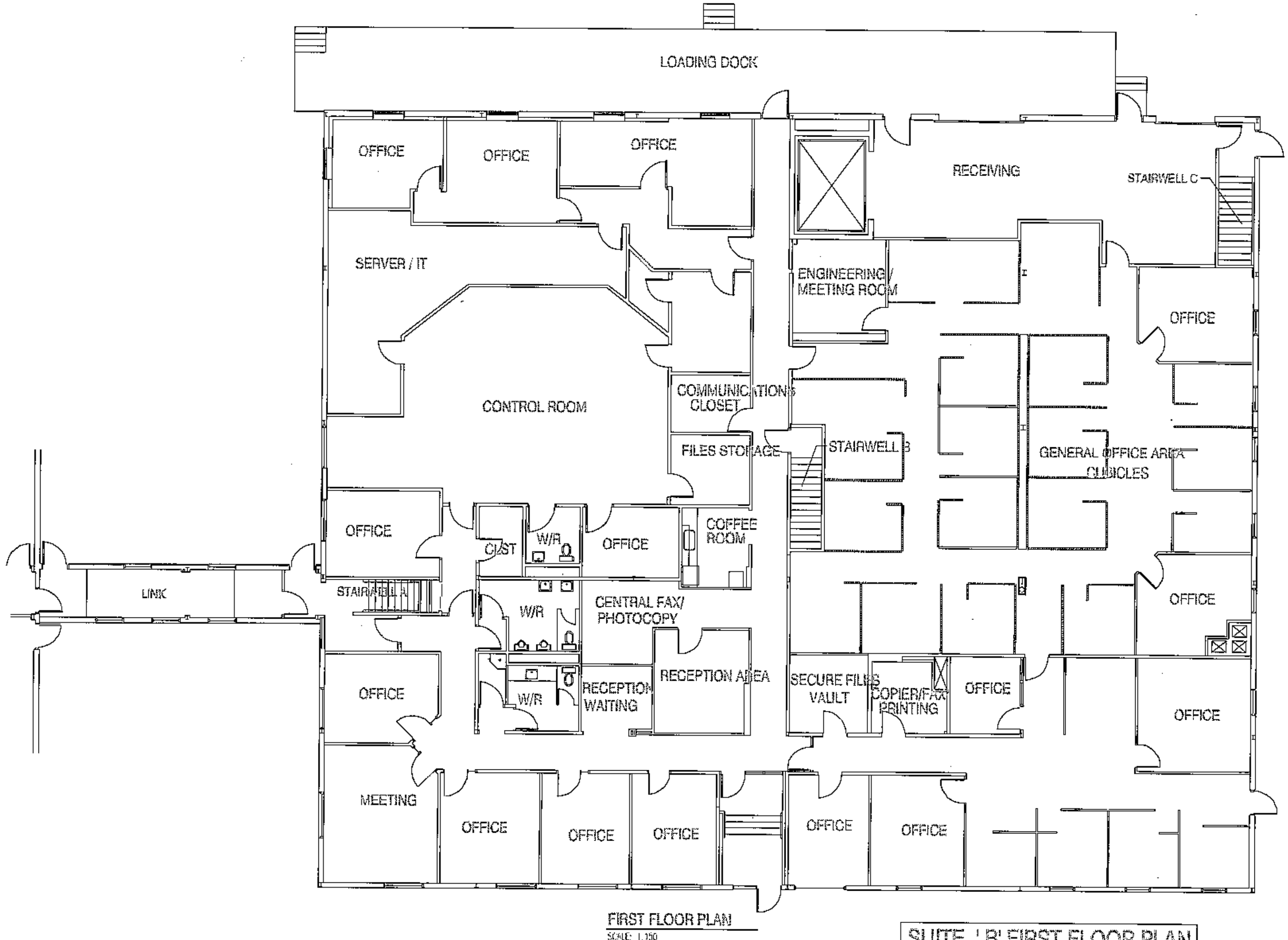
drawing by	checked by
LMC	

date
MAY/ 2001

scale
1:150

cad file no
2001-30AA03

project no.	drawing no.
2001-30A	A03



CTA ARCHITECT

seal

project
GREAT LAKES POWER LIMITED

RENOVATIONS FOR DE-REGULATION SUBDIVISION

at

2 Sackville Road
Sault Ste. Marie, Ontario

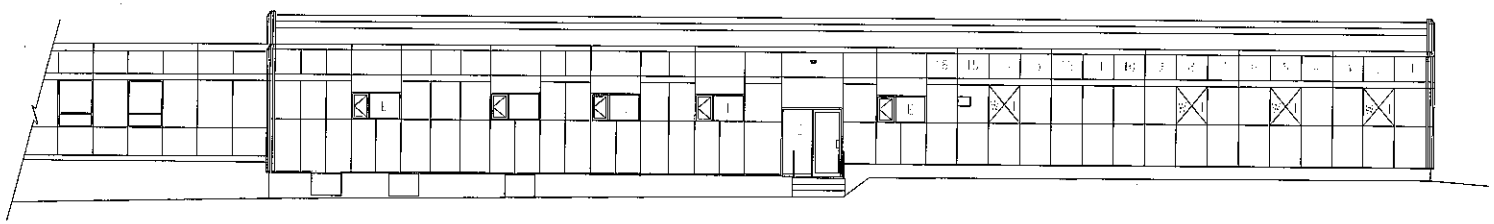
date	rev. no.	revision	by	appd

COPYRIGHT OF THESE DRAWINGS IS VESTED IN CHRIS TOSSELL ARCHITECT

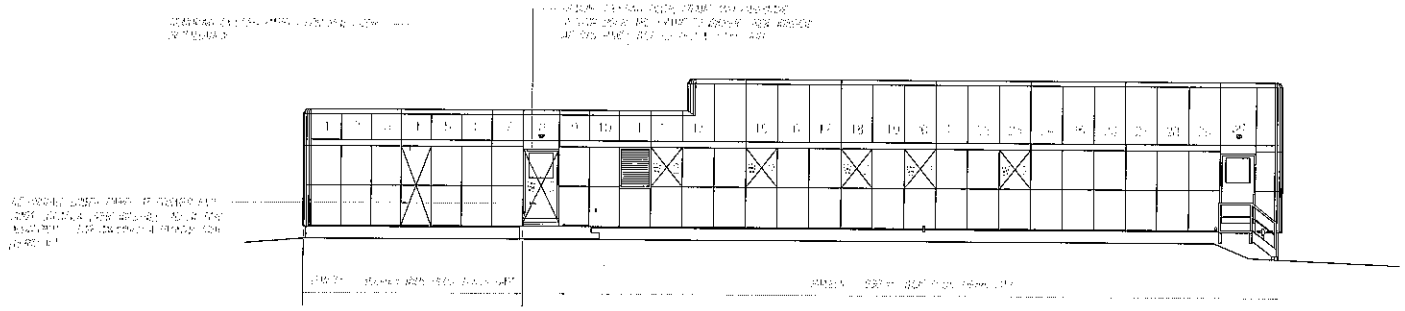
THE CONTRACTOR IS TO CHECK ALL DIMENSIONS ON SITE

drawing name
WORK CENTRE
GENERATING DIVISION
FIRST FLOOR PLAN

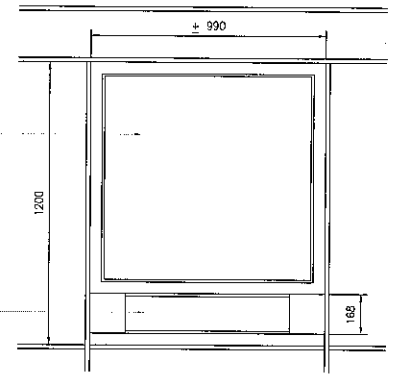
drawing by: S. FICOCIELLO
checked by:
date: NOVEMBER/ 2001
scale: 1:150
cad file no.: 2001-30AA05
project no.: 2001-30A
drawing no.: A05



WEST ELEVATION



SOUTH ELEVATION



WINDOW ELEVATION

CTA
CHRIS TOSSELL ARCHITECT
384 Queen St. East, Suite 302, Sault Ste. Marie, Ontario

GREAT LAKES POWER LIMITED

RENOVATIONS FOR DE-REGULATION SUBDIVISION

at

2 Sackville Road
Sault Ste. Marie, Ontario

WORK CENTRE - WEST & SOUTH ELEVATIONS

S. FICOCIELLO

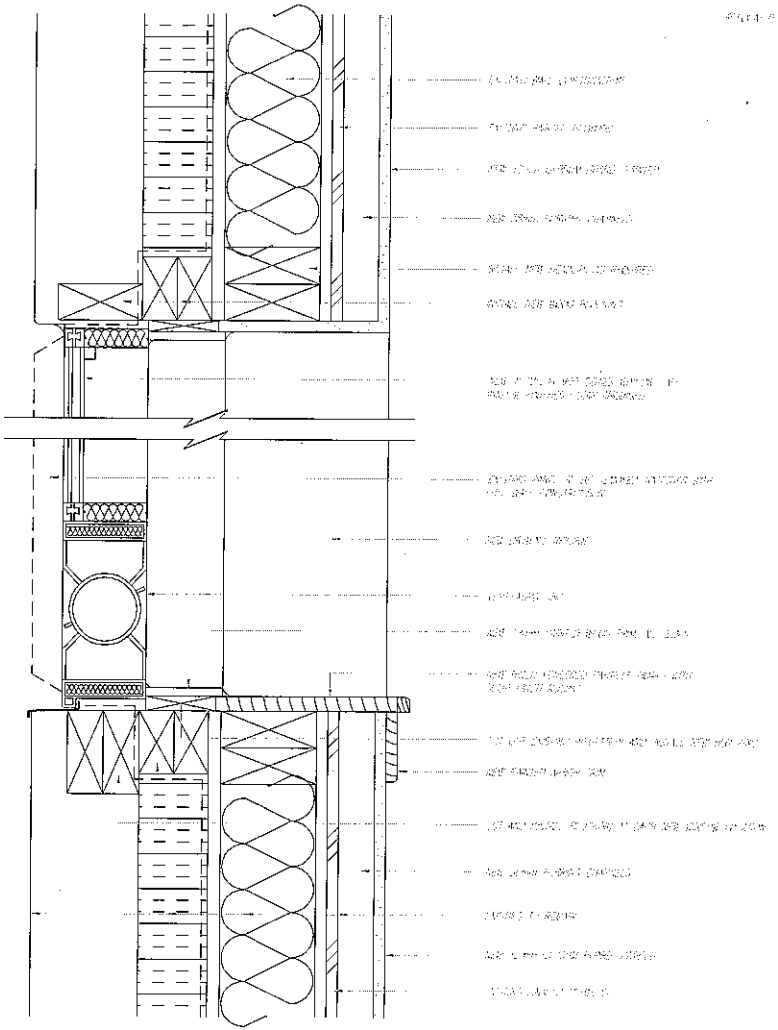
NOVEMBER/ 2001

AS NOTED

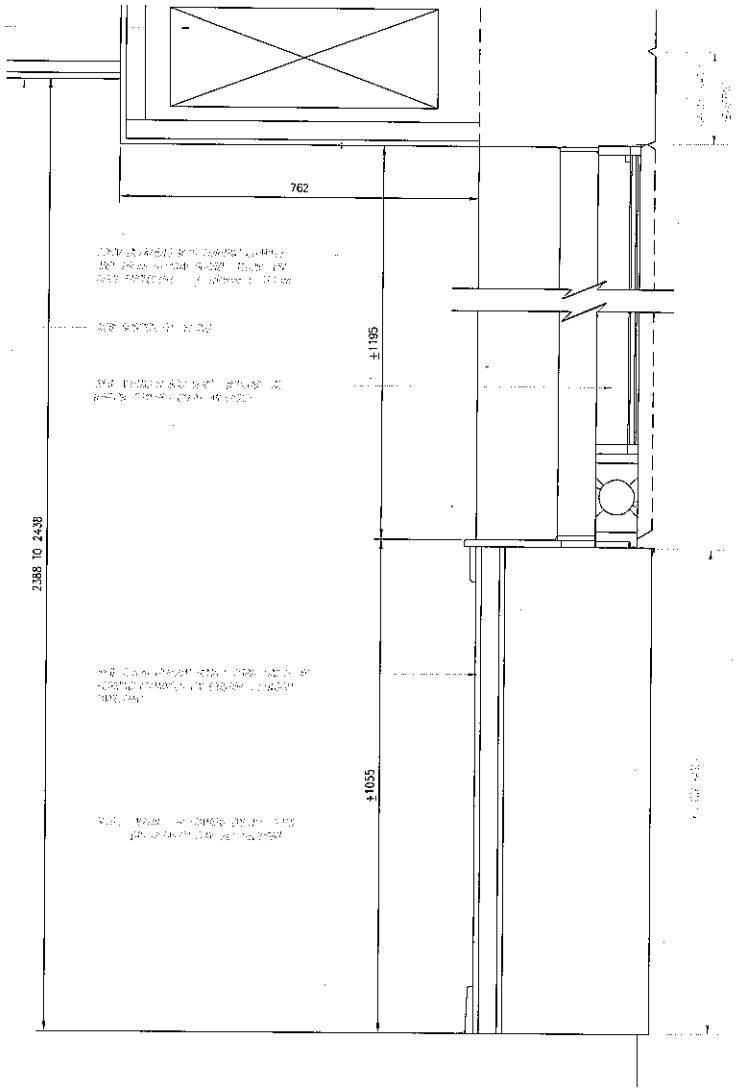
2001-30AA10

2001-30A

A10



1 SECTION @ NEW WINDOWS (TYPICAL SOUTH & WEST ELEVATIONS)



2 SECTION @ NEW WINDOWS (WEST ELEVATIONS)

CTA ARCHITECT
163 Queen St. East, Suite 301, Sault Ste. Marie, Ontario

GREAT LAKES POWER LIMITED

RENOVATIONS FOR DE-REGULATION SUBDIVISION

at

2 Sackville Road
Sault Ste. Marie, Ontario

SECTIONS @ NEW WINDOW INSTALLATION

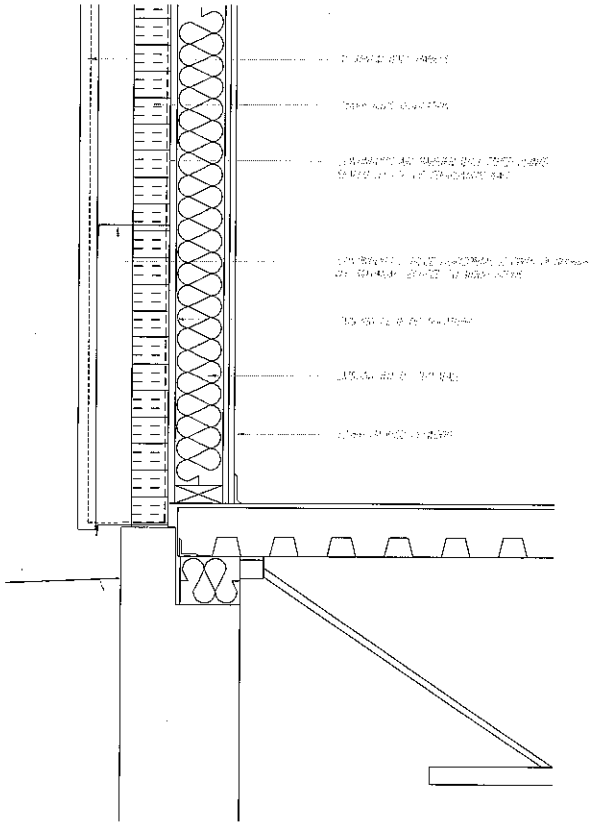
S. FICOCIELLO

NOVEMBER/ 2001

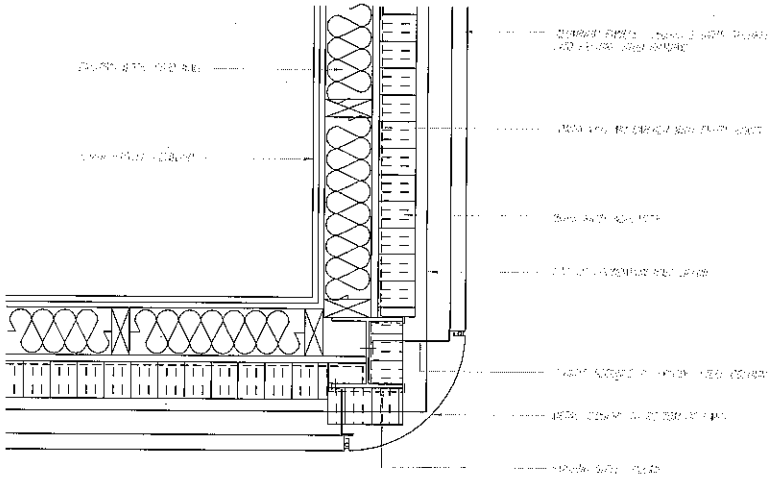
AS NOTED

2001-30AA11

2001-30A | A11



3 WALL SECTION @ WORKCENTRE (EXISTING CONSTRUCTION)



C PLAN DETAIL @ WORKCENTRE (EXISTING CONSTRUCTION)

CTA ARCHITECT

503 Queen St. East, Suite 301, Sault Ste. Marie, Ontario

GREAT LAKES POWER LIMITED

RENOVATIONS FOR DE-REGULATION SUBDIVISION

at

2 Sackville Road
Sault Ste. Marie, Ontario

EXISTING WALL SECTION & CORNER DETAIL

S. FICOCIELLO

NOVEMBER/ 2001

AS NOTED

2001-30AA12

2001-30A

A12

Appendix B – Photographs

Suite 'B'

General Site Photo 1 – Aerial 2 Sackville Road – Looking North East

Suite 'B' Basement Photo 2 – Entrance to Woman's washroom / change room / shower.

Suite 'B' Basement Photo 3 – Entrance to Woman's washroom / change room / shower. Comfort area and lockers.

Suite 'B' Basement Photo 4 – General floor construction (first floor / basement ceiling) consisting of OWSJ and metal deck. Concrete block partition walls can also be observed.

Suite 'B' Basement Photo 5 – Men's washroom / change room / shower.

Suite 'B' Basement Photo 6 – Men's washroom / change room / shower.

Suite 'B' Basement Photo 7 – General floor construction (first floor / basement ceiling) consisting of OWSJ and metal deck and a series of steel columns.

Suite 'B' Basement Photo 8 – Photo taken in the corridor of a fire extinguisher. There are extinguishers throughout the facility. Each is checked and certified annually as can be noted by the tag.

Suite 'B' Basement Photo 9 – Photo taken in the corridor of an alarm bell. There are alarm bells throughout the facility. Each is checked and certified annually.

Suite 'B' Basement Photo 10 – HRU unit installed in 1994. This unit is now going on its 25 years. Presently the system is in good working order. However there can not be a determination on its life expectancy.

Suite 'B' Basement Photo 11 – Primary source of domestic hot water is a "On Demand" gas fired water heater manufacture by 'NAVIEN'. Date of installation is unknown.

Suite 'B' Basement Photo 12 – Secondary source of domestic hot water is a traditional electric hot water tank. Date of installation is unknown.

Suite 'B' Basement Photo 13 – Main sump hole complete with pump. There are two sump locations in the basement of Suite 'B'. Both are monitored and are connected into the storm water system.

Suite 'B' Basement Photo 14 – Photo of typical basement conference room. Note hollow metal doors and frames mounted into steel stud and gypsum board partition walls. Also S.A.T. can be noted as the ceiling finish. This room contains Vinyl sheet flooring (Montreal room).

Suite 'B' Basement Photo 15 – Suite 'B' is also served by a freight elevator. This elevator on rare occasions is used for individuals with mobility issues. Photo of Elevator mechanical equipment and main disconnect.

Suite 'B' Basement Photo 16 – Suite 'B' does not contain a sprinkler system, however it does contain a "Dry Chemical" suppression system located within the basement in their general server room.

Suite 'B' Basement Photo 17 – "Dry Chemical" suppression system located within the basement in their general server room. See photo 16.

Suite 'B' Basement Photo 18 – General server and electrical room, located within the basement.

Suite 'B' Basement Photo 19 – Main electrical, switch gear and disconnects located in the server / electrical room. The power enters underground from a pad mounted transformer located on the south east of the property. 1600amp service is provided. Remainder of facility and suites are served and distributed from this main service.

Suite 'B' First Floor Photo 20 – Photo of the main entrance reception to Suite 'B' from Sackville Road.

Suite 'B' First Floor Photo 21 – Photo of the entrance vestibule from Sackville Road.

Suite ‘B’ First Floor Photo 22 – Photo of the control room. The equipment and services undertaken within this room are beyond the scope of this document.

Suite 'B' First Floor Photo 23 – General photo of the office and cubicle area of the first floor.

Suite 'B' First Floor Photo 24 – General photo of the office and cubicle area of the first floor.

Suite 'B' First Floor Photo 25 – General photo of the loading dock area and freight elevator.

ELLIOTT ENGINEERING INC.
35 CEDAR STREET, SAULT STE. MARIE, ON

Building Conditions - Summary Report
For Hydro One / API, Suite 'A'
2 Sackville, Sault Ste. Marie, ON
May 2018

Hydro One Sault Ste. Marie, LP
2 Sackville Road
Sault Ste. Marie, ON
P6B 6J6

EE File No. E18002

Title: **Buildings Condition Summary Review Suite 'A' – Phase 1**

Project: **2 Sackville Road, ON**

Attention, Mr. Kevin Lewis, General Manager, Hydro One Sault Ste. Marie, LP

Please find attached our buildings review report as performed April of 2018. Please contact us with any clarifications or concerns.

Regards,

Pat Giunti,
Project Manager

Stan Elliott, P.Eng.
Design Engineer

LICENSED PROFESSIONAL ENGINEER
S.C.P. ELLIOTT
2018/06/14
PROVINCE OF ONTARIO

Buildings Condition Summary Review – Phase 1

General Conclusions

Office & Yards Complex

2 Sackville Road

Sault Ste. Marie, ON

Table of Contents

Introduction

Elliott Engineering Inc. was retained by Hydro One Sault Ste. Marie LP (Hydro One) & Algoma Power Inc. (API), to provide a summary condition review of the buildings and general site, located at 2 Sackville Road, Sault Ste. Marie, ON. For the purpose of this report the property shall be referred to as ***Hydro One***. This report shall be Phase 1 of the deliverable to be provided. Phase 2 shall be options and plans for possible floor layouts, space allocation and user areas for a two-tenant joint facility and property use.

The buildings are presently being used for offices, maintenance services and stores. The site contains, offices, maintenance buildings, parking, pole storage, transformer storage, electrical sub-station as well as overhead transmission lines. The property is owned by Brookfield Renewable Energy Group (Brookfield) with the space being leased to Hydro One Sault Ste. Marie LP (Hydro One) who in turn sub-leases to Algoma Power Inc. (API). It is believed that Brookfield has no active role on the property other than to act as the "Leaser". All three companies are closely if not solely vested in the production and transmission of electrical power locally, provincially and nationally.

The purpose of the review is to provide a general indication of the type of construction, operation, facilities, size and occupancy of the buildings as well as the condition and description of the site. The review is intended to provide a potential purchaser and or leaser with a general overview of the building, property, systems and ancillary equipment as it exists at the time of the review. The building was observed in its current state to document the general condition and create a report suitable for issue to potential purchasers and or to the commissioners of the report for future economic evaluations. It shall be noted that commissioning of this report was co-supported by Hydro One and API as part of possible future logistics of their services and location and the possible reworking and or renovation of the existing layout to provide more efficient working spaces.

Further to that which is noted above, our office attended the site on six separate occasions to gather information, review existing conditions and take photos. Maintenance and management staff were questioned in regard to building history and specifics.

Discovery and Conclusions

This letter is specifically to comment upon those items found that require repair or replacement in the near to very near future. Refer to earlier issued Condition survey Reports:

- General Site Conditions Report
- Suite 'A' Condition Report
- Suite 'B' Condition Report
- Maintenance Garage / Truck Shed Condition Report
- Stores Condition Report

The cost estimates that are included within this letter are to a Class 'D' level.

> ***Class "D"**: A **class "D" estimate** is prepared when a project is at the "Conceptual Design" stage. Conceptual design is defined as the beginning of a project when preliminary spatial needs have been identified, and a space program is being developed or the specific needs of a repair or replacement of any building element.*

General Site Conditions Report

Refer to earlier issued "General Site Condition report". At the time of the review the overall site and complex was generally in good condition. The areas seemed to suit the requirements of both Hydro One and API to a certain degree. Roads, sidewalks, drainage, fences and overall landscaping were generally acceptable. However, the existing main parking area, which is believed to be original to the 1994 construction and renovation of Suite 'A and Suite 'B' is to a level where replacement of the asphalt is a requirement. See Appendix 'A', Chart A.1, Item 1. See Appendix 'B' Photos, Photo No.2.

Suite 'A'

Refer to earlier issued "Suite 'A' Condition report". At the time of the review Suite 'A' was generally in good condition with the exception of a few items noted below. The areas seemed to suit the requirements of API to a certain degree. However, the existing exterior wall (wet system) aluminum panel system and caulking leaks. A coloration seemed to exist between the accent band (brown color panel) and the location of leaks. It may be hypothesized that the color of the caulking or its chemical makeup was not as resilient as the lighter shade of caulking. The aluminum panels are original to the 1994 construction and renovation of Suite 'A and Suite 'B' is to a level where replacement of the caulking is a requirement. See Appendix 'A', Chart A.1, Item 2. See Appendix 'B' Photos, Photo No.3 & 4.

HRU unit installed in 1994. This unit is now going on its 25th year. Presently the system is in good working order. However, there cannot be a determination made on its life expectancy. It may be assumed that this unit will require changing in the next 5 years. See Appendix 'A', Chart A.1, Item 3. See Appendix 'B' Photos, Photo No.5.

Passenger Elevator. During the initial review of the passenger elevator it was found to be in good working order. However, during that review and present date the elevator experienced a major failure. The cause and repair (if there is one) is not known at this time. As such the elevator may require replacement. See Appendix 'A', Chart A.1, Item 7. See Appendix 'B' Photos, Photo No.9.

Suite 'B'

Refer to earlier issued Suite 'B' Condition report". At the time of the review Suite 'B' was in generally in good condition with the exception of a few items noted below. The areas seemed to suit the requirements of Hydro One and API to a certain degree. However, the existing exterior wall (wet system) aluminum panel system and caulking leaks. A coloration seemed to exist between the accent band (brown color panel) and the location of leaks. It may be hypothesized that the color of the caulking or its chemical makeup was not as resilient as the lighter shade of caulking. The aluminum panels are original to the 1994 construction and renovation of Suite 'A and Suite 'B' is to a level where replacement of the caulking is a requirement. See Appendix 'A', Chart A.1, Item 2. See Appendix 'B' Photos, Photo No.3 & 4.

HRU unit installed in 1994. This unit is now going on its 25 years. Presently the system is in good working order. However, there cannot be a determination made on its life expectancy. It may be assumed that this unit will require changing in the next 5 years. See Appendix 'A', Chart A.1, Item 3. See Appendix 'B' Photos, Photo No.5.

Maintenance Garage / Truck Shed

Refer to earlier issued 'Maintenance Garage / Truck Shed Condition report". At the time of the review the Maintenance Garage / Truck Shed was in generally in good condition with the exception of a few items noted below. The building is presently used by both Hydro One and API. Although the building is in relatively good condition it does not specifically meet the needs of API. The existing roof is a multi-ply hot mopped roof with gravel ballast. Several patches have been made to the roof. It is our belief that the roof could possibly be original to the building, placing it at almost 40 years old. As such given its age, condition and on-going maintenance issues it is felt that this roof needs replacement. This

roof does not have an additional 5 years of acceptable performance and should be replaced when funds are available. See Appendix 'A', Chart A.1, Item 4. See Appendix 'B' Photos, Photo No.6.

Interior forced air electric ceiling heaters. There are approximately 6 interior forced air electric ceiling heaters and approximately 6 additional unit heaters located at the O.H doors. The ceiling hung heaters units are not efficient and may not operate as originally installed. They also do not provide any cooling. Date of installation may be close to the construction of the building (circa 1980). Due to the ongoing maintenance, age, inefficiencies and generally poor working condition, these units should be changed and replaced with a single RTU and associated items. See Appendix 'A', Chart A.1, Item 5. See Appendix 'B' Photos, Photo No.7.

Stores Building

Refer to earlier issued 'Stores Condition report". At the time of the review the Stores Building was in generally in good condition with the exception of the item noted below. The building is presently used API. Although the building is in relatively good condition it does not specifically meet all the needs of API. The existing roof assembly is a built-up gravel ballast type roof. The roof appears to be original to the building construction. This roof does not have an additional 5 years of acceptable performance and should be replaced when funds are available. See Appendix 'A', Chart A.1, Item 6. See Appendix 'B' Photos, Photo No.8.

Exterior photo

Exterior Photo – Looking North East, viewed from Northern Avenue
Suite 'A'

Exterior photo

Exterior Photo – Looking South East, viewed from Sackville
Suite 'B'

Aerial photo

General Site Photo – Aerial 2 Sackville Road – Looking North East

Appendix 'A'

Item Chart A.1

APPENDIX A - CHART A.1

Item	Location	Description	Comments	Replacement Consideration	Estimated Costs
1	General Site Conditions. Refer to photo No.2, Main Parking Area resurfacing.	- Approximately 60,000SF of resurface area - Removal of existing - Shape / Grade - Additional granulars - Adjustment of Catch Basins - No resetting of storm main	The main parking area appears to be original to the 1994 construction and exhibits 'alligatoring', heaving, repairs and a small amount of ponding.	Given the age and continued maintenance requirements of the main parking area it is felt that replacement should be undertaken within the next two years.	$210,000.00
2	Suite 'A' & Suite 'B' Refer to photo No.3, Removal and replacement of caulking. Refer to Photo No.4 for reference to typical interior damage.	- All exterior walls inclusive of Suite ' A', Suite 'B' and the link - Remove existing caulking - Replace with new caulking	There are on-going maintenance requirements to repair the leaking of the existing windows heads & sills and repair to interior finishes.	Given the continued maintenance requirements and possible issues that could not be witnessed within the wall cavity, it is felt that a schedule of replacement and repair should be undertaken within the next year.	$200,000
3	Suite 'A' & Suite 'B' Refer to photo No.5, Removal and replacement of existing HRV Units.	- Remove existing HRV - Install new HRV - Minor Duct work installation - Minor controls and electrical	There are two HRV Units (Heat / Recovery / Ventilation). One is located within Sutie 'B" and ine in Suite 'A'.	Presently these units are running acceptably. However they were installed in 1994 and are now approaching 25 years old. Considerations should be made for their replacement in the near future. Life expectancy is hard to determine at this point. No longer then 5 years could be assumed.	$24,000.00 Suite 'A' $24,000.00 Suite 'B' $48,000.00 Total
4	Maintenance Garage / Truck Shed Roof. Refer to photo No.6, Removal and replacement of existing roof.	- Remove existing multi-ply asphalt and ballast roof assembly down to existing metal roof deck. - Install new single-ply PVC roof assembly - Install new Flashing, curbs and eaves	This roof appears to be original to the building construction. It is assumed that the roof is close to 40 years old.	Presently this roof is in very poor condition and requires continual maintenance and repair. The roof has exceeded its life expectancy and should be replaced as soon as funds become available.	$225,000.00
5	Maintenance Garage / Truck Shed Roof. Refer to photo No.7, Removal and replacement of existing interior ceiling hung forced air heaters.	- Remove existing ceiling hung unit heaters - Install new RTU (roof top unit) with heating and cooling capacity to bring this part of the building up to the remaining part of the building's heating and cooling standards - N02 / C02 installation. - Filters and ducting	These units appear original to the building construction. Also additional specific unit heaters have been installed over the years to supplement the original heaters. It is assumed that these units are close to 40 years old.	Presently the units are in poor condition and requires continual maintenance and repair. The units have exceeded their life expectancy and should be replaced as soon as funds become available.	$60,000.00
6	Stores Building Roof. Refer to photo No.8, Removal and replacement of existing roof.	- Remove existing multi-ply asphalt and ballast roof assembly down to existing metal roof deck. - Install new single-ply PVC roof assembly - Install new Flashing, curbs and eaves	This roof appears to be original to the building construction. It is assumed that the roof is close to 40 years old.	Presently this roof is in very poor condition and requires continual maintenance and repair. The roof has exceeded its life expectancy and should be replaced as soon as funds become available.	$70,000.00
7	Suite 'A' Elevator. Refer to photo No.9.	- Existing passenger elevator serving 2 floors and the basement.	The existing passenger elevator was installed in 1994 at the time of the building construction. The elevator has been maintained extensively and sees a very low cycle rate.	Initial review and discussions of the elevator had found it to be in good working condition. Since this review was undertaken the elevator experience a failure. The extent of this failure is unknown at this time and is beyond the scope of this report and the expertise of the author. Until the issue can be diagnosed, no determination on its condition or replacement can be give.	Present cost to replace is unknown
8	Replacement & or Repair, estimated costing				$813,000.00

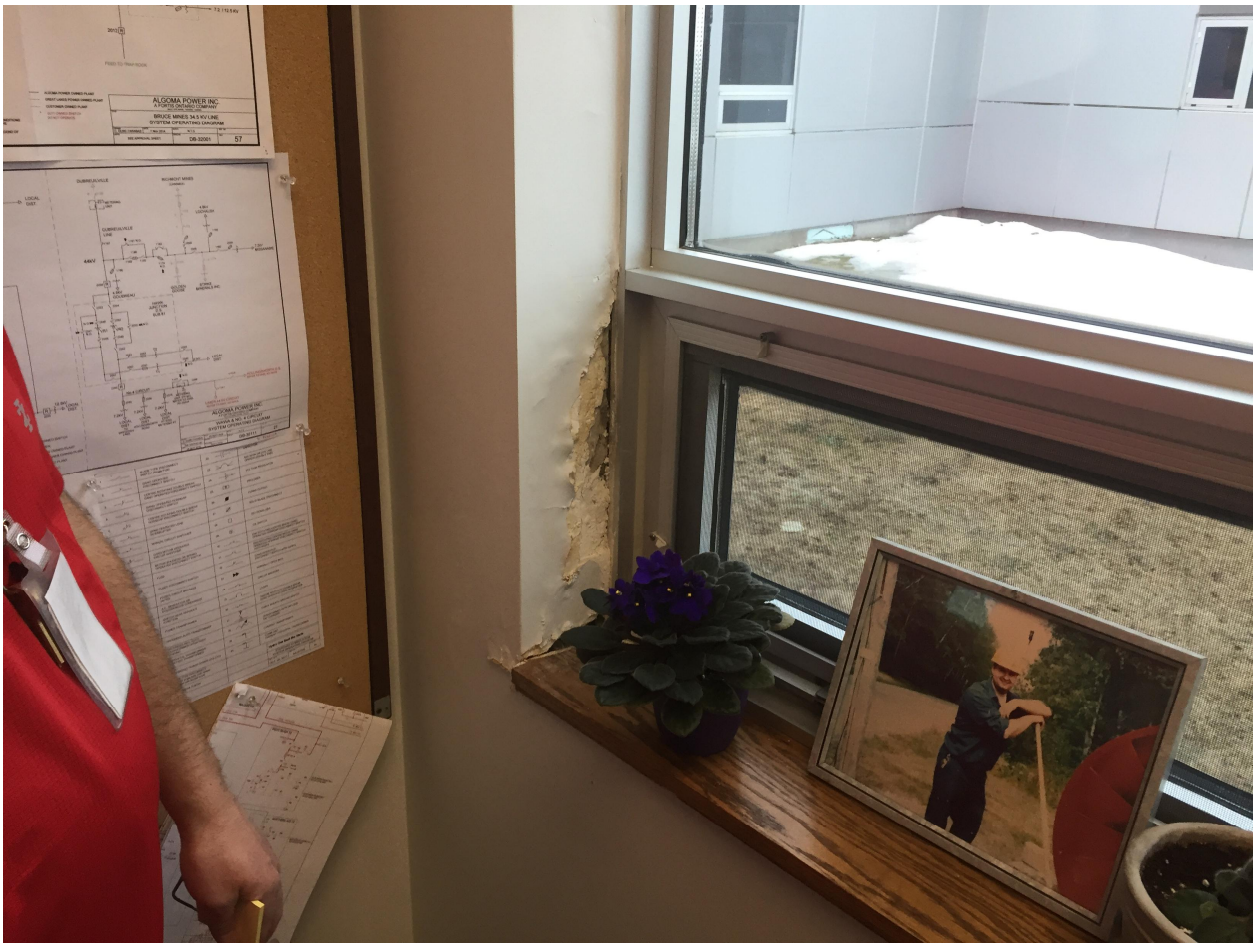
Appendix 'B'

Condition Photos

General Facility / Complex - Photo 1 – Aerial 2 Sackville Road – Looking North East

General Site - Photo 2 – Second Entrance of Main parking area – Looking South. There is obvious settlement of the soils of the parking area around the main storm drain. There is 'alligatoring' and patches in the parking main area.

Suite 'A' – Suite 'B' Typical Exterior – Photo No.3 - Exterior view of the exterior aluminum panel system and caulking failure. A coloration seemed to exist between the accent band (brown color panel) and the location of leaks. It may be hypothesized that the color of the caulking or its chemical makeup was not as resilient as the lighter shade of caulking.



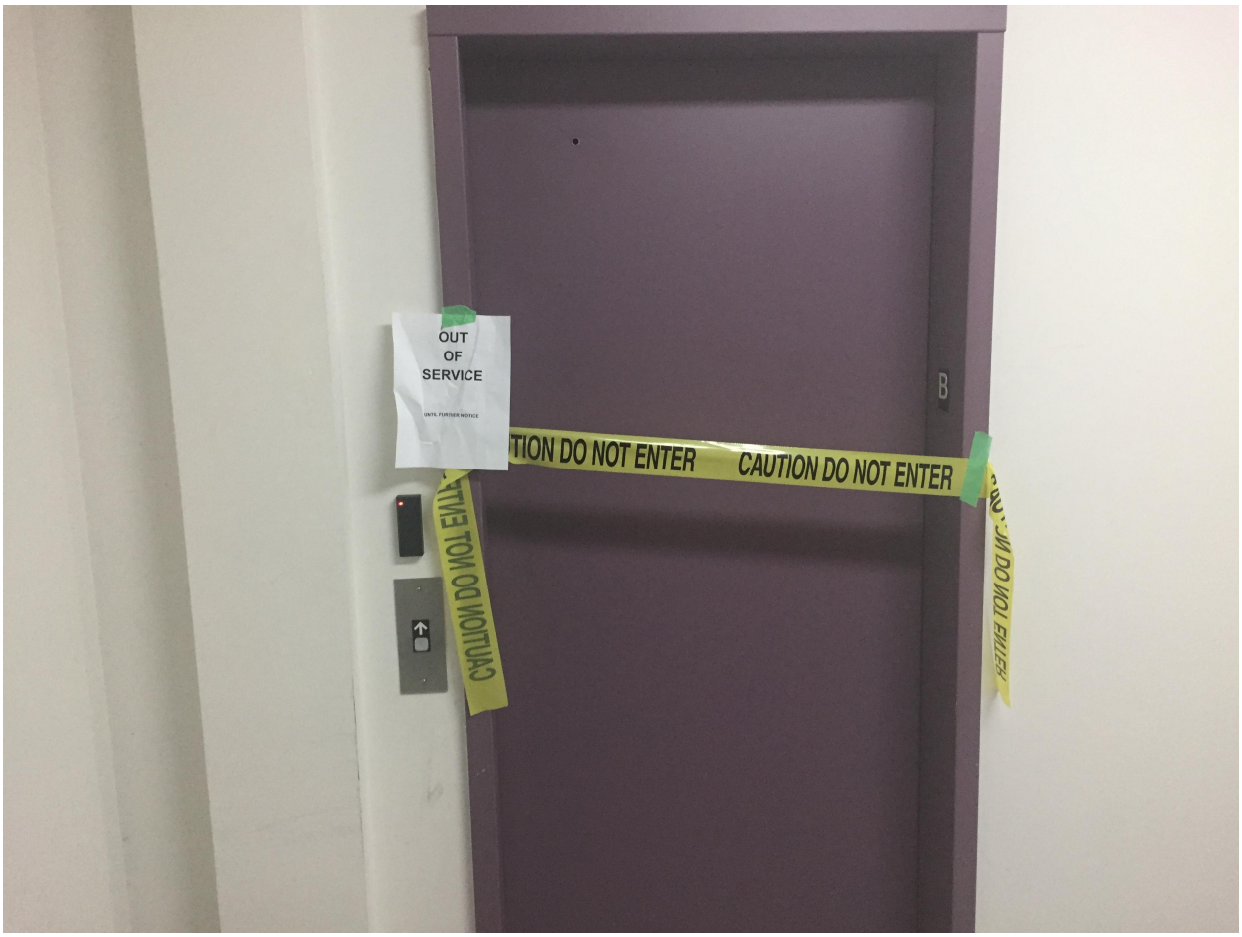
Suite 'A' & Suite 'B' – Typical Interior Windows - Photo 4 – Water damage at window jamb. Looking south east (API). There has been an ongoing issue in regard to the exterior aluminum panels and water damage at some of the window sills, heads and jambs. A simple report had been issued to the former GLP Transmission in regard to the building envelope. The exterior wall cladding (aluminum panels) is a "WET SYSTEM", which relies upon exterior caulking between the panels to prevent water infiltration. After years of exposure to the elements the caulking fails. The caulking has a finite life expectancy. As such water enters the building. The fix is relatively easy but is time consuming and expensive due to the repairs laborious nature. Both Suite 'A' and Suite 'B' should be schedule for rotating replacement of the caulking.

Suite 'A' & Suite 'B' Basement Photo 5 – HRU unit installed in 1994. This unit is now going on its 25 years. Presently the system is in good working order. However, there cannot be a determination on its life expectancy.

Maintenance Garage / Truck Shed Photo 6 – Exterior photo taken from the roof of the garage. The existing roof is a multi-ply hot mopped roof with gravel ballast. Several patches have been made to the roof. It is our belief that the roof could possibly be original to the building, placing it at almost 40 years old. As such given its age, condition and on-going maintenance issues it is felt that this roof needs replacement. This roof does not have an additional 5 years of acceptable performance and should be replaced when funds are available.

Maintenance Garage / Truck Shed Photo 7 – Interior photo taken of the interior forced air electric ceiling heater. There are approximately 6 of these units. There are approximately 6 additional unit heaters located at the O.H doors. These units are not efficient and may not operate as originally installed. They also do not provide any cooling. Date of installation may be close to the construction of the building (circa 1980).

Stores Photo 8 – Photo of the Roof. The roof assembly is a built-up gravel ballast type roof. The roof appears to be original to the building construction. This roof does not have an additional 5 years of acceptable performance and should be replaced when funds are available.



Suite 'A' Photo 9 – Passenger Elevator. Due to mechanical issues the elevator has been temporarily taken out of service.

Limitations

Elliott Engineering Inc. make no warranty, representation, or guarantee of any kind regarding the lifespan or suitability of the building(s) or its ancillary equipment.

Elliott Engineering Inc. will not be responsible for consequential effects of the resulting factual Report, or the discovery of certain conditions and/or taking preventative measures relative to these conditions, on the real or perceived property values, or on the ability to sell, finance or insure the property.

In order to achieve the objectives outlined, we arrived at conclusions based upon the best information presently known to us. No investigative method can completely eliminate the possibility of obtaining partially imprecise or incomplete information; it can only reduce the possibility to an acceptable level. Professional judgment was exercised in gathering and analyzing the information obtained and in the formulation of conclusions. Like all professional persons rendering advice, we do not act as absolute insurers of the conclusions we reach, but commit ourselves to care and competence in reaching those conclusions. In order to properly understand the suggestions, recommendations and opinions expressed in the report, reference must be made to the Report in its entirety.

Very limited attempts have been made to predict the lifespan of some components or systems. Many systems are contained behind finishes and layers of building materials and are therefore inaccessible for review. It is possible and even likely that issues beyond the scope of this review exist within these areas. Due to the complexity and size of the building there are areas that were not either able to be reviewed or were not reviewed.

The client (Hydro One & API) agreed that Elliott Engineering Inc.'s employees, officers, directors and agents shall have no personal liability to the client in respect of a claim, whether in contract, tort and/or any other cause of action in law related to this report. Accordingly, the client expressly agrees that it will bring no proceedings and take no action in any court of law against any

of Elliott Engineering Inc.'s employees, officers, directors, or agents in their personal capacity. Any potential purchasers must perform their own assessment.

Elliott Engineering Inc., Hydro One and API will not be liable for any loss, damage, cost or expense incurred or arising by reason of any person using or relying on information in this document.

No attempt has been made to search for any environmental issues or concerns. However, there is a Designated Substance Survey report attached to this document in the Appendix for reference. This report was commissioned in 2009 and falls outside of Elliott Engineering Inc.'s purview. Elliott Engineering Inc. did not investigate any aspect of environmental Engineering (mold, dust, chemical, fume, etc) as it is beyond the scope of our review and Elliott Engineering Inc. have no experience in this area.

It shall be noted that drawings used for this report have been gathered from Hydro One archived files and municipal sources. They represent the buildings and facility in their general layout, design and information. There may arise occasions where the actual may differ from the plans. These differences to our knowledge of those drawings that are most reflective of the actual, are small and presently it is our belief do not significantly affect the objectives of this report. Future renovations and additions may require further confirmation on the actual construction.

ELLIOTT ENGINEERING INC.
35 CEDAR STREET, SAULT STE. MARIE, ON

Building Conditions - Summary Report
For Hydro One / API, Suite 'A'
2 Sackville, Sault Ste. Marie, ON
May 2018

Hydro One Sault Ste. Marie, LP
2 Sackville Road
Sault Ste. Marie, ON
P6B 6J6

EE File No. E18002

Title: **Building Renovations and Costing – Phase 2**

Project: **2 Sackville Road, ON**

Attention, Mr. Kevin Lewis, General Manager, Hydro One Sault Ste. Marie, LP

Please find attached our buildings review report as performed April of 2018. Please contact us with any clarifications or concerns.

Regards,

Pat Giunti,
Project Manager

Stan Elliott, P.Eng.
Design Engineer

General Costing

Phase 2

2 Sackville Road

Sault Ste. Marie, ON

ELLIOTT ENGINEERING INC.
35 CEDAR STREET, SAULT STE. MARIE, ON

ELLIOTT ENGINEERING INC.
35 CEDAR STREET, SAULT STE. MARIE, ON

Building Conditions - Summary Report
For Hydro One / API, Maintenance Garage / Truck Shed
2 Sackville, Sault Ste. Marie, ON
June 2018

General Costing Phase 2

Truck Shed / Garage Addition / Interior Renovations

2 Sackville Road

Sault Ste. Marie, ON

Table of Contents

Introduction

Elliott Engineering Inc. was retained by Hydro One Sault Ste. Marie LP (Hydro One) & Algoma Power Inc. (API), to provide a summary condition review of the buildings and general site, located at 2 Sackville Road, Sault Ste. Marie, ON. (Phase 1), as well as general costing and plans (spatial allocation) for the desired renovations as part of possible future logistics of their services and location and the possible reworking and or renovation of the existing layout to provide more efficient working spaces. of API (Phase 2).

Further to that which is noted above, our office attended the site on six separate occasions to gather information, review existing conditions and take photos. Maintenance and management staff were questioned in regard to building history and specifics.

Limitations

Elliott Engineering Inc. make no warranty, representation, or guarantee of any kind regarding the lifespan or suitability of the building(s) or its ancillary equipment or as to the actual and final costing of the items noted if and when full design is undertaken.

Elliott Engineering Inc. will not be responsible for consequential effects of the resulting factual Report, or the discovery of certain conditions and/or taking preventative measures relative to these conditions, on the real or perceived property values, or on the ability to sell, finance or insure the property.

In order to achieve the objectives outlined, we arrived at conclusions based upon the best information presently known to us. No investigative method can completely eliminate the possibility of obtaining partially imprecise or incomplete information; it can only reduce the possibility to an acceptable level. Professional judgment was exercised in gathering and analyzing the information obtained and in the formulation of conclusions. Like all professional persons rendering advice, we do not act as absolute insurers of the conclusions we reach, but commit ourselves to care and competence in reaching those conclusions. In order to properly understand the suggestions, recommendations and opinions expressed in the report, reference must be made to the Report in its entirety.

Very limited attempts have been made to predict the lifespan of some components or systems. Many systems are contained behind finishes and layers of building materials and are therefore inaccessible for review. It is possible and even likely that issues beyond the scope of this review exist within these areas. Due to the complexity and size of the building there are areas that were not either able to be reviewed or were not reviewed.

The client (Hydro One & API) agreed that Elliott Engineering Inc.'s employees, officers, directors and agents shall have no personal liability to the client in respect of a claim, whether in contract, tort and/or any other cause of action in law related to this report. Accordingly, the client expressly agrees that it will bring no proceedings and take no action in any court of law against any

of Elliott Engineering Inc.'s employees, officers, directors, or agents in their personal capacity. Any potential purchasers must perform their own assessment.

Elliott Engineering Inc. will not be liable for any loss, damage, cost or expense incurred or arising by reason of any person using or relying on information in this document.

No attempt has been made to search for any environmental issues or concerns. However, there is a Designated Substance Survey report by Golder Associates attached to this document in the Appendix for reference. This report was commissioned in 2009 and falls outside of Elliott Engineering Inc.'s purview. Elliott Engineering Inc. did not investigate any aspect of environmental Engineering (mold, dust, chemical, fume, etc) as it is beyond the scope of our review and Elliott Engineering Inc. have no experience in this area.

It shall be noted that drawings used for this report have been gathered from Hydro One archived files and municipal sources. They represent the buildings and facility in their general layout, design and information. There may arise occasions where the actual may differ from the plans. These differences to our knowledge of those drawings that are most reflective of the actual, are small and presently it is our belief do not significantly affect the objectives of this report. Future renovations and additions may require further confirmation on the actual construction.

Requirements for Renovations

A.0	Public Access / Rework Exterior – API, Suite 'A'
A.1	Reception / Public Access / Rework Interior – API, Suite 'A'
A.2	Renovations to Basement Washrooms – Suite 'A'
	Option '1'
A.2.1	Renovations to Basement Washrooms – Suite 'B'
	Option '2'
A.2.2	Renovations to Basement Washrooms – Suite 'B'
	Option '3'
A.3	Maintenance Shed Addition – Maintenance Garage API
A.4	New Truck Shed / Garage – API
A.5	Renovations to Stores – Insulation, Interior Metal liner and Mezzanine

The cost estimates that are included within this letter are to a Class 'D' level.

> ***Class "D"**: A **class "D" estimate** is prepared when a project is at the "Conceptual Design" stage. Conceptual design is defined as the beginning of a project when preliminary spatial needs have been identified, and a space program is being developed or the specific needs of a repair or replacement of any building element.*

A.0 Public Access / Rework Exterior – API Suite 'A'

Description

Refer to Attached dwg. SK04-RevA. API requires renovations to their existing office and reception area that acts as the primary entrance to the building for both staff and customers. The existing space does not allow for privacy of the public. As such a new entrance and interior renovations would be required. Exterior requirements:

- Provide separate and dedicated access to the public for general inquiries and payments
- Provide separate and dedicated access to the staff and receiving.
- Clear separation of staff and public
- Still maintain access from existing parking areas

Proposed Renovation (vestibule), Exterior Yard & Costing

Due to the constraints of the site and the requirements of API the proposed renovation would require a separate entrance and access to Suite 'A', the new requirements of such:

- Saw cut existing asphalt and concrete curb
- Rework new sidewalk, new barrier free concrete ramp
- Repair asphalt and curb
- Rework landscaping
- Remove existing wall
- New exterior doors and glazing and create a vestibule

Estimated cost for this work **$72,500.00**

A.1 Public Access / Rework Interior – API Suite 'A'

Description

Refer to Attached dwg. SK04-RevA. API requires renovations to their existing office and reception area that acts as the primary entrance to the building for both staff and customers. The existing space does not allow for privacy of the public. As such a new entrance and interior renovations would be required. Interior requirements:

- Provide separate and dedicated access to the public for general inquiries and payments
- Provide separate and dedicated access to the staff and receiving.
- Clear separation of staff and public
- Still maintain access from existing parking areas

Proposed Renovation Costing

Due to the constraints of the existing layout (elevators & stairs) and the requirements of API, the proposed renovation would require a re-working of the interior layout of Suite 'A' for the public service area, the new requirements of such:

- Demolition of interior walls
- Rework and layout of existing phones and telecommunication
- Interior Millwork
- Interior finishes, ie. Ceiling tile, paint, drywall, carpet
- Rework of existing electrical
- New interior doors and glazing

Estimated cost for this work **$62,500.00**

A.2 Renovations to Basement Washrooms / Change Rooms – Suite 'B'

Option '1' – Status to Remain Unchanged

Description

Refer to Attached dwg. SK02-RevA. API & Hydro One ideally require separations between their staff in regard to change rooms / washrooms in the basement of Suite 'B'. Presently both entities share the same space for both women and men. As such three potential options are available. The requirements of the washroom would be:

- Provide separate and dedicated access for both staffs and genders
- Separation of both entities.
- Secure access

Option '1' Costing – Status to Remain

The existing status remains. No changes to washrooms and access.

Estimated cost for this work **$0.00**

A.2.1 Renovations to Basement Washrooms / Change Rooms – Suite 'B'

Option '2' – Full Renovation

Description

Refer to Attached dwg. SK02-RevA. API & Hydro One ideally require separations between their staff in regard to change rooms / washrooms in the basement of the Suite 'B'. Presently both entities share the same space for both women and men. As such three potential options are available. The requirements of the washroom would be:

- Provide separate and dedicated access for both staffs and genders
- Separation of both entities.
- Secure access

Option '2' Costing – Rework of Existing Washrooms

Renovations to the basement of the existing washrooms would allow for the proper separation of the rooms for both entities and as such would include:

- Remove all existing plumbing. No salvage available.
- Saw cut and dig new sanitaries and vents
- Provide and overall of 54 new fixtures
- Provide new flooring & ceiling
- Provide new electrical, lighting & mechanical
- Provide new lockers, benches, partitions and washroom accessories
- Provide new doors
- Remove and then reinstall new interior walls of both block and gypsum board
- Temporary washroom and shower facilities are required

Estimated cost for this work **$275,000.00**

A.2.2 Renovations to Basement Washrooms / Change Rooms – Suite 'A'

Option '3' – Renovation of Suite 'A' / Suite 'B' to Remain

Description

Refer to Attached dwg. SK03-RevA. API & Hydro One ideally require separations between their staff in regard to change rooms / washrooms in the basement of the Suite 'B'. Presently both entities share the same space for both women and men. As such three potential options are available. The requirements of the washroom would be:

- Provide separate and dedicated access for both staffs and genders
- Separation of both entities.
- Secure access

Option '3' Costing – Rework of Existing Space in Suite 'A' for API Staff Only - Washrooms

Renovations to the basement of Suite 'A' would allow for the proper separation of the rooms for both entities and as such would include:

- Remove all existing plumbing, finishes and walls. No salvage available.
- Saw cut and dig new sanitaries and vents
- Provide and overall of 24 new fixtures
- Provide new flooring & ceilings
- Provide new electrical, lighting and mechanical
- Provide new lockers, benches, partitions and washroom accessories
- Provide new doors
- Remove and then reinstall new interior walls of both block and gypsum board

Estimated cost for this work **$150,000.00**

A.3 Maintenance Shed / Garage Addition

Description

Refer to Attached dwg. SK01-RevA. API requires additional space for maintenance of the existing Pole & Line Truck fleet as well as additional work areas for tool repairs. The existing maintenance shop presently does not fully meet their needs. A such an addition would have to be constructed. This new addition requirements:

- Work space for a Pole/Line Trucks
- Main compound access
- Easy access to existing facilities
- Continued yard usage similar to present condition
- Overhead crane
- Mezzanine for storage

Proposed Addition & Costing

Due to the constraints of the site and the requirements of API the proposed addition described shall be located abutting the existing Maintenance Shed / Garage.

- The addition shall be as a minimum 40’ x 30’, single story flat sloped, pre-engineered garage.
- 24’ +/- interior ceiling height
- Interior lined with 8” of vinyl faced batt insulation
- RTU providing both heat and cooling
- 12’ interior metal liner
- 100amp electrical service
- Roof
- General lighting, Interior and exterior
- Floor drains connected to existing yard drainage

- 1 Overhead door
- Minimum of 2 man doors
- New overhead crane

Estimated cost for this addition **$310,000.00**

A.4 New Truck Shed / Garage

Description

Refer to Attached dwg. SK01-RevA. API required as a minimum a 7 bay garage for there fleet of Pole Trucks / Line Trucks. The existing site does not have a building sufficient for this need. A such a new building would have to be constructed. This new building requirements:

- Parking & Storage for 7 Pole/Line Trucks
- Main compound access
- Easy access to existing facilities
- Continued yard usage similar to present condition

Proposed Building & Costing

Due to the constraints of the site and the requirements of API the proposed building described shall be located abutting the general parking area fence and the T1 sub-station.

- Building shall be as a minimum 114’ x 46’, single story mono slope pre-engineered garage.
- 24’ +/- interior ceiling height
- Interior lined with 8” of vinyl faced batt insulation
- 100amp electrical service
- Radiant tube heating
- General lighting, Interior and exterior
- Floor drains connected to existing yard drainage
- 7 Overhead doors
- Minimum of 4 man doors

Estimated cost for this addition **$622,000.00**

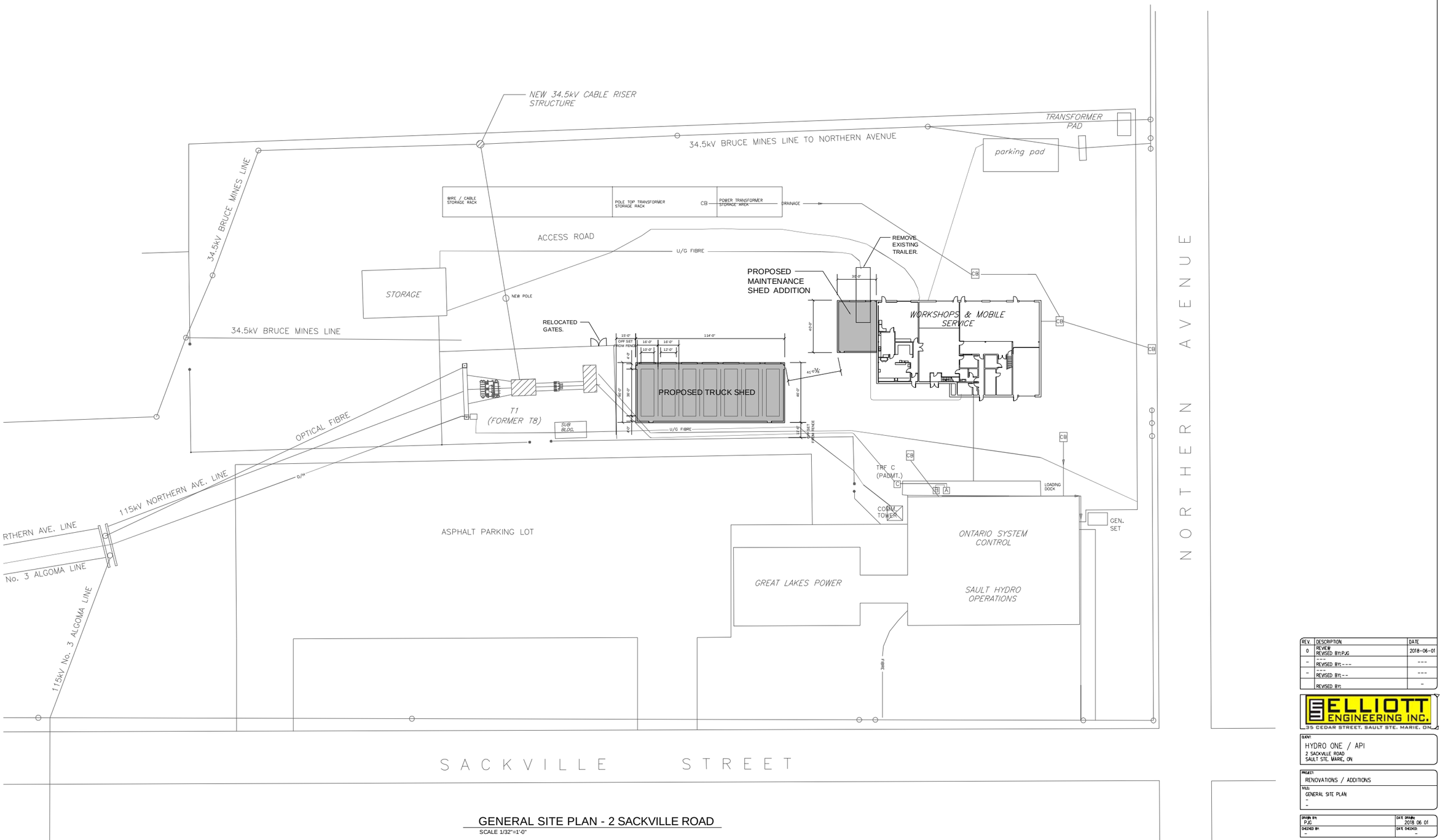
A.5 Renovations to Stores – Insulation, Interior Metal liner and Mezzanine

Description

API requires renovations to the existing Stores Building which is presently un-insulated and used primarily for cold Storage. The existing space does not meet their requirements. As such new insulation, interior metal liner and a pre-engineered mezzanine is required. Generally, the renovations would consist of:

- Provide 4" of spay-in insulation
- Provide full height interior metal liner fastened to the existing channel girts.
- Provide pre-engineered mezzanine around the perimeter of the building approximately 10' wide and 10' high.
- Provide new RTU for heating and cooling
- Miscellaneous steel framing for the interior liner

Estimated cost for this addition **$200,000.00**



GENERAL SITE PLAN - 2 SACKVILLE ROAD

SCALE 1/32"=1'-0"

REV.	DESCRIPTION	DATE
0	REVIEW REVISED BY:PJG	2018-06-01
-	--- REVISED BY:---	---
-	--- REVISED BY:--	---
	REVISED BY:	-

ELLIOTT ENGINEERING INC.
35 CEDAR STREET, SAULT STE. MARIE, ON

CLIENT:
HYDRO ONE / API
2 SACKVILLE ROAD
SAULT STE. MARIE, ON

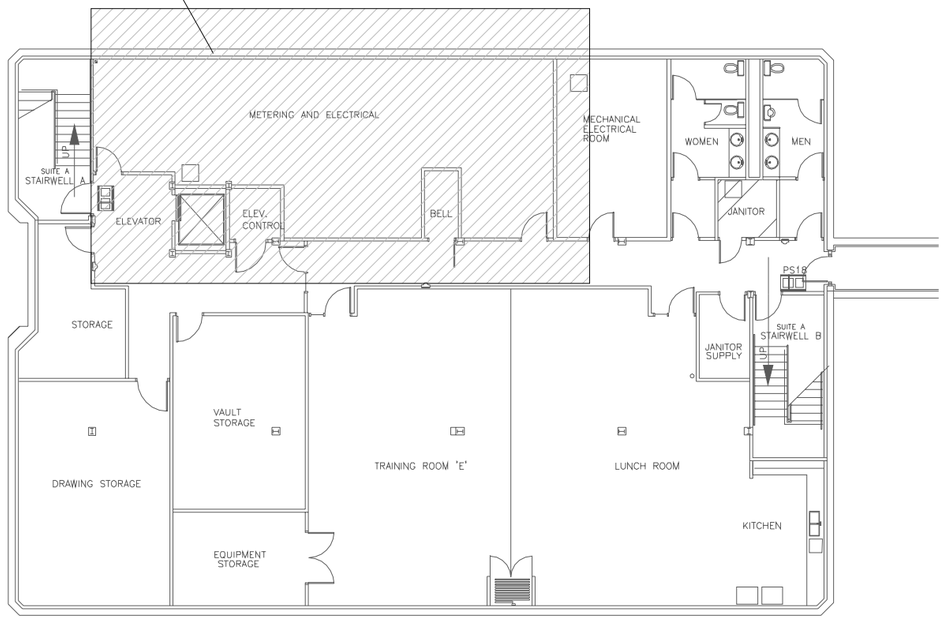
PROJECT:
RENOVATIONS / ADDITIONS

TITLE:
GENERAL SITE PLAN
-
-

DRAWN BY:	DATE DRAWN:
PJG	2018 06 01
CHECKED BY:	DATE CHECKED:
-	-
ISSUED FOR: REVIEW	DATE ISSUED: 2018 06 01

PROJECT NUMBER:	DRAWING NUMBER:	REVISION:
E18002	SK01	A

GENERAL AREA OF RENOVATIONS



WASHROOM RENOVATIONS / SUITE 'A' - OPTION '1'

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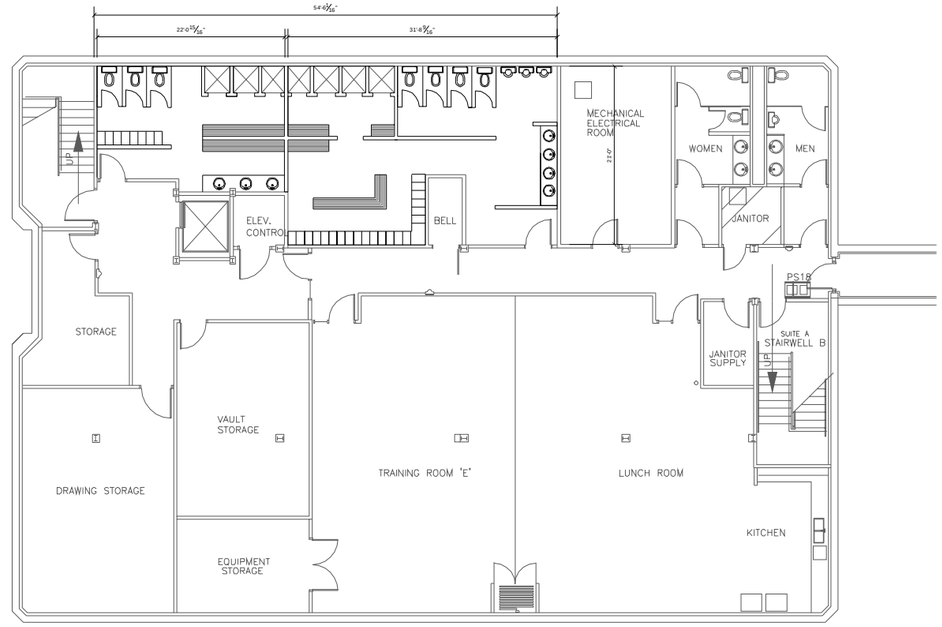

WASHROOM RENOVATIONS / SUITE 'A' - OPTION '3'

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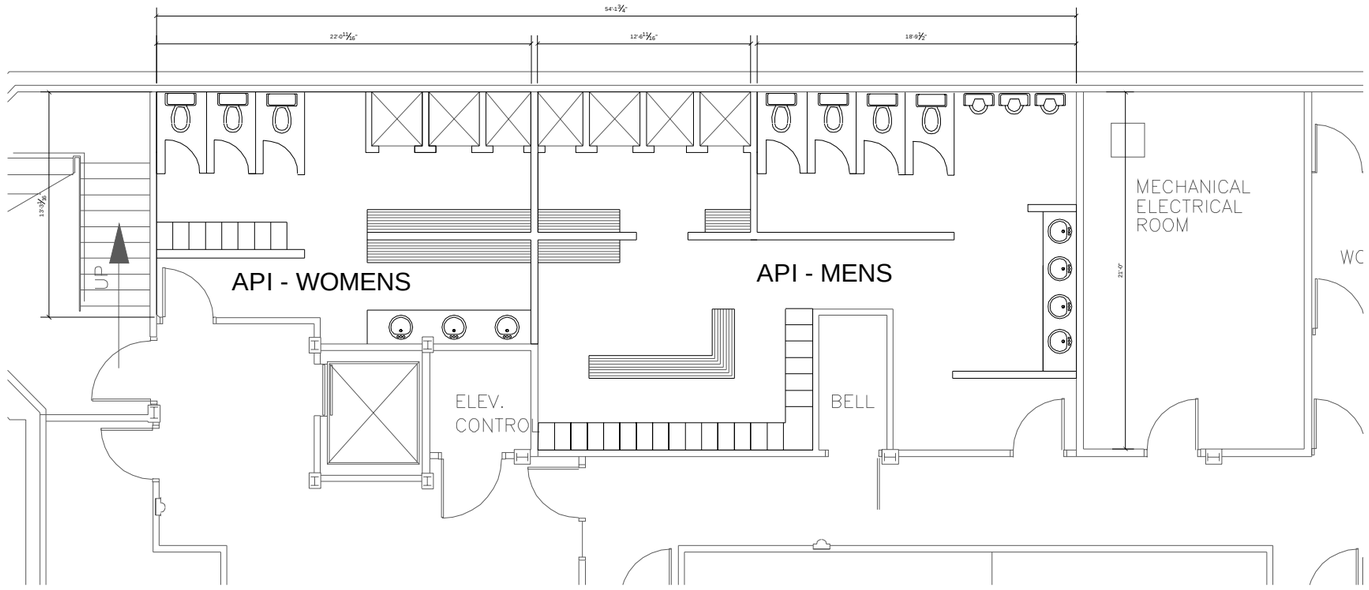

WASHROOM RENOVATIONS / SUITE 'A' - OPTION '3' ENLARGED

SCALE 3/32"=1'-0"

REV.	DESCRIPTION	DATE
A	REVIEW REVISED BY: PJG	2018-06-12
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ELLIOTT ENGINEERING INC.
35 CEDAR STREET, SAULT STE. MARIE, ON

CLIENT:
HYDRO ONE / API
2 SACKVILLE ROAD
SAULT STE. MARIE, ON

PROJECT:
RENOVATIONS / ADDITIONS

TITLE:
WASHROOM PLANS
OPTION 1
OPTION 3

DRAWN BY:	DATE DRAWN:
PJG	2018 06 01
CHECKED BY:	DATE CHECKED:
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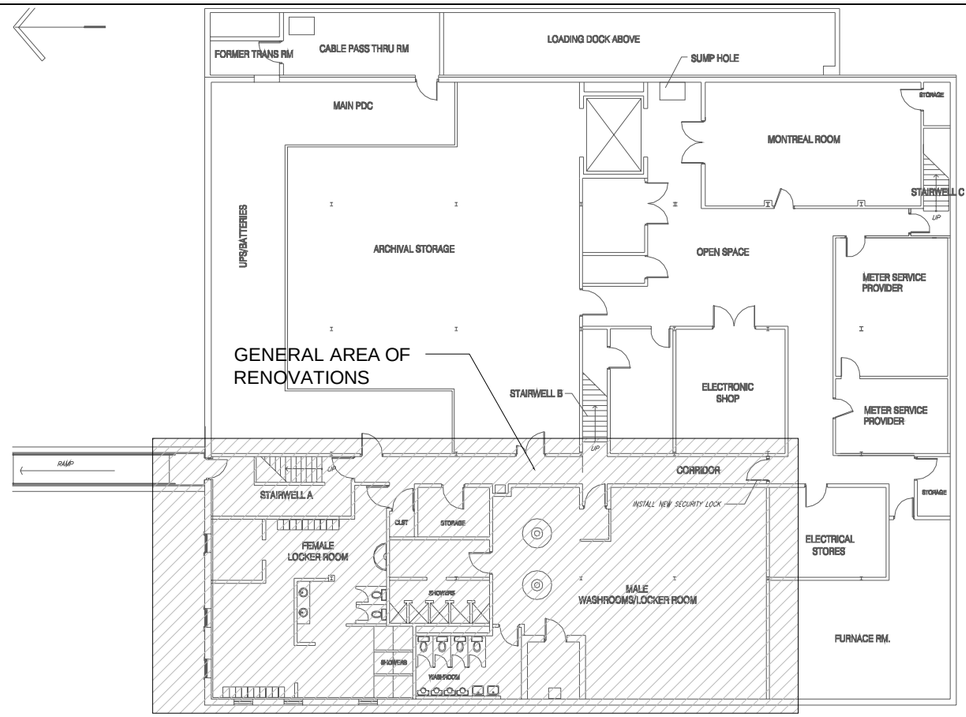
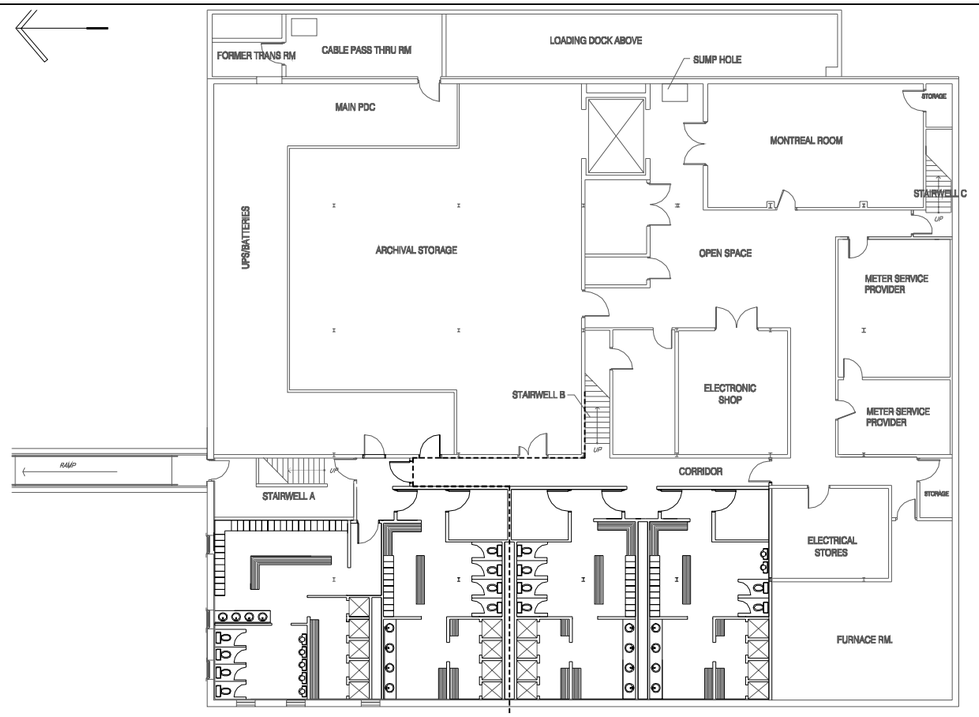
ISSUED FOR: REVIEW — DATE ISSUED: 2018 06 12

PROJECT NUMBER	DRAWING NUMBER	REVISION
E18002	SK03	A



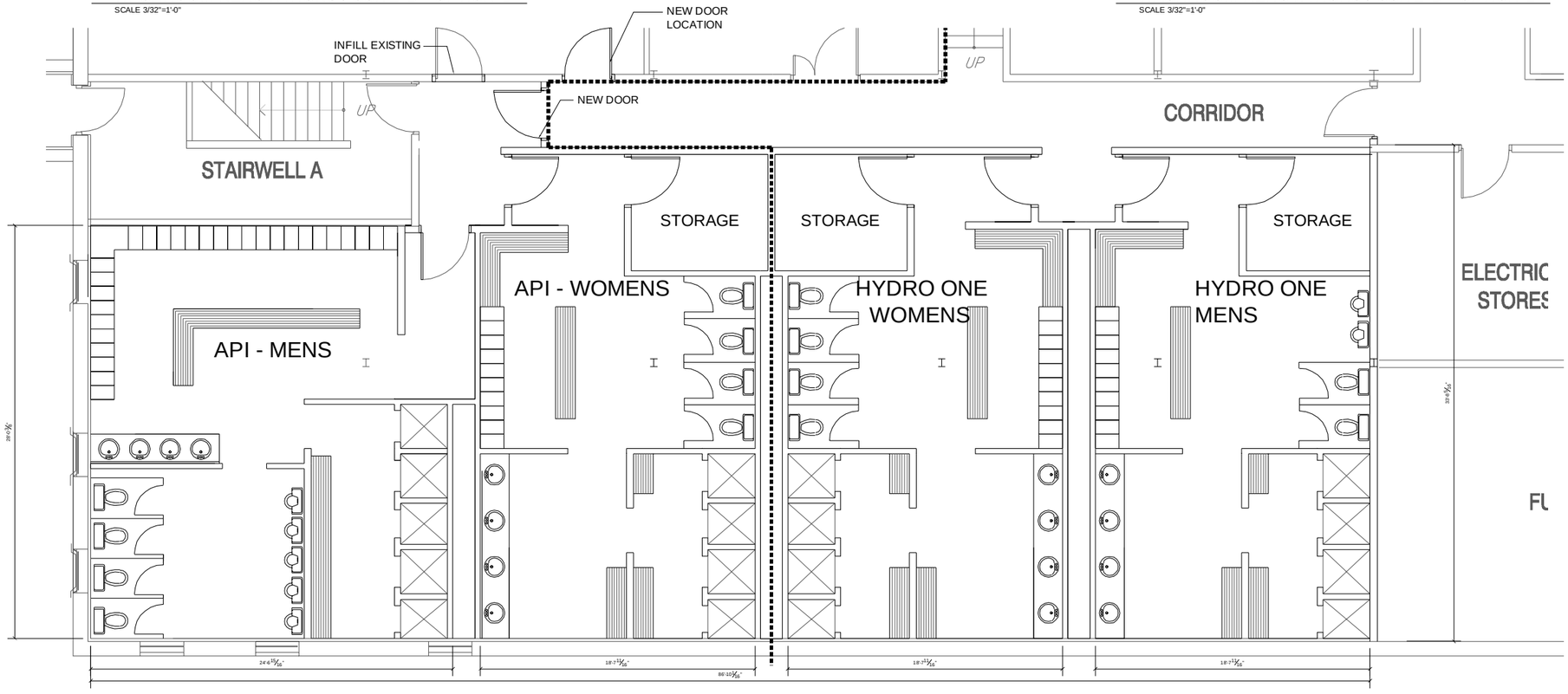
WASHROOM RENOVATIONS / SUITE 'B' - OPTION '1'

SCALE 3/32"=1'-0"



WASHROOM RENOVATIONS / SUITE 'B' - OPTION '2'

SCALE 3/32"=1'-0"



WASHROOM RENOVATIONS / SUITE 'B' - OPTION '2' ENLARGED

SCALE 3/32"=1'-0"

REV.	DESCRIPTION	DATE
A	REVIEW REVISED BY:PJG	2018-06-12
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	REVISED BY:	-

ELLIOTT ENGINEERING INC.
35 CEDAR STREET, SAULT STE. MARIE, ON

CLIENT:
HYDRO ONE / API
2 SACKVILLE ROAD
SAULT STE. MARIE, ON

PROJECT:
RENOVATIONS / ADDITIONS

TITLE:
WASHROOM PLANS
OPTION 1
OPTION 2

DRAWN BY:	DATE DRAWN:
PJG	2018 06 01
CHECKED BY:	DATE CHECKED:
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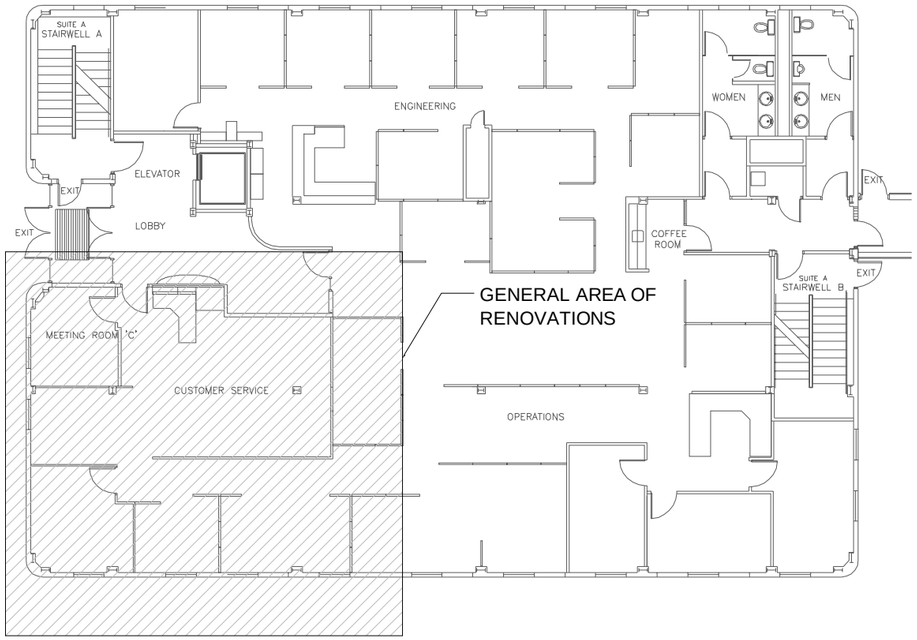
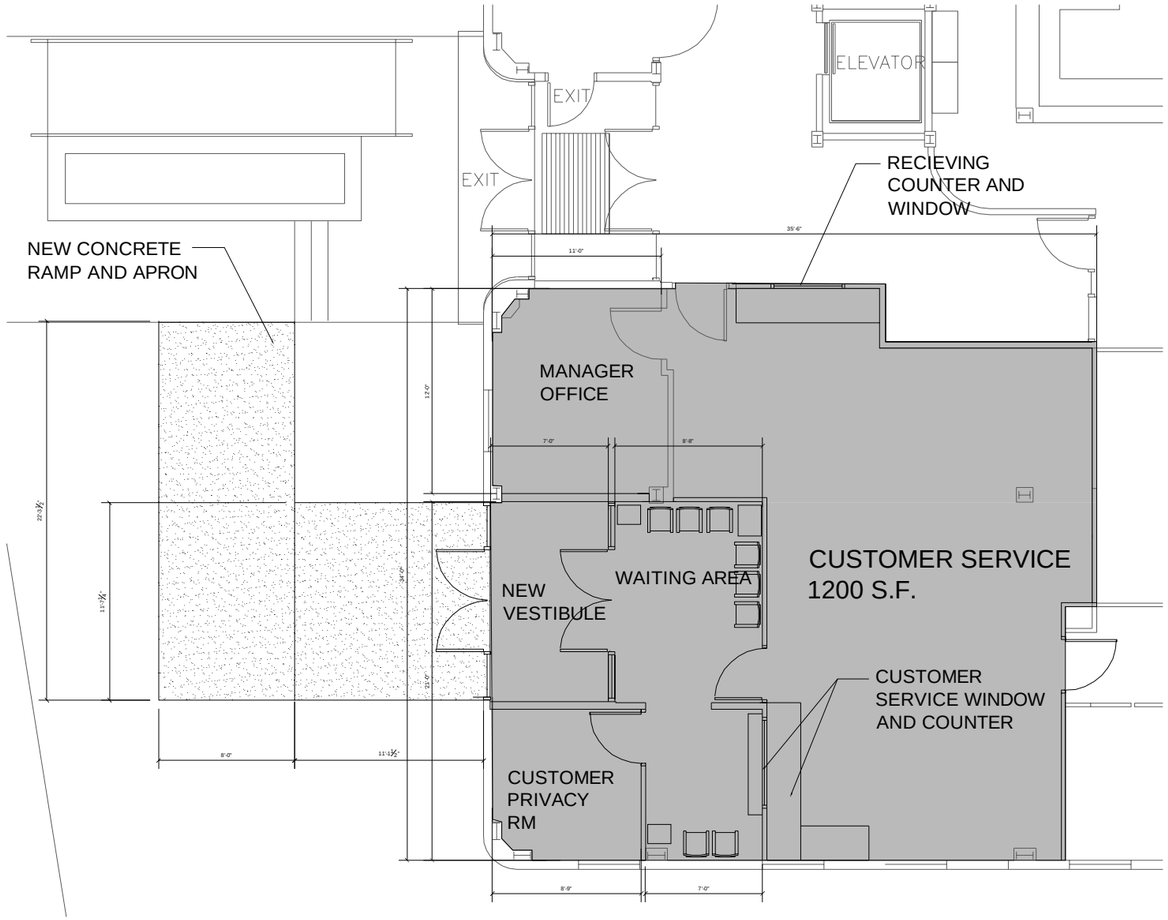
ISSUED FOR: REVIEW — DATE ISSUED: 2018 06 12

PROJECT NUMBER:	DRAWING NUMBER:	REVISION:
E18002	SK02	A



EXISTING LAYOUT - CUSTOMER SERVICE / FIRST FLOOR

SCALE 1/8"=1'-0"



INTERIOR / EXTERIOR
CUSTOMER SERVICE AREA - REVISED

SCALE 1/4"=1'-0"

REV.	DESCRIPTION	DATE
A	REVIEW REVISED BY:PJG	2018-06-12
-	--- REVISED BY:---	---
-	--- REVISED BY:--	---
	REVISED BY:	-

ELLIOTT ENGINEERING INC.
35 CEDAR STREET, SAULT STE. MARIE, ON

CLIENT:
HYDRO ONE / API
2 SACKVILLE ROAD
SAULT STE. MARIE, ON

PROJECT:
RENOVATIONS / ADDITIONS

TITLE:
CUSTOMER SERVICE AREA
SUITE 'A'
PLANS

DRAWN BY:	DATE DRAWN:
PJG	2018 06 01
CHECKED BY:	DATE CHECKED:
-	-

ISSUED FOR: REVIEW — DATE ISSUED: 2018 06 14

PROJECT NUMBER	DRAWING NUMBER	REVISION
E18002	SK04	A

Appendix E – KPMG Correspondence

KPMG LLP
Claridge Executive Centre
144 Pine Street
Sudbury ON
P3C 1X3

Telephone (705) 675-8500
Fax (705) 675-7586
www.kpmg.ca

PRIVATE AND CONFIDENTIAL
Mr. Gord Mezzomo
MGP Architects Engineers Inc.
123 East Street
Sault Ste. Marie, Ontario P6A 3C7

September 10, 2018

Dear Mr. Mezzomo

As requested, KPMG is pleased to provide our comments concerning lease rates in Sault Ste. Marie for Class A office space, industrial space and vacant land. We understand that our comments have been requested in connection with your review of potential facility alternatives for Algoma Power Inc. ("API").

Our comments are based on the following sources of information:

— Discussions with commercial real estate agents;

— Reviews of commercial lease listings available through the MLS website; and

— A review of available public information concerning lease rates.

Class A office space

Based on the results of our review, it appears that there is insufficient vacant Class A office space currently available in Sault Ste. Marie to meet the requirements of API. As such, it is likely that a landlord would be required to construct a new facility for API's use. Based on this assumption, the results of our review indicate that a potential lease rate would be in the range of $20.00 to $25.00 per square foot on a gross lease basis. Our review also indicates that property taxes, insurance and common area maintenance charges ("CAM") would be in the order of $8.00 per square foot, resulting in a triple-net lease rate of between $12.00 and $17.00 per square foot.

Industrial space

The results of our analysis indicate that the average lease rate for industrial space (e.g. warehousing, fabrication and manufacturing workshops) is in the range of $6.50 to $7.50 per square foot on a triple-net lease basis, with property taxes, insurance and CAM amounting to approximately $3.00 to $3.50 per square foot. This equates to a gross lease of rate of $9.50 to $11.00 per square foot.

Vacant land

During the course of our review, we were unable to obtain information concerning vacant land lease rates in Sault Ste. Marie. However, we did identify vacant industrial land lease rates of $500.oo per acre per month in Greater Sudbury. Given the proximity of Greater Sudbury to Sault Ste. Marie, we consider this to be a reasonable proxy for vacant industrial land lease rates in Sault Ste. Marie.

****

We trust the above is satisfactory for your purposes. Please feel free to contact the undersigned should you require anything further.

Yours very truly

KPMG LLP

Per Oscar A Poloni, CPA, CA, CBV
Partner

/lb

Appendix F - Pelican Woodcliff Correspondence

P | W

PelicanWoodcliff

ENVISION. EVALUATE. EXCEL.

September 13, 2017

Mr. Gord Mezzomo
MGP Architects Engineer Inc.,
123 East Street,
Sault Ste. Marie, ON. P6A 3C7

Dear Gord,

Re: Algoma Power Inc. – New Facility, Sault Ste. Marie

Further to your request for advice regarding the relative cost of construction in Sault Ste. Marie and Southern Ontario in the context of the above captioned project we would respond as follows:

In our opinion, construction costs in Sault Ste. Marie run at about 15% to 20% higher than in Southern Ontario for similar projects. The main cost drivers of this cost increase are:

- Haulage Costs for Materials and Equipment – Unlike Southern Ontario where materials such as concrete, steel and Mechanical and Electrical equipment are readily available, such items tend to be hauled over much greater distances to sites in Sault Ste. Marie resulting in higher material and equipment costs.

- Smaller Local Sub-Trade Pool – the number of Local Sault Ste. Marie sub-contractors that are available and capable of performing on such projects is much smaller than in Southern Ontario and so competition on price is diminished. In addition to this, a busy Southern Ontario construction market, such as we have now, means that Southern Ontario trades are far less likely to consider working in Sault Ste. Marie.

- Fewer Large General Contracting Companies – Similar to the sub-trade issue described above, there are far fewer General Contracting companies available in Sault Ste. Marie that are capable of performing on such projects, again resulting in increased pricing levels.

Another impact that the limited local, Sault Ste. Marie, construction resources has on construction costs is unpredictability. A relatively small increase or decrease in construction volume can have a large impact on costs for a specific project. In light of this we would advise that you continue to carry some level of pricing contingency in your budgeting right up to and including the tender estimate stage. The level of this contingency should be in keeping with your Clients appetite for risk with respect to the budget being exceeded at tender stage.

Please do not hesitate to contact the writer should you require any further assistance with this matter.

Yours very truly,

PELICAN WOODCLIFF INC.

Jim Ryan
Principal

JR:rk

100 York Blvd., Suite 608, Richmond Hill, ON L4B 1J8
Tel 905.889.9996 Fax 905.889.9950
pelicanwoodcliff.com

Name: **Jim Ryan, B.Sc. (Surveying), PQS** **RESUME**

Role: Cost Consulting Team Leader / Principal in Charge

Education: Bachelor of Science Degree (Surveying), Trinity College, Dublin, Ireland
Diploma in Construction Economics, Bolton St. College of Technology, Dublin, Ireland

Professional Affiliation: Member of Canadian Institute of Quantity Surveyors - Professional Quantity Surveyor

Experience & Capability: Jim Ryan completed his education and training in Dublin, Ireland and immigrated to Canada in 1994. Jim is a Principal of Pelican Woodcliff and a senior architectural and structural quantity surveyor with over thirty (30) years of experience working for a variety of consulting and contracting firms in Canada, the UK and Ireland. Jim has successfully provided cost consulting on a broad range of projects. His experience also spans the life cycle of projects from master planning stage through to final account preparation.

2005 - Present	Pelican Woodcliff Inc. - Senior Quantity Surveyor / Principal
2002 - 2005	Stantec - Manager Cost Consulting Services
1997 - 2002	Hanscomb - Senior Quantity Surveyor
1996 - 1997	Woodcliff Construction Consultants Inc. - Senior Quantity Surveyor
1994 - 1996	Shiu & Associates Inc. – Quantity Surveyor / Billing Clerk
1989 - 1993	Brophy Building, Civils and Landscape Contractors, England - Quantity Surveyor/Contracts Manager
1985 - 1989	Modern Display Artists, Ireland - Estimator & Purchasing Manager
1979 - 1984	Brendan Merry & Partners, Dublin, Ireland - Assistant Quantity Surveyor

Project Experience: The following are some of the projects on which Jim has worked as Senior QS / Team Leader:

PUC Services Facility, Sault Ste. Marie	$23,000,000
Fisheries & Oceans Facility, Sault Ste Marie	$7,000,000
MTO Facility, Gravenhurst	$5,500,000
MTO Facility, Sundridge	$6,300,000
Durham Region Transit Facility	$45,000,000
York Region Joint Household Hazardous Waste Facility & Road Maintenance Facility	$28,000,000
York Region Transit, Operations and Maintenance Facility	$30,000,000
GRT Bus Storage & Maintenance Facility Expansion, Kitchener	$44,000,000
TTC Wilson Car House, Operations Upgrades	>$50,000,000
TTC Wilson Car House North Expansion	$34,000,000
Sheppard Avenue East Light Rapid Transit System (LRT)	>$500,000,000
TTC Wilson Car House South & East Expansion & Renovation	$90,000,000
Pickering GO Station Parking Structure	$37,000,000
Toronto-York-Spadina Subway Extension, (5 Bid Packages)	$1,170,000,000
Erindale GO Station Parking Structure, Mississauga	$66,000,000
TTC Queensway Bus Garage, Repair Bay and Storage Bay Modifications	$15,000,000
Finch Avenue West Light Rapid Transit System (LRT)	>$500,000,000
Viva Next Bus Rapid Transit System	>$500,000,000