

**Philips Engineering Ltd.**  
Paisley Hotel Property  
March 20, 2006  
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*Secondary Repairs*

Upon completion of the immediate repairs listed above, replace all roof drains and install a new waterproof roofing membrane and make building envelope watertight.

Summary

In summary, based on our field observations, measurements and information provided, we find that the existing building in whole or in part can be rehabilitated to a safe condition. However, given the amount of effort and resources that will be required to achieve this state, it is recommended that consideration be given to the undertaking this work.

This evaluation is preliminary only, based on the observations noted during our site inspection. A subsequent detailed report with photos and sketches will be completed and forwarded by April 17, 2006. Given the limitations at the time of our inspection, our report does not include a review of the roof exterior or the foundations. A further evaluation of the roof membrane and the supporting structure would be recommended.

Trusting this to be acceptable to you. Please do not hesitate to call if you have any questions.

Yours very truly,

PHILIPS ENGINEERING LTD.

Per: Hank A. P. Huitema, M. Eng., P. Eng.

Ben Hunter, B.E.Sc., E.I.T.

/bh

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Municipality of Arran-Elderslie (Fax: 519-363-2203)