

December 12th, 2023

Dear Members of the Klahoose First Nations,

I trust this message finds you well. As the General Manager of Qathen Xwegus Management Corporation (QXMC), it is my privilege and responsibility to provide you with a comprehensive update on the multitude of projects currently underway across the various Limited Partnerships (LPs) under our management. This year-end report serves as the precursor to our forthcoming monthly updates, ensuring transparent and ongoing communication.

Gorge Harbour Marina:

Septic/Water (Ongoing):

At Gorge Harbour Marina, our commitment to sustainability remains steadfast. An ongoing project involves the assessment of Grey Water treatment options. Integrated Sustainability and Flow Septic are actively on-site, meticulously evaluating the optimal location for treatment and subsurface irrigation. The preliminary findings suggest that septic fields 3 and 4 are the most suitable areas. Additionally, Flow Septic has identified damaged infiltration chambers within the septic fields, which are being promptly repaired. Simultaneously, we are in the process of designing enhanced Septic Systems and a Water Distribution System to ensure compliance with Health Authorities while meeting the resort's needs.

Electrical Site Distribution (Ongoing):

We are excited to announce the commencement of a new central electrical distribution project. Initial discussions took place on November 30th, with construction scheduled to commence on December 5th. This initiative will not only provide electricity to our existing sites but also lay the foundation for future development.

Pool (Ongoing):

Efforts to ensure the safety and compliance of the Pool and Hot Tub are in progress, with Tanner Rogers actively working on the Pool Safety Datasheet and the application for the Pool Operating permit. All required work has been completed to align with Health Authorities' regulations, and our staff members have undergone rigorous Pool Operator training.

Campground (Ongoing):

To accommodate the increasing size of RVs and revitalize our services, we are undergoing a comprehensive redesign of the Campsites. This project includes the installation of new sewer, electrical, internet, and water lines, along with the creation of new gravel pads.

Domes (Ongoing):

In our ongoing pursuit of innovation, we are thrilled to announce the installation of six Geodesic Domes, tailored to offer Glamping (Glamorous Camping) experiences. Cement pads are currently being poured to provide a sturdy foundation, and the domes are set to arrive this week.

Food Truck (Ongoing):

Construction of the food truck is progressing steadily, and we are working towards a meeting with Klahoose Band members to finalize its name. Site preparation is expected to commence late December or early January. We are also keen to involve the community in decisions regarding the deck design and potential artistic elements around the Truck. The Truck itself will feature a Vinyl cover adorned with designs by Ernest.

Klahoose Wilderness Resort (KWR):

Repairs/Maintenance (Ongoing):

We have initiated work on rebuilding the current water shed and are currently assessing propane tank repairs and the installation of an on-demand water heater.

Synergies (Ongoing):

We are pleased to announce that we have signed a contract with WebRezPro for a new Reservation System. Plans are in motion to transition to this system in the upcoming spring. Furthermore, we are actively seeking a new employee to oversee Gorge Harbour reservations from Powell River. Applications are warmly welcomed.

Klahoose Coastal Adventures (KCA):

We have recently convened meetings with Campbell River Whale Watching, Way West (now under Homalco ownership), and Eagle Eye Adventures to discuss the past year and future prospects.

Homalco (Way West):

Homalco, the new owners of Way West, are committed to maintaining the existing tour operations. They intend to continue sending boats and guests to Toba for Bear Tours and are exploring opportunities to enhance our collaboration.

Campbell River Whale Watching (CRWW):

Campbell River Whale Watching is enthusiastic about our ongoing partnership. They are even willing to adjust tour timings to provide an even better experience for guests, potentially offering two tours in the morning and two in the afternoon, compared to our current schedule of three morning tours and one in the afternoon.

Eagle Eye:

Contrary to earlier speculations, Eagle Eye Adventures is planning to expand rather than retire. This expansion presents an opportunity for increased collaboration. We are exploring the potential of expanding business operations in Brem, which would allow for additional tours. Benny Lessard has been tasked with conducting research, cost analysis, and presenting potential development options. It's

important to note that these plans will not impact the 2024 season but will provide valuable insights for potential expansion in 2025. Our focus for the 2024 season remains on the purchase of a quality second-hand bus, early brushing, and tower repairs.

Sawmill:

The Sawmill has made strategic investments in new machinery to enhance lumber production. Our initial focus is on milling wood for projects at Gorge Harbour, KWR, and Squirrel Cove.

Aquaculture:

Paul Muskee continues to excel in managing our various leases. Scallop production is ongoing, and Oyster and Clam harvesting operations are running smoothly. We will convene discussions in the new year to explore future possibilities in this sector.

Squirrel Cove Development:

Specialized engineers are currently engaged in the planning of the Store and Gas Station site for future construction. Project Managers and Grocery Specialists are actively collaborating with the Store Manager and me to determine the store layout and the range of products we aim to offer. Your input and suggestions regarding the store's inventory are highly valued.

Open lines of communication are of paramount importance to us. I am committed to providing regular updates and am readily available to address any questions or concerns you may have. Please feel free to reach out to me at any time via phone at 250-205-6966, email at generalmanager@qxmc.org, or visit me in person at Gorge Harbour on Mondays, Wednesdays, Thursdays, and Fridays, or at the Klahoose Multi-Purpose Building every Tuesday.

Thank you for your continued trust and support.

Sincerely,

Marco Bedetti General Manager

Qathen Xwegus Management Corporation

Email: generalmanager@qxmc.org

Website: www.qxmc.org

