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Strata NW 367 Sea Vista Depreciation Report



Presented to:

The Owners, Strata NW 367
Sea Vista
15041 Prospect Avenue
White Rock, BC, V4B 2B5

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February 20, 2014

The Owners, Strata NW 367

Sea Vista
15041 Prospect Avenue
White Rock, BC, V4B 2B5

c/o Yvonne Henderson
Strata Council Member
15041 Prospect Avenue
White Rock, BC, V4B 2B5

Thank you for the opportunity to produce your Strata's Depreciation Report ("DR"). The DR was prepared at the request of Yvonne Henderson, on behalf of the Owners, Strata NW 367—Sea Vista ("Strata").

The purpose of the DR is to help the Strata make informed decisions about managing the renewal of common property assets. The DR describes the reserve fund concepts and major reserve fund items. It provides current and future replacement costs and provides alternative funding plans. The financial model is a complex document and should be reviewed in detail and within the context of this report.

A draft financial model report was presented to members of the Strata Council on September 5, 2013. Updates were made in light of the feedback provided.

We recommend that a review of the Reserve Fund capital spending, income and funding assumptions be carried out annually by the Strata Corporation to monitor the Reserve Fund balance at or near the time of the Annual Budget meetings.

As the physical and financial state of the commonly owned assets change, the DR will require updating. We recommend that a new DR be carried out every 3 years as per the Strata Property Act. Normac Appraisals Ltd. would be pleased to continue as your provider in the future.

We appreciate the opportunity to prepare this report for you.

Respectfully submitted,

A handwritten signature in black ink that reads "Normac Appraisals Ltd." with a stylized flourish at the end.

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TABLE OF CONTENTS

1.0	EXECUTIVE SUMMARY	7
2.0	RECOMMENDATIONS	11
3.0	CERTIFICATION	12
4.0	DEPRECIATION REPORT OVERVIEW	13
4.1	Purpose and Methodology	13
4.2	Depreciation Report Structure	13
4.3	Normac Planning Standards	14
4.4	Review of Records.....	14
5.0	PROPERTY DESCRIPTION	15
5.1	Included and Excluded Assets.....	17
5.2	Financial Figures.....	18
5.3	Assumptions	19
5.4	Renewal Strategies	19
6.0	THE BUILDING RESERVE COMPONENTS	20
6.1	Substructure & Structural Components.....	20
6.2	Exterior Enclosure Components	25
6.3	Interior Components	32
6.4	Mechanical Components	36
6.5	Plumbing Components.....	38
6.6	Electrical Components	39
6.7	Safety and Security Components	40
6.8	Site Services Components.....	43
6.9	Site Components	44
7.0	FINANCIAL ANALYSIS	48
7.1	Benchmark Analysis, Overview and Explanation.....	48
7.2	Three 30-Year Cash-flow Funding Models.....	52
7.3	General Financial Assumptions	52
7.4	General Assumptions.....	55
7.5	Projections.....	55
7.6	Plan for Future Funding	56
7.7	Projected Reserve Fund Expenditures	56
7.8	Adequacy Funding Model	57
7.9	Full Funding Model	60
7.10	Alternative Funding Model.....	63
8.0	APPENDIX A—TERMS OF REFERENCE.....	66
9.0	APPENDIX B—FEEDBACK.....	68
10.0	APPENDIX C—B.C.’S STRATA PROPERTY ACT—DEPRECIATION REPORT.....	69
11.0	APPENDIX D—DEFINITIONS	71
12.0	APPENDIX E—TEAM BIOGRAPHIES	73

LIST OF COMPONENTS

SUBSTRUCTURE & STRUCTURAL

S 1 – Foundation.....	20
S 2 – Parkade	21
S 3 – Balconies	22
S 4 – Garage Roof Decks.....	23
S 5 – Balcony and Deck Guards.....	24

EXTERIOR ENCLOSURE

EE 1 – Flat Roofing	25
EE 2 – Sloped Roofing.....	26
EE 3 – Gutters and Downspouts	27
EE 4 – Exterior Cladding.....	28
EE 5 – Windows	29
EE 6 – Exterior Doors.....	30
EE 7 – Painting and Caulking	31

INTERIORS

I 1 – Lobby.....	32
I 2 – Corridors and Stairwells.....	33
I 3 – Interior Doors	34
I 4 – Amenities – Social Lounge, Games Room, Sauna, and Bathrooms.....	35

MECHANICAL

M 1 – Elevator	36
M 2 – HVAC	37

PLUMBING

P 1 – Domestic Water System	38
-----------------------------------	----

ELECTRICAL

EL 1 – Electrical Systems.....	39
--------------------------------	----

SAFETY AND SECURITY

SS 1 – Fire Alarm System and Emergency Power.....	40
SS 2 – Suppression	41
SS 3 – Access Control and Security	42

SITE SERVICES

SRV 1 – Buried Site Services and Drainage.....	43
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SITE COMPONENTS

Site 1 – Paving.....	44
Site 2 – Walkways	45
Site 3 – Site Guards.....	46
Site 4 – Landscaping.....	47

1.0 EXECUTIVE SUMMARY

The Strata, constructed circa 1975, consists of 15 suites in one (1) on-grade building with several site improvements.

We inspected the complex, discussed the complex with the owners and reviewed the documents made available to us. From these interviews, documents and visual review we prepared this report.

This DR outlines our review of the common assets and our estimates of the assets’ life-cycle as well as the cost to replace these assets.

What follows on the next pages are the:

- 1) Summary information table
- 2) Benchmark Analysis
- 3) Graph representing different funding models
- 4) Reserve Fund major component expenditures over 30 years
- 5) Recommendations

SUMMARY INFORMATION TABLE

The property assets are considered to be in good condition overall. High-level details are provided below.

TABLE 1—DEPRECIATION REPORT RESERVE FUND SUMMARY INFORMATION	
Strata Corporation	Strata NW 367, Sea Vista 15041 Prospect Avenue White Rock, BC, V4B 2B5
Applicant	c/o Yvonne Henderson Strata Council Member 15041 Prospect Avenue White Rock, BC, V4B 2B5
Date of Depreciation Report	February 20, 2014
Date of site-visit	June 26, 2013
Inflation Rate Factor	2.80%
Interest Rate Factor	1.25%
Current Replacement Costs	\$1,118,100
Future Replacement Costs	\$1,740,124
Current Reserve Fund Requirements	\$621,532
Future Reserve Fund Accumulation	\$719,378
Future Reserve Fund Requirements	\$1,020,746
Annual Optimal Reserve Fund Contribution Requirements	\$59,852

BENCHMARK ANALYSIS

On the next page, the Benchmark Analysis is shown. It provides a summary listing of each Strata Component. At a high level it shows the life cycle analysis and the cost estimates on a single spreadsheet for easy reference. The costs are increased by inflation over time to the future date of replacement.

The Reserve Fund estimates have been prepared without regard to the current financial position of the corporation or the Current Reserve Fund contributions by unit owners, and as such, they represent the optimum Reserve Fund operation, which assumes that the corporation has continuously assessed adequate reserve funding from the beginning.

The actual costs may vary considerably depending on the time of year when tendering is conducted, the actual detailed scope of work and the economic climate of the construction industry, and the standards of repairs. We recommend that major repair and replacement undergo detailed design and acquisition of quote and estimates for replacements or repairs well in advance of the repair or replacement.

The figures presented are described briefly below:

CURRENT REPLACEMENT COSTS — provisions for major repairs and replacements at current prices

FUTURE REPLACEMENT COSTS — the costs of the component at the end of its useful life

CURRENT RESERVE FUND REQUIREMENTS — a calculation considering the required amount of money which should ideally be in the reserve fund for a component today

FUTURE RESERVE FUND ACCUMULATION — a calculation that adds interest compounding to the Current Reserve Fund Requirement

FUTURE RESERVE FUND REQUIREMENTS — the mathematical difference between the Future Replacement Cost and the Future Reserve Fund Accumulation

THE ANNUAL RESERVE FUND REQUIREMENT — an assessment of the annual required contributions to fund the component when required

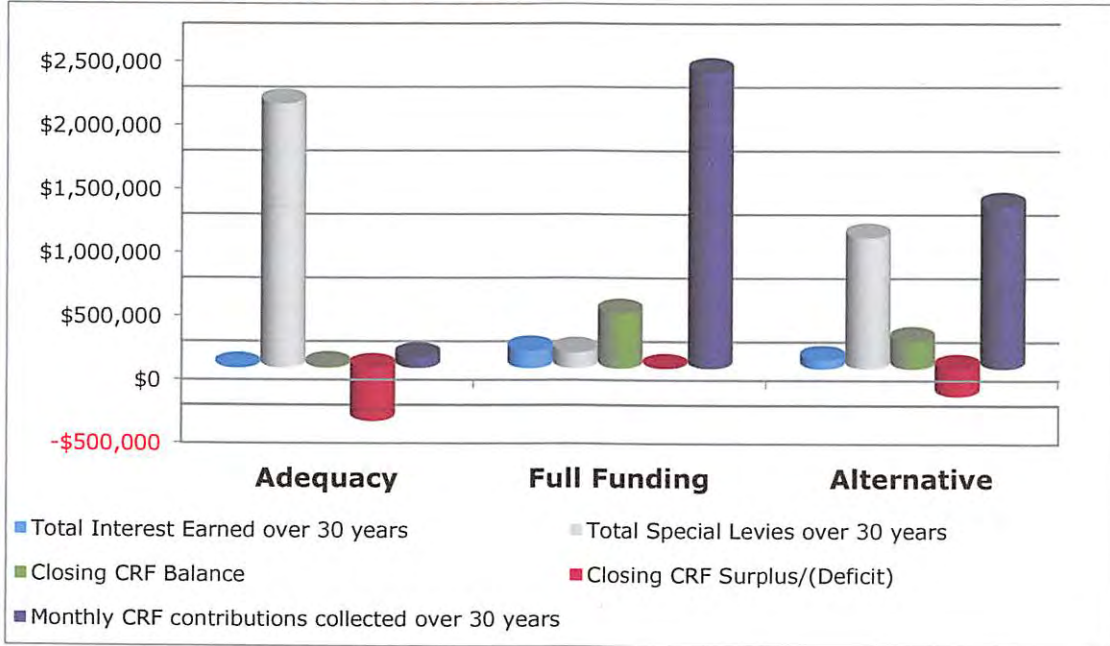
This Benchmark Analysis is the foundation of the DR. From the benchmark analysis, three funding options are developed and presented. Following the Benchmark is a graph displaying the three funding options provided in the body of the report. Also shown is a chart depicting the major component expenditures over 30 years.

NORMAC APPRAISALS LTD. – Depreciation Report, Strata NW 367, Sea Vista

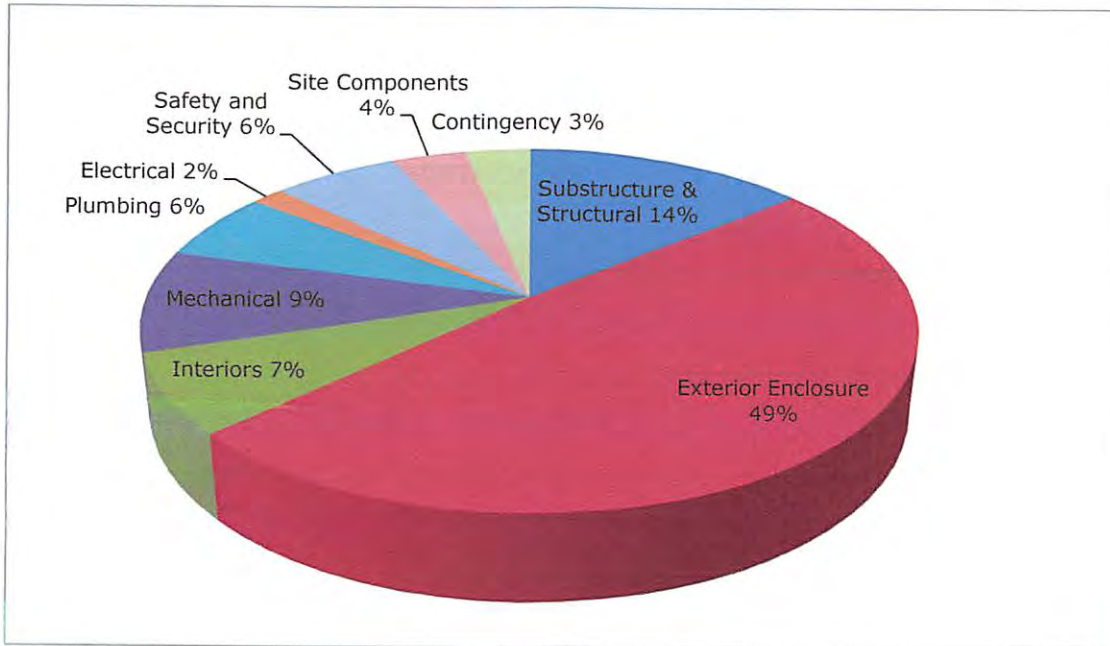
THE BENCHMARK ANALYSIS

Benchmark Analysis											
Strata NW 367		15									
Inflation Rate		2.80%									
Interest Rate		1.25%									
Reserve Components *	Year of Acquisition	Expected Lifespan (Years)	Years Left Until Repair or Replace	Current Replacement Cost	Future Replacement Cost	Current Reserve Fund Requirement	Future Reserve Fund Accumulation	Future Reserve Fund Requirement	Annual Reserve Fund Requirement	Reserve Fund Accumulation Allocation	
S1	Foundation	1975	40	2	5,000	5,284	4,750	4,869	414	206	0.3%
S2	Parkade	1975	40	2	17,500	18,494	16,625	17,043	1,450	721	1.2%
S3	Balconies	1999	25	11	53,400	72,354	29,904	34,283	38,072	3,250	5.4%
S4	Garage Roof/Decks	1999	30	16	68,400	106,401	31,920	38,939	67,462	3,835	6.4%
EE1	Flat Roofing	2009	21	17	103,900	166,149	19,790	24,444	141,705	7,533	12.6%
EE2	Sloped Roofing	2009	25	21	49,000	87,509	7,840	10,177	77,332	3,243	5.4%
EE4a	Exterior Cladding - Vinyl Siding	1975	40	26	247,700	507,863	86,695	119,747	388,116	12,725	21.3%
EE4b	Exterior Cladding - Wood Siding	1975	49	11	50,900	68,967	39,473	45,253	23,714	2,024	3.4%
EE5	Windows - Full Assembly Replacement	1999	40	26	83,600	171,406	29,260	40,415	130,991	4,295	7.2%
EE6	Exterior Doors	1975	46	8	7,500	9,354	6,196	6,843	2,511	300	0.5%
EE7	Painting and Caulking	2010	12	9	8,000	10,257	2,000	2,237	8,021	848	1.4%
I1	Lobby	2013	16	15	10,000	15,132	625	753	14,379	877	1.5%
I2	Corridors and Stairwells	2003	15	3	17,500	19,012	14,000	14,532	4,480	1,475	2.5%
I3	Interior Doors	1975	46	8	7,500	9,354	6,196	6,843	2,511	300	0.5%
I4	Amenities - Social Lounge, Games Room, Sauna, and Bathrooms	1975	45	7	25,000	30,331	21,111	23,029	7,302	1,005	1.7%
M1	Elevator	1975	44	6	133,000	156,968	114,864	123,752	33,216	5,365	9.0%
M2	HVAC - Make Up Air Unit	1975	41	3	15,000	16,296	13,902	14,430	1,865	614	1.0%
P1a	Domestic Water System - Hot Water Equipment	2000	15	2	9,500	10,039	8,233	8,440	1,599	795	1.3%
P1b	Domestic Water System - Distribution Piping	1975	43	5	94,200	108,147	83,247	88,581	19,566	3,817	6.4%
EL1	Electrical Systems	1975	50	12	25,000	34,822	19,000	22,054	12,768	993	1.7%
SS1	Fire Alarm System and Emergency Power	1975	41	3	25,000	27,159	23,171	24,051	3,109	1,023	1.7%
SS2	Suppression	1975	53	15	25,000	37,830	17,925	21,596	16,234	991	1.7%
SS3	Access Control and Security	1975	40	2	5,000	5,284	4,750	4,869	414	206	0.3%
Site1	Paving	2008	30	25	10,000	19,945	1,667	2,274	17,671	607	1.0%
Site4	Landscaping	1975	45	7	20,000	24,265	16,889	18,423	5,842	804	1.3%
	Contingency		1	0	1,500	1,500	1,500	1,500	0	2,000	3.3%
	Totals				\$ 1,118,100	\$ 1,740,124	\$ 621,532	\$ 719,378	\$ 1,020,746	\$ 59,852	100%

COMPARISON OF DIFFERENT FUNDING SCENARIOS



RESERVE FUND EXPENDITURES OVER 30 YEARS, BY MAJOR COMPONENT



2.0 RECOMMENDATIONS

Due to its past performance, the reserve fund for the Strata, with proper funding, will be in a good position.

Normac's recommendations, set out below and detailed in this report, will assist the Strata to achieve and maintain an adequate Reserve Fund. The adequacy of a reserve fund not only requires the test of an estimated fully funded reserve fund, but also requires a test as to sufficient cash resources to fund all potential repairs and replacements, including unforeseen events and contingencies. Therefore, a reserve fund deficiency or shortfall does not automatically mean that the reserve fund is not adequate.

In our opinion, the current reserve fund balance, recommended annual contributions and earned investment income will adequately fund immediate and future reserve fund expenditures.

1. The Strata should continue to review and execute a long-term contingency reserve fund strategy.
2. Major repairs and replacements should be recorded in, and funded from, a separate reserve fund account.
3. The reserve fund should be fully invested in guaranteed securities, yielding at least 1.25% per annum.
4. The Strata Corporation should make such expenditures as necessary to maintain the property in optimum condition.
5. The Strata may wish to consider forming a sub-committee to the Strata Council for contingency reserve fund planning.
6. The Reserve Fund should be reviewed every year to ensure that the underlying assumptions are still valid and that the estimates remain current.
7. The Strata should update the Depreciation Report Plan every three (3) years.
8. Estimates from contractors should be obtained for repairs within 1-2 years of the component's expected major repair or replacement.
9. Approval for Reserve Fund spending is required. The accumulated funds in the Reserve Fund are available for any major repairs or replacements of a common asset, so long as prior Strata Corporation approval has been granted.

The Strata Property Act provides that the Strata Corporation prepares their own plan for future funding of the contingency reserve fund and that the Strata is not bound by the recommendations of the reserve fund planner. Subject to the requirements set out in the strata Property Regulation, the Strata must determine the amount of the annual contribution to the contingency reserve fund.

3.0 CERTIFICATION

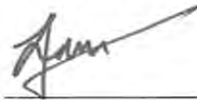
We hereby certify that we are prescribed persons empowered to conduct Depreciation Reports, as stipulated in Section 94 of the Strata Property Act, Revision 2009 and that Alfred Lam personally reviewed the property, and that they personally examined the building plans and/or documents as identified herein. Also assisting in the report was Liam Bailey. To the best of our knowledge and belief, the information and data used herein are true and correct.

We have no interest, present or prospective, in the property or its management. Neither the employment to prepare this Depreciation Report Plan nor the compensation is contingent on the amount of the Reserve Fund estimates reported. Moreover, we are solely responsible for the Reserve Fund estimates reported herein. Those signing the report are covered by the Errors & Omissions Insurance of Normac.

The Depreciation Report Plan was prepared in conformity with the Reserve Fund Study Standards, published by the Real Estate Institute of Canada, and it complies with the Strata Property Act 1998, Regulation 238/2011 (please refer to Appendix—C).



Cameron Carter, B.Comm., RIBC, CRP | President



Alfred H Y Lam, BSc in Civil Engineering | Depreciation Report Planner



Liam Bailey, B.Sc. | Depreciation Report Coordinator

4.0 DEPRECIATION REPORT OVERVIEW

4.1 PURPOSE AND METHODOLOGY

A Depreciation Report is a financial planning tool used to establish long term planning for common property and common assets—and to establish a Contingency Reserve Fund (“CRF”) schedule for these assets.

The DR is comprised of the following elements:

- 1) it identifies the common reserve components and assesses their quality, normal life span, and present condition;
- 2) it estimates the remaining serviceable years for each of the common reserve components and proposes a time schedule for repairs and/or replacement;
- 3) it provides current replacement cost estimates including the cost of removing worn-out items and special safety provisions;
- 4) it projects the future value of current replacement costs at an appropriate and compounded inflation rate;
- 5) it projects the future value of current reserve funds compounded at a long term interest rate;
- 6) it calculates current reserve fund contributions required, along with investment interest projected, in order to fund future reserve fund expenditures.

The DR is a practical guide to assist the Strata Council in planning budgets, maintenance programs, and major repairs and replacements of assets.

A DR is not intended to accurately predict the failure of building systems but rather, it is a financial planning tool intended to facilitate the provision of adequate funds required to address predictable capital replacements over a thirty-year year period. No building envelope condition assessment, exploratory openings, structural audit, destructive testing, moisture-test, legal survey, soil tests, environment assessment, engineering or exhaustive physical examinations are conducted during a DR.

4.2 DEPRECIATION REPORT STRUCTURE

Building components are summarized with images and a description of the components. We observed the condition of the component with a view to determine the anticipated date the component will need to be renewed and/or work carried out.

Benchmarks for the replacement costs of the building components are provided. Funding models are prepared and presented as alternatives to fund the Contingency Reserve Fund.

The scheduling provided for these capital projects is based on a number of factors—both technical and non-technical in nature—which may be interdependent with other work. Furthermore, the actual year during which the various items of work are carried out will depend on a number of factors that may not exist or be apparent at the time the DR was prepared.

4.3 NORMAC PLANNING STANDARDS

Regulation 238/2011 under the Strata Property Act, 1998, requires that a Depreciation Report Plan consist of a physical analysis of the building components and a financial analysis of the Strata's Contingency Reserve Fund (please refer to Appendix—C).

Normac Appraisals Ltd. follows established Reserve Fund Planning Standards of the Real Estate Institute of Canada that exceed the regulatory requirements and are now recognized and emulated across Canada. These standards, presented throughout this Report, consist of investigations, analyses and calculations that provide realistic and supportable reserve fund estimates.

4.4 REVIEW OF RECORDS

Our review and analysis on the Strata's common assets is based on the complex statistics detailed above as well as on a review of the documents the Strata provided to Normac. These records may include:

1. Strata Plans and Architectural Drawings
2. Financial Records
3. Maintenance records
4. Past remediation work performed
5. Insurance appraisals
6. Bylaws

The registered Strata Plan includes site layouts, floor layouts and schedules, which together define the boundaries of units and common assets of the property. Strata Lot boundaries are indicated as extending to the centerline of interior walls and the outermost side of the wall at exterior walls. There is no description of Strata Lot boundaries in the Strata Plan with respect to floors, roofs, windows, cladding systems and mechanical or electrical systems.

5.0 PROPERTY DESCRIPTION

The Strata, constructed circa 1975 is an apartment development with 15 residential units in 1 detached building. The buildings is a typical 3 storey on-grade structure with an underground parkade.

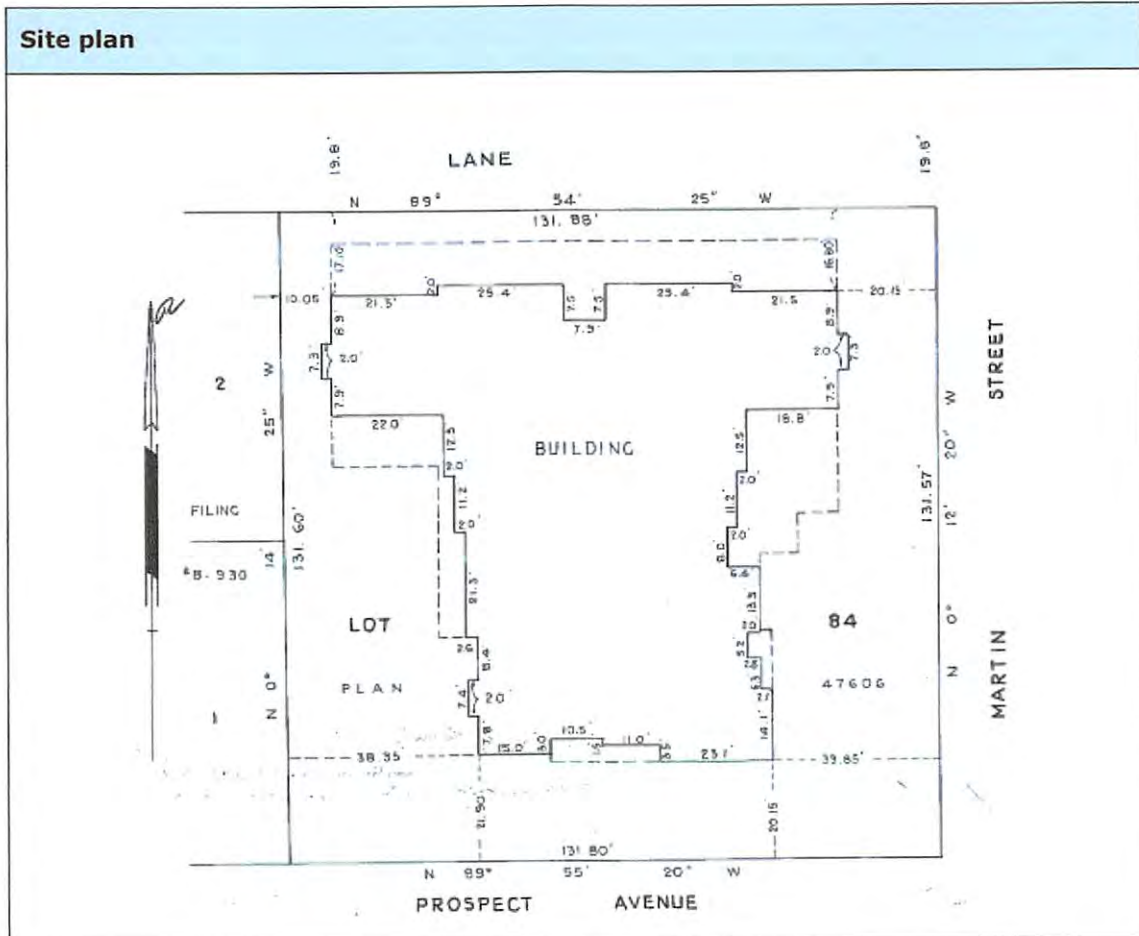


Table 2, below, provides a high level overview of the Strata and its common assets.







TABLE 2—SITE OVERVIEW		
		
View of the front (south side) of the building	View of west side of the building and the driveway	View of typical balconies
		
View of east side decks	View of lobby	View of typical flat roof and clerestory windows
		
View of typical sloped roof	View of social lounge and games room	View of typical landscaping

TABLE 2: SITE OVERVIEW (CONT'D)	
Type	Residential
Usage	Residential apartment
Date of construction	1975
Building condition	Good
Number of buildings	1
Number of strata lots	15
Number of storeys above grade	3
Assets condition	Good

Table 3 below, provides an overview of the site statistics. We made use of the Strata Plans and architectural blueprints as available. The measurements form the basis of the benchmark and the renewal costs. The measurements are an order of magnitude only. We recommend that upon a contractor conducting work on the Strata's common assets, these measurements be reviewed.

TABLE 3—SITE STATISTICS	
Total site area (square feet)	17,350
Combined buildings area with garages (square feet)	28,300
Asphalt roadway area (square feet)	1,558
Soft landscaping area (square feet)	7,065

5.1 INCLUDED AND EXCLUDED ASSETS

Included assets are common property of the Strata. The Strata Property Act states common property means:

- (a) that part of the land and buildings shown on a strata plan that is not part of a strata lot, and
- (b) pipes, wires, cables, chutes, ducts and other facilities for the passage or provision of water, sewage, drainage, gas, oil, electricity, telephone, radio, television, garbage, heating and cooling systems, or other similar services, if they are located
- (i) within a floor, wall or ceiling that forms a boundary
 - a) between a strata lot and another strata lot,
 - b) between a strata lot and the common property, or
 - c) between a strata lot or common property and another parcel of land, or

(ii) wholly or partially within a strata lot, if they are capable of being and intended to be used in connection with the enjoyment of another strata lot or the common property

Components which are not common to the Strata Corporation are the responsibility of the individual owners and include:

- a) Interior suite finishes;
- b) The heating, venting and air conditioning (HVAC) equipment located within units for a single units' enjoyment;
- c) The major appliances located within the suites.

We understand the following to be the common component assets of this Strata Corporation:

Substructure & Structural	Foundations, Parkade, Balconies, Garage Roof Decks, Balcony and Deck Guards
Exterior Enclosure	Flat Roofing, Sloped Roofing, Exterior Cladding, Windows, Exterior Doors, Painting and Caulking
Interiors	Lobby, Corridors and Stairwells, Interior Doors, Amenities
Mechanical	Elevator, HVAC
Plumbing	Domestic Water System – Hot Water Equipment and Distribution Piping
Electrical	Electrical Systems
Safety & Security	Fire Alarm System and Emergency Power, Suppression, Access Control and Security
Site Service	Buried Site Services
Site work	Paving, Walkways, Site Guards, Landscaping

5.2 FINANCIAL FIGURES

Below are key financial figures which form the starting point for the financial model.

TABLE 4—FINANCIAL OVERVIEW	
Last Complete Fiscal Year End	December 31, 2012
Current Operating Budget	\$54,864
Current Annual Reserve Contributions	\$1,800
Reserve Balance as of February, 2013	\$38,069

5.3 ASSUMPTIONS

The DR is designed to provide sufficient information to enable the Strata to select a suitable renewal and maintenance strategy, while trying to limit the cost of obtaining this information.

The Contingency Reserve Fund is needed to provide for future capital expenditures that are both scheduled and become necessary through unexpected equipment breakdown and unexpected budget overages. Unforeseen events should be considered as well as on-going uncertainty relating to future market forces and technological and legislative changes.

Reviews in the DR are based on random sampling and visual review of the surface conditions. Observed condition of asset components are based on a visual review which is used to estimate the expected remaining service life of building components.

Estimating fund reserves for major structural repairs, major mechanical components such as sewage, or common components not visible, are difficult to predict or quantify. As a result, the report provides estimates for these components.

This DR covers common expenses that usually occur less often than once a year or that do not usually occur. Assets that usually recur are assumed to be covered by the Operating Fund and are not included in this report. There is also material threshold test for common reserve expenses which is the greater of \$5,000 or 5% of the current operating budget. Items less than the material threshold are not included in the financial model for practical purposes. In some cases, an aggregate for an asset will be included in the report even though the individual components that form the assets have a replacement cost of less than the material threshold.

5.4 RENEWAL STRATEGIES

In implementing a renewal of an asset, the Strata can consider different implementation strategies namely:

Localized Renewal—these are projects that are localized to a particular part of the building or property. Different areas of the building or property may be subject to accelerated wear and tear due to different weather exposure or different usage.

Phased Repairs—these are projects where a repair or a renewal of a component is undertaken in a phased approach. They are carried out over multiple periods. The financial toll, in a particular year, on Owners is reduced when the work occurs, but overall, due to remobilization costs and the fluctuations of inflation and market conditions the total completion costs may be higher.

Complete Replacements—these are projects that are implemented as one complete repair. Owners can leverage economies of scale and thereby reduce the overall cost but the financial burden for a particular year is often high.

Co-ordinating—this is when more than one project is completed all at once to take advantage of economies of scale or favorable market conditions. The Owners shorten the duration of the burden as well as lowering their overall costs.

6.0 THE BUILDING RESERVE COMPONENTS

6.1 SUBSTRUCTURE & STRUCTURAL COMPONENTS

S 1 – Foundation		
Year Installed	1975	Description: The building sits on a conventionally reinforced cast-in-place concrete foundation consisting of perimeter load bearing walls and concrete columns. Strip footings and pad footings are assumed to be, respectively, supporting the bearing walls and columns.
Expected Life Span	40	
Observed Condition	37	
Repair or Replace	2	
<div style="display: flex; justify-content: space-around;">   </div>		
<p>Financial Review: We understand the foundation is original to the building construction in 1975. We are not aware of any major repairs or replacements since then.</p>		
<p>Visual Review: Review of the concrete foundation was done by visual inspection of the exposed locations from around the building perimeter. It is assumed that proper damp-proofing or waterproofing provisions, where required, were installed to good building standards.</p> <p>Due to the landscaping against the perimeter, we were not able to clearly see and note any damp-proofing. Some cracks and stains were noticed on the foundation walls, particularly along the east side of the building.</p>		
<p>Recommendations: Foundation walls can deteriorate due to several factors such as hydrostatic pressure, seismic activity, water infiltration through the slab and cracks within perimeter walls, and significant settlement.</p> <p>We anticipate the foundation will last the scope of the DR and a full replacement is not expected within this timeframe. However, we do anticipate periodic repairs are necessary in order for the foundations to survive their full service life. Typically, these repairs involve injection of waterproofing materials into cracks along the concrete perimeter foundation walls.</p> <p>An allowance has been given for major repairs to the foundation in 2014, and every 12 years thereafter.</p>		

S 2 – Parkade		
Year Installed	1975	Description: There is a single storey parkade located below the footprint of the building. The parkade floor consists of reinforced slab-on-grade and the ceiling consists of conventionally reinforced suspended slab that supports the wooden superstructure and the garage roof decks above. Ventilation of the parkade is provided by two air intake openings that are 36" x 24" along the west wall of the parkade. Also assisting with the ventilation is a ceiling-mounted exhaust fan with ductwork installed along the east wall of the parkade. Lighting of the parkade is provided by single fluorescent light fixtures with T12 lamps. The parkade includes sectioned areas to the elevator machine, sprinkler, electrical, and storage rooms.
Expected Life Span	40	
Observed Condition	38	
Repair or Replace	2	
		
Financial Review: We understand that the concrete components of the parkade are original to the building construction in 1975.		
Visual Review: It is assumed that concealed components, such as steel reinforcements and joints with water-stops, were designed in accordance with the building code and that they were installed as specified. Flourescent lights were in working condition, where checked. The ceiling generally appeared to be free of cracks, but there were stains and discoloration at some areas. We also noted some cracking of the floor slab.		
Recommendations: Concrete slabs are susceptible to water damage, which typically leads to cracking or spalling. A percentage of all the concrete floor and ceiling slab is expected to require some injection repairs. These injection repairs may assist with deferring the replacement of the waterproofing membrane underneath the decks (refer to S 4—Garage Roof Decks). We reserved the first occurrence of the parkade repair budget in 2014. Subsequent allowances will occur every 12 years thereafter. An allowance has been included for the parkade lights as well as some repairs of the buried site services. HVAC components have been included with M 1—HVAC.		

S 3 – Balconies		
Year Installed	1999	Description: There are ten balconies in total, one for each of the second and third floor units. The balconies are covered with vinyl floor membranes. The left and right sides of the balconies are covered with vinyl siding and the interior sides are covered with horizontal wood siding. A fascia board covers the front edge of each balcony. The ceilings are covered with stucco and vent grilles are installed near the front edges and are assumed to be used for ventilation of the balconies. Each balcony is lighted with a wall sconce.
Expected Life Span	25	
Observed Condition	14	
Repair or Replace	11	
		
<p>Financial Review: We were advised by Council that all of the balcony waterproofing surfaces, except #303, were replaced in 1999. We also learned through provided documents that Allside Contracting did some repairs to the balcony of #303 in 2010 for \$2,100.</p>		
<p>Visual Review: Our review is based on visual inspection from around the perimeter in addition to being on two balconies facing different directions. Due to the age of the building, in addition to our review of past envelope study reports, we assume that the other balcony floor membranes have also been replaced since the remediation project of 1999 through periodic replacements. We cannot, however, verify our assumption through a work contract.</p> <p>Where checked, there were no signs of delamination of the balcony floor membranes. However, some stains were noted, especially around the front edges.</p>		
<p>Recommendations: The assemblies anticipate the control of all moisture at the waterproof membranes. Any deficiencies of the membrane will allow moisture to migrate downwards and saturate the substrate material underneath. Because the membranes are unprotected and serve also as a surface for walking traffic, they are prone to more damage and may require more frequent repairs or replacements.</p> <p>We recommend the periodic inspection of the soffits underneath the balconies. Stains or discoloration could indicate a deteriorating waterproofing membrane.</p> <p>As indicated in Belfor’s envelope study dated February 3, 2011, the vinyl floor membranes of the balconies remained in good condition. We anticipate that the membranes will survive their full service life. We have reserved for a three-phased replacement of waterproofing membranes of the balconies starting in 2023 and every 25 years thereafter. Included is a budget for the replacement of the guardrails, soffits, and some framing repairs. While we assume a like-for-like replacement of the stucco soffits, we recommend the replacement with modern perforated soffits. A phased replacement of the wood siding has also been planned to coincide with the phased balcony work (refer to EE 4—Exterior Cladding).</p>		

S 4 – Garage Roof Decks


Year Installed	1999/ 2010/ 2013	Description: The garage roof decks include all areas above the parkade ceiling slab. This includes all the patio decks of the first floor. The deck areas outside Strata Lots 2 and 3 are finished similarly to the balconies. The patio deck area on the east side of the building (outside Strata Lots 4 and 5) is covered with wooden deck flooring boards. The area beyond the deck guards in this area is covered with prefinished concrete paver blocks. The deck area on the north side of the building is covered with crushed rocks, presumably with a waterproof roofing membrane underneath.
Expected Life Span	30	
Observed Condition	14/3	
Repair or Replace	16	



Financial Review: We were advised by Council that the garage roof deck at the back of the building was done in 1999 as recommended in the envelope report prepared by Inter-Coast Consultants Ltd. dated April 19, 1999. The waterproofing membranes on the two decks (on east elevation) at units 102 and 104 were replaced by Belfor Restorations Ltd. in 2010. The total cost was \$21,526 and included the membrane replacements, insulation, drywall, paint, pressure washing, drain installation, and carpet cleaning. Repair work to the deck over the parkade entrance has been awarded to Belfor in 2013. We were advised by Council that the work was completed for a total amount of \$9,738.38.

Visual Review: Review is done through our visual inspection from around the building perimeter and through our study of the Strata’s past inspection reports.
The concealed waterproofing membranes of the deck areas cannot be visually inspected.

Recommendations: The deck assemblies anticipate the control of all moisture at the waterproofing membrane. Any deficiencies of the membrane will allow moisture to migrate downward and compromise the material below, accelerating the aging process. Because decks are located over common interior space, leaks will generally affect multiple components.
Staining of the ceilings or any other damages on the roof at the area directly under the decks should be monitored. These indications are usually the first and only signs that the waterproof deck membrane is compromised. Built-up waterproofing membranes have typical lifespans of 20-25 years. However, through proper injection repairs of the parkade ceiling slab (refer to S 2—Parkade), replacements of these waterproofing membrane may be slightly deferred as long as there are no other signs of deficiency.
We reserved for a two-phased replacement of the decks. The two phases are planned for 2028 and 2040 to re-waterproof the decks that were repaired in 1999 and 2010/2013, respectively. Concrete pavers and crushed stones may be salvageable; however, we do anticipate a percentage will require replacement at this same time.

S 5 – Balcony and Deck Guards		
Year Installed	1975	Description: The outer perimeters of the balconies are equipped with side-mounted steel guardrails with fixed pickets. The infill bars are installed at approximately 4" o.c. and are welded to continuous steel angles at the top and the bottom.
Expected Life Span	50	
Observed Condition	38	
Repair or Replace	11	
		
<p>Financial Review: We understand the balcony and deck guards are original to the building construction in 1975. We are not aware of any major repairs or replacements since then.</p>		
<p>Visual Review: It is assumed that the guardrails were designed in accordance with the building code and that they were installed as specified with good construction standards. Our review is based on visual inspections from around the building perimeter and from being on the two balconies at different sides of the building.</p> <p>The guardrails appeared consistent throughout the building. Where checked, they were securely fastened and appeared to be of sufficient height.</p>		
<p>Recommendations: We recommend that they balcony guards be reviewed as part of the annual balcony inspections.</p> <p>We have reserved allowances for balcony and deck guard repairs or replacements with S 3—Balconies and S 4—Garage Roof Decks. The guards have been planned to be replaced with each phase of the balcony and deck repairs.</p>		

6.2 EXTERIOR ENCLOSURE COMPONENTS

EE 1 – Flat Roofing		
Year Installed	2009	Description: The flat (low-sloped) roof consists of modified bituminous membranes that are torched onto the roof. The roof is slightly sloped towards designated drains located throughout the roof area. The bituminous membranes extend upwards several inches and are overlapped by the metal cap flashings that surround the perimeter.
Expected Life Span	15-25	
Observed Condition	5	
Repair or Replace	17	
		
<p>Financial Review: Through Strata minutes and financial records, we learned that a roofing project commenced in 2009. Included was the replacement of the torch-on flat roof, the shingled sloped roof, and some inspection work of the roofs. RVB Roofing was contracted for the roof replacement work while Emerald Inspection was contracted for the inspection work. The project cost a total of \$48,147.23 which was funded by a combination of contingency reserve fund (\$15,497.98) and special levies (\$32,649.25). Included was \$5,964 for the replacement of the clerestory windows.</p>		
<p>Visual Review: It is assumed that the roof was installed according to good building standards.</p> <p>We noted the granular coating of some areas of the flat roof to be deteriorating. There appears to be insufficient slope on the roof towards the catch basin resulting in many separate areas of pooling water. An assortment of debris was noted to be scattered around the flat roof, particularly around the catch basin areas.</p>		
<p>Recommendations: Typical flat roofs similar to this one may last 15-25 years and depends largely on the maintenance efforts. Particularly in our rainy Vancouver climate, these roofs must be regularly inspected and periodically repaired to prevent any premature failures that lead to a complete replacement.</p> <p>We recommend the regular cleaning of the roof areas and the drains. We also recommend new drains be installed to dissipate the pooling water that accumulates on the roof. These efforts will likely have a positive impact on the long-term serviceability of the roof. We also recommend the cap flashing seams be inspected and re-sealed where necessary to prevent any water ingress through those areas.</p> <p>Assuming the above recommendations are taken, we reserved for replacement the flat roofs in 2029 and every 15 years thereafter. An allowance has been included to re-slope the roof to sufficiently drain. Typically, this is done by tapering of the framing members or insulation.</p>		

EE 2 – Sloped Roofing		
Year Installed	2009	Description: There are some raised sections with sloped roofs throughout the main roof area. The sloped roof consists of asphalt shingles and drains onto the gutters that are installed at the lower edges.
Expected Life Span	25	
Observed Condition	4	
Repair or Replace	21	



Financial Review: The sloped roof was replaced in 2009 in conjunction with the flat roof replacement. RVB Roofing was contracted for the replacement for a total of \$48,147.23 but we did not see an itemized work contract and are unaware of the sloped roof portion of the cost (refer to EE 1—Flat Roof).

Visual Review: It is assumed that the sloped roofs were designed in accordance to the building code and that they have been installed to good construction standards. Concealed components were not visible and our visual inspection was limited to the roof surface while we were on top of the flat roof area.

We noted some slight discoloration at various locations. We also noted the corrosion of the metal fasteners. Where the sloped roof drains onto the flat roof below, increased staining and discoloration of the flat roof area was noticed.

Recommendations: Modern asphalt roofs have a good track record as long as the installation work is performed with good building standards. With regular maintenance, these roofs typically last around 25 years.

We recommend the Strata to continue with annual inspections of the sloped roof to note any curl or delamination of the shingles. We also recommend the Strata engage a qualified roofing contractor to recommend remedies to potential drainage issues. Localized repairs are often critical in preserving the overall integrity and service life of the roof. These repairs have been assumed to be budgeted through the operating budget.

We reserved for a sloped roof replacement in 2033 and every 25 years thereafter. This budget includes the gutters and downspouts (refer to EE 3—Gutters and Downspouts). We have also included an allowance for the replacement of the fascia boards at this same time.

EE 3 – Gutters and Downspouts		
Year Installed	2010/ 2011	Description: Aluminum gutters and downspouts are installed at the lower edges of the sloped roof areas to divert water away. The downspouts are carried down to the ground floor where they are assumed to be connected with the drain tiles.
Expected Life Span	20-25	
Observed Condition	3/2	
Repair or Replace	11	
		
<p>Financial Review: Based on the age of the building and the appearance of the gutters and downspouts, we assume that they have all been replaced periodically since original construction. We understand that some realignment and repair work of the gutters were performed by Affiliated Roofers in 2010 for \$3,539.20. Belfor was contracted for some gutter repair work for \$5,592.16 in 2011 to correct some issues found as documented in their Envelope Study dated February 3, 2011. Some more gutter repairs and maintenance work was done later in 2011 by Spanish Banks Renovations for \$1,209.60.</p>		
<p>Visual Review: Review of the gutters and downspouts was done by visual inspection around the building perimeter and from the top of the flat roof area.</p> <p>Where checked, gutters and downspouts indicated no signs of wear or deterioration. They were securely attached and appeared to be sufficiently sloped for adequate drainage.</p> <p>Overall, the soffits, gutters, and downspouts appear to be in good condition, consistent with their chronological age.</p>		
<p>Recommendations: Gutters and downspouts work in unison to carry water collected at the sloped roof to the perimeter drains. Faulty gutters and downspouts may cause a backlog of water which may lead to rotting of the lower shingles and fascia boards.</p> <p>Periodic inspections should be performed to ensure the adequacy of the gutters and downspouts. Typically, these inspections are offered as part of, or as an addition to, a roof inspection. Generally, these components will perform satisfactorily for the life of the sloped roof. However, it is recommended, from a cost perspective, that these components be replaced at the time of the sloped roof replacement.</p> <p>Localized repairs are expected to be below the threshold of the DR and are therefore assumed to be budgeted in the operating fund. We reserved for the replacement of the gutters and downspouts at the same time as the planned sloped roof replacement in 2033, and every 25 years thereafter. This budget has been included with EE 2—Sloped Roofing.</p>		

EE 4 — Exterior Cladding		
Year Installed	1999/ 2010	Description: The building is mainly clad with vinyl siding separated by through-wall flashings over wooden trim boards at each floor level. There is also wood siding on the interior sides of balconies and stucco on the ceilings (refer to S 3—Balconies).
Expected Life Span	35-45	
Observed Condition	14/3	
Repair or Replace	26	
		
<p>Financial Review: An envelope repair project occurred in 1999. Parent Construction was hired as the general contractor and Cedar Vine was hired as the vinyl siding installers. Excluding the vinyl decking and some roof work that was included in this envelope project, the sum totalled \$118,175.88. Belfor Restorations Ltd. was contracted for work related to water damage and siding repairs and replacements from 2010-2011. We were advised by Council that the work totalled \$102,350.66. Included was the replacement of the windows where cladding was replaced.</p>		
<p>Visual Review: It is assumed that all aspects of the exterior cladding, including air barrier and vapour barrier provisions have been designed in accordance with the building code and that they have been installed to good building standards.</p> <p>Where checked, the horizontal wooden siding at the balconies were intact and generally without significant cracks but we noted some minor splitting at the corner joints. We noted no stains or discolouration of the stucco ceilings. Overall, we found no noticeable bowing, bulging, or leaning of the exterior walls.</p>		
<p>Recommendations: Vinyl siding often encounters problems associated with installation, as opposed to the material itself. Discoloration of vinyl siding is common over time. In addition, vinyl siding is sensitive to heat and can be damaged by not providing an adequate gap from barbeques. They are also prone to buckling and cracking when secured too tightly. The remaining wood siding is located on the interior side of the balconies and is not overly exposed to the elements. However, they do still wear and deteriorate over time and should be replaced along with another major repair.</p> <p>We have reserved for a two-phased replacement of the vinyl cladding starting in 2038. We have also reserved for a two-phased replacement of the wood siding to coincide with the balcony repairs (refer to S 3—Balconies).</p>		

EE 5 – Windows		
Year Installed	1975/ 1999/ 2010/ 2012	Description: The windows consist of double-glazed, thermal-break windows in aluminum frames. There are various sizes of windows and include horizontal sliders and fixed lites. There are some clerestory windows that extend above the roof. Balcony doors consist of two types: swinging and sliding doors. There are wooden swinging doors with glazed inserts. There are also double-glazed, aluminum-framed sliding doors.
Expected Life Span	20-30	
Observed Condition	38/14 /3/1	
Repair or Replace	26	



Financial Review: We understand that the clerestory windows were replaced in conjunction with the roof replacement project in 2009. Since mid-2009, the Strata has begun prioritizing windows according to their condition in preparation of their replacements. The clerestory windows were replaced as part of the roofing project on 2009 for \$5,964 (refer to EE 1—Flat Roofing). Lundline Glass replaced insulating glazing units (IGUs) for Suites 104, 204, and 205 for \$1,341.76 in 2010 and Belfor replaced windows of the northwest and west back walls as well as the stairway inset where cladding was also replaced. Most recently, White Rock Glass was contracted to replace some window IGUs and patio doors for \$13,007.75 in 2012-2013.

Visual Review: We assume that the window design and installation were done in accordance with building code and good construction standards. We were not able to view concealed details behind the window assemblies. We assume there is proper air and vapour barrier provisions and that they were properly installed with sealed seams.

Where checked, we noted no fog or condensation of the windows. We noted sloped head flashings to be installed and appear to be properly diverting water away from the building enclosure.

Recommendations: Fogging is expected towards the end of the windows' service lives and indicates broken seals. Leaking around windows generally would indicate deficiencies in the window/frame transition detail. Water on the glass surface itself would normally indicate condensation rather than leaks.

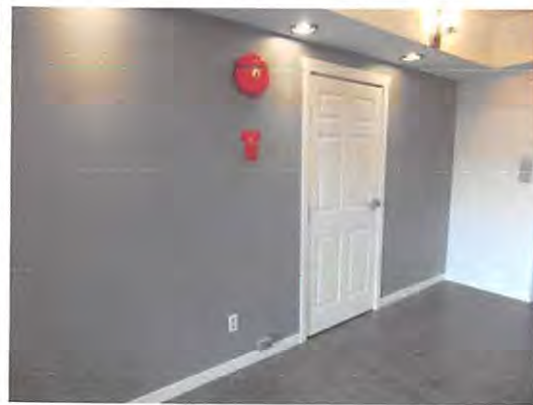
As the Strata has done with the higher-priority windows, some of the remaining windows are anticipated to require similar IGU replacements to prolong their service life. We expect a percentage of windows to require IGU replacements each year. However, we expect the cost to be below the threshold of the DR and we recommend the Strata to budget this under operating funds. We reserved for a phased replacement of the windows starting in 2038 to coincide with the vinyl cladding replacement (refer to EE 4—Exterior Cladding).

EE 6 — Exterior Doors		
Year Installed	1975	<p>Description: Common exterior doors include doors that access the following areas: the front entrance, parkade, service rooms, and balconies.</p> <p>The parkade door is a metal-framed overhead door with wooden panels. This door is operated by an automatic chain-driven motor controlled remotely.</p> <p>The front entrance door is aluminum-framed, safety-glassed door with sidelights on both sides.</p> <p>Service room doors consist of metal-framed, solid core swinging doors equipped with self-closers and are fire rated.</p>
Expected Life Span	45-50	
Observed Condition	38	
Repair or Replace	8	
 		
<p>Financial Review: With the exceptions of a balcony door IGU that was replaced along with the window IGUs in 2012 by White Rock Glass (refer to EE 5—Windows) and the front door that was replaced during the lobby renovation (refer to I 1—Lobby), we understand all other exterior doors to be original to the building construction in 1975. We are not aware of any major repairs or replacements.</p>		
<p>Visual Review: We assume all fire-rated doors are consistent with the required fire ratings as required by the local fire authority.</p> <p>Where checked, the exterior doors operated properly and smoothly. We noted no significant damage to the doors. The self-closers on stairwell doors appear to function adequately.</p>		
<p>Recommendations: Door materials generally last for many years. Temperature changes may sometimes cause doors and gates to expand or contract and not close properly. In addition, locks and hardware may become defective over time and may require repairs or replacements.</p> <p>Major repairs or replacements of the balcony doors have been included with EE 5—Windows. We reserved an allowance for repairs or replacements of all other exterior doors in 2020, and every 10 years thereafter.</p>		

EE 7 – Painting and Caulking		
Year Installed	2010	Description: Sections of the exterior such as the fascia boards, wooden trim, wooden siding, and stucco are painted. Caulking is applied at the perimeter of all of the windows and doors as well as all transitional joints (both horizontal and vertical) between the siding and other building materials.
Expected Life Span	10-12	
Observed Condition	3	
Repair or Replace	9	
		
<p>Financial Review: Through our review of Strata documents, we learned that Sunrise Painting and Stucco Ltd. was contracted to pressure wash, caulk, and paint the building in 2010. Allside Contracting, a subcontractor to Sunrise, was hired to replace rotten sections of fascia boards on the balconies of Units 201, 203, 204, 301, and 303. The total cost of this project was \$32,130.00 which was funded through a combination of contingency reserve fund (\$700.00) and special levies (\$31,430.00). We understand that the cost also included the painting of the stairwells and parkade.</p>		
<p>Visual Review: We assumed that the painting and sealant used for the exterior is of an approved material suitable for exterior applications.</p> <p>We noted consistent painting of exterior components throughout the building exterior. Where checked, there appears to be no chipping or cracking of the painted surfaces. Caulking around windows appears to be intact but the condition varies. We noted some caulking to be delaminating or crazing, and the deterioration was generally consistent with its location relative to the level of exposure to the elements.</p>		
<p>Recommendations: Paint coats deteriorate over time. A fading exterior may seem older than the actual age and could lower the building’s appeal and value. Caulking, on the other hand, contributes to the airtightness of the building; proper caulking not only contributes to lower heating costs but prevents water ingress into interfaces between different building materials.</p> <p>Special care should be taken in the selection of painting and caulking for different materials. At least two coats of paint should be applied. Only exterior-grade caulking should be used and a qualified contractor should be hired. The contractor will be able to further suggest the most suitable materials.</p> <p>We have reserved for painting and caulking in 2021, and every 12 years thereafter. Included is an allowance for some replacements of deteriorating fascia boards that are typically discovered during exterior painting.</p>		

6.3 INTERIOR COMPONENTS

I 1 – Lobby		
Year Installed	2013	Description: The lobby is finished with stipple-painted ceilings, and a mixture of stipple-painted walls and wood-clad walls. The lobby floor is covered with ceramic tiles. The lobby is heated with electric baseboards and lighted with a combination of ceiling-mounted pot lights and wall-mounted sconces. There is a mailbox assembly with 15 slots and some fire-related components.
Expected Life Span	15-20	
Observed Condition	1	
Repair or Replace	15	



Financial Review: We understand the lobby has been renovated in 2013 by Belfor Restorations Ltd. As indicated in the Strata minutes, this project was to be funded from a combination of lobby savings, money from fire safety upgrades, \$3,000 from the money allotted for the building, \$3,000 from the Contingency Reserve Fund and \$8,403 from special levies. We were advised by Council that the work totalled \$21,350.94.

Visual Review: Where checked, the walls were free of damage. The flooring was noted to be intact and without missing tiles. We also noted the light fixtures to be consistent and in working order.

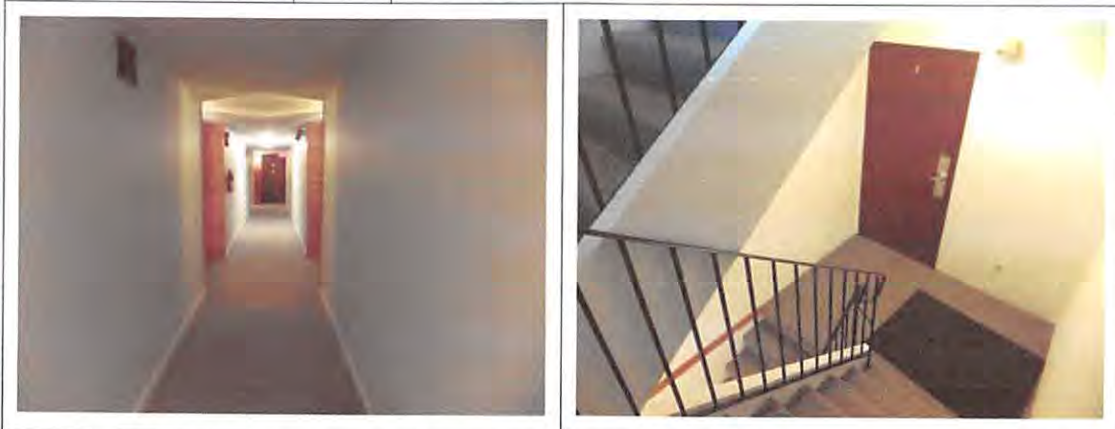
Recommendations: Lobbies experience higher foot traffic than any other locations of the building. Furniture is also likely to be moved through the lobby. As a result, walls and floors often suffer faster deterioration.

We recommend continued maintenance of the lobby as existing practices are ensuring the longevity of these assets. As there is potential of failure or damages to some of the lobby components, or perhaps a future desire to change some of the components for aesthetic reasons, we have included an allowance in the DR.

We have reserved for an allowance for the lobby in 2027 and anticipate the same expenditure every 15 years thereafter.

I 2 – Corridors and Stairwells

Year Installed	2003/ 2010	Description: The corridors and stairwells are covered with carpet flooring and stipple-painted walls and ceilings. The walls immediately next to the suite entrances are covered with horizontal wooden siding. Lighting of stairwells are provided by ceiling-mounted fixtures while the lighting of the corridors are provided by a combination of ceiling-mounted fixtures and wall-mounted sconces. There are aluminum handrails installed along the interior side of the stairs. Heated fresh air is provided from the roof-top make-up air unit (refer to M 2—HVAC) to the corridors through vent grilles located near the ceilings of each floor. Within the corridors and stairwells are also some fire-related components (refer to S 1—Fire Alarm System and Emergency Power and S 2—Suppression).
Expected Life Span	Varies	
Observed Condition	10/3	
Repair or Replace	3	



Financial Review: We were advised by Council that the corridor and stairwell carpets were replaced in 2003 but we are not aware of the costs involved. We understand that stairwells were painted as part of a larger painting project done by Sunrise Painting and Stucco Ltd. in 2010. The total cost of the project was \$32,130 and it included the painting of the stairwells, parkade and exterior of the building as well as some fascia board replacements (refer to EE 7—Painting and Caulking).


Visual Review: Due to the age of the building and the appearance, we assume that the painting of the corridors was also done around 2003.


We noted no major damage to the interior finishes within the corridors and stairwells. Where checked, the carpets were free of snags or tears. Where checked, the handrails were secured. The painted walls and ceilings were consistent and we noted no significant discolouration. The lighting of the corridors and stairwells were in working condition and appeared to be sufficient for the corresponding areas. Overall, the corridor and stairwell components appear to be well maintained.

Recommendations: The carpets, walls, and ceilings will experience wear and damage through normal daily traffic as well as the transport of furniture and so forth. They will require maintenance or replacements to remain aesthetically pleasing and to maintain the property value of the building.

Periodic cleaning of the carpets will extend their service life. With good upkeep, the carpets are not expected to endure irreversible damage or wear within 12-15 years of their installation.

Consistent with the Strata’s plans, we have reserved an allowance in the DR for a refurbishment project of the corridors and stairwells in 2015 and every 15 years thereafter. The budget will include for carpet replacements, some re-painting of walls and ceilings, and lighting upgrades, as needed.

I 3 – Interior Doors		
Year Installed	1975	Description: Interior doors include all the suite entrance doors and the stairwell doors. These doors are single wooden swinging doors with self-closers and other standard locks and hardware.
Expected Life Span	45-50	
Observed Condition	38	
Repair or Replace	8	
		
<p>Financial Review: We understand the interior doors are original to the building construction in 1975. We are not aware of any major repairs or replacements.</p>		
<p>Visual Review: Where checked, there were no signs of damage or significant wear to the interior doors. The operation of doors appeared smooth and they closed firmly into the door frames. The suite doors were noted to be consistent and without significant deterioration or damages.</p>		
<p>Recommendations: Interior doors will generally remain functional for many years. However, there is potential for failure of the locks, hinges, handle-sets, etc. Fire-rated doors are a fire safety component, so their service life is dependent upon the regulations guiding the fire department. Should the fire safety standards change, these fire doors may be required to be replaced sooner than expected.</p> <p>The interior doors are not expected to require a full replacement at the same time. Localized repairs are expected to be below the threshold of the DR and are therefore assumed to be funded through the operating budget. We reserved an allowance for the repairs or replacements of some interior doors. This budget is reserved for 2020 and every 10 years thereafter.</p>		

I 4 – Amenities – Social Lounge, Games Room, Sauna, and Bathrooms		
Year Installed	1975	<p>Description: There is a social lounge located at the basement level with an attached “games room”, sauna, and two bathrooms. With the exception of the sauna room, these areas are covered with carpet flooring and stipple-painted walls and ceilings. There is a fireplace within the lounge and the walls adjacent to this fireplace are covered with horizontal wood siding. The main lounge area is lighted with recessed lighting while the other areas are lighted with traditional ceiling-mounted fixtures. Heating is provided by electric baseboards.</p> <p>The lounge and games room contents include but are not limited to the following: several couches (leather and fabric covered), chairs, wooden coffee tables, bookshelf complete with books, a piano, two table lamps, a shuffleboard table, a foosball table, a cue rack with six pool cues and a pool table complete with two billiard light fixtures above.</p>
Expected Life Span	45	
Observed Condition	38	
Repair or Replace	7	
		
<p>Financial Review: We understand the social lounge, games room, sauna, and bathrooms are original to the building construction in 1975. We are not aware of any major repairs or replacements.</p>		
<p>Visual Review: The sauna and the bathroom vanities were not tested during our inspection. It is assumed that the components were installed in accordance to all building code and plumbing code regulations.</p> <p>Where checked, the carpets were generally clean and without tears or snags. The walls were noted to be undamaged and the light fixtures were in working condition.</p>		
<p>Recommendations: Amenity rooms are often significant for the appeal and value of the building. Continued maintenance is required to maintain the cleanliness and more importantly, the service life, of these rooms.</p> <p>Complete replacements of these components are not anticipated within the scope of the DR.</p> <p>We have reserved an allowance for repairs, and perhaps some upgrades, in 2019 and every 10 years thereafter.</p>		

6.4 MECHANICAL COMPONENTS

M 1 – Elevator		
Year Installed	1975	Description: The building is serviced with a bottom-mounted cable-driven traction elevator (Gov't of BC ID: 02718). The elevator is original and manufactured by Northern West (now part of Thyssen Krupp). The elevator machine is mounted on the floor of the elevator machine room located in the parkade level of the building. There is a 60A safety switch manufactured by Federal Pioneer mounted to the wall within the elevator machine room.
Expected Life Span	35-45	
Observed Condition	38	
Repair or Replace	6	



Financial Review: We understand an infra-red door-opening mechanism was installed in the original elevator in 2009. Through Strata minutes and financial records, we learned that this work was funded by a special levy and cost \$2,004.45. We are not aware of any other significant repairs or replacements.

Visual Review: The elevator is currently serviced monthly by Impact Elevator Maintenance. It is assumed that any deficiencies or defects are fixed and maintained, as needed.

According to the inspection records from the service contractor, there were no outstanding items required for repairs. Routine items such as ride quality, indicator lamps, and door protection were all documented to be in operable condition.

Recommendations: Proper maintenance of the elevator is important. Not only is the proper function of the elevator a matter of convenience but also a matter of safety. By having a monthly inspection of all elevator components, like this Strata does, the elevators can be expected to operate with minimal to no interrupted service. Cable driven elevators have a typical lifespan of 35-45 years with ongoing maintenance and repairs. With proper maintenance and any periodic repairs as recommended by the service contractor, we expect the elevator to survive its full service life.

We reserved a budget for modernizations and upgrades of the elevator in 2018. The modernizations include replacement of the machines and controllers, door operators, upgrades to interior cab finishes and any upgrades required to bring the systems to comply with current B.C. Building Code.

M 2 – HVAC		
Year Installed	1975	Description: A gas-fired make-up air unit, manufactured by Reznor, is located on top of the flat roof. This unit delivers fresh and heated air to the corridors. There are exhaust fans at some of the service rooms and parkade and there are also electric baseboards at the lobby and the amenity areas. There are also chimney flues for gas-fired fireplaces at the individual suites and the social lounge.
Expected Life Span	40	
Observed Condition	37	
Repair or Replace	3	
<div style="display: flex; justify-content: space-around;">   </div>		
<p>Financial Review: We understand the rooftop-mounted make-up air unit and the exhaust fans are original to the building construction in 1975. Through financial records, we learned that repairs and service were done for the make-up air unit and fans in 2009. The work was performed by Dyna-Cool Refrigeration for \$1,750.35. We were advised by Council that the chimney flues are original to the building construction.</p>		
<p>Visual Review: The concealed motor and wirings of the make-up air unit cannot be visually inspected. We noted some rusting of the make-up air unit casing. We also noted the appearance of the chimneys to be consistent and do not appear to show significant wear or deterioration.</p>		
<p>Recommendations: The make-up air unit and the chimneys should both be serviced by a qualified technician to maintain uninterrupted service.</p> <p>Make-up air units, for economic reasons, are typically replaced at the same time as a major roof repair or replacement. Considering the repairs done in 2009 and without reports of complaints, we anticipate the unit to remain operational for another few years. However, due to the age of the unit, we reserved for its replacement in 2015. We have planned for its replacement again in 2033 at the same time as the sloped roof replacement (refer to EE 2—Sloped Roofing). We were advised by Council that confirmation from a Gas Safety Authority representative as well as several other independent gas service representatives indicated that the flues for the gas burning fireplaces should last indefinitely. Therefore, a full replacement of the chimney flues has not been considered. Any localized repairs or replacements, should they be required, are expected to be below the threshold of DR and are therefore assumed to be funded through the operating budget.</p>		

6.5 PLUMBING COMPONENTS

P 1 – Domestic Water System		
Year Installed	1975/ 2000	Description: Domestic water enters the building via buried piping fed from the municipal line. A 4" incoming water main supply line enters the building through the south side (Prospect Avenue). The buried piping goes into the Mechanical Room through a pressure reducing valve and into the domestic hot water tank. The tank is fueled by natural gas and is manufactured by Rheem-Ruud Universal. It is of model no. G85-400 and has a capacity of 85 U.S. Gal and a recovery of 363.5 U.S. GPH.
Expected Life Span	45/15	
Observed Condition	38/13	
Repair or Replace	2/5	



Financial Review: To the best of our understanding, the domestic water piping system is original to the building construction in 1975 without any major repairs or replacements since then. As indicated by the label, the hot water tank was manufactured in December 2000 and has been assumed to be installed in the same year.


Visual Review: Due to the concealed nature of the domestic water system, a limited amount can be visually inspected. Review is based mostly on what is visible from the plumbing plans.

The domestic hot water heater tank was properly tied into adjacent walls with seismic straps and appeared to be without major signs of wear or deterioration.

Recommendations: The domestic water in the lower mainland is typically free of most minerals which can cause an acceleration of pinhole leaks in piping resulting in premature failure. However, White Rock water is provided by Epcor, and has historically shown to be less corrosive to piping. The service life of copper piping in British Columbia, in general, still tends to be less than other provinces. It should be noted that to mitigate this potential issue, some Strata Corporations have water treatment systems that chemically adjust the mineral levels in the water. Domestic water piping can fail due to a number of reasons including: the thinning of pipe walls, corrosion, settling of the building and poor installation practices. Under normal circumstances, the typical lifespans of cold water copper piping can be expected to last approximately 50 years. Hot water piping and horizontal piping tend to deteriorate first.

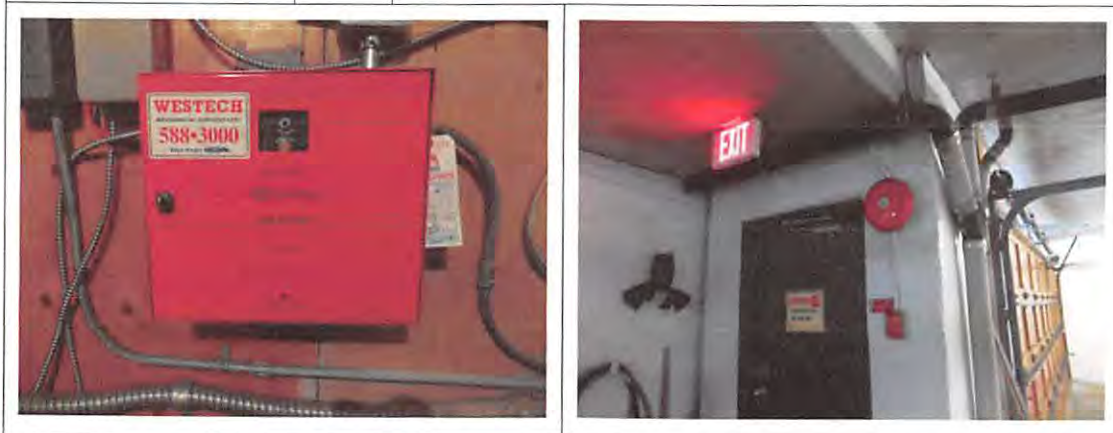
We have reserved for the replacement of the piping in 2017, and every 35 years thereafter. An allowance for the repair of some interior finishes has also been included as part of this component to compensate for some damage that may be incurred during the repair. We also reserved for the replacement of the hot water tank in 2014, and every 15 years thereafter.

6.6 ELECTRICAL COMPONENTS

EL 1 – Electrical Systems		
Year Installed	1975	Description: Electrical service is supplied to the building from municipal service to transformers that are presumably maintained and owned by BC Hydro. The service is stepped down at the transformer and brought into the electrical room. Service enters the electrical room to a switchgear unit manufactured by Federal Pioneer, and rated at 600A, 120/208V, 3 phase, 4 wire. The individual suites meters and the main house disconnect are also located in the electrical room. The main house disconnect switch is also manufactured by Federal Pioneer and is rated at 400A, 120/208V, 3 phase, 4 wire.
Expected Life Span	50	
Observed Condition	38	
Repair or Replace	12	
		
<p>Financial Review: We understand the electrical system is original to the building construction in 1975. We are not aware of any major repairs or replacements.</p>		
<p>Visual Review: It is assumed that the electrical system was installed to good building standards and in accordance to the electrical code.</p> <p>Inspections are limited due to the concealed nature of the majority of the electrical system. The switchgear unit and the panels were all clearly labelled with cables neatly clipped and tied onto the walls and is generally an indication of professional workmanship.</p>		
<p>Recommendations: No interrupted services were reported for the electrical systems. Typically these systems will last approximately 45-50 years. Annual inspections should be done by an electrical contractor and are assumed to be funded through the operating budget. The maintenance and localized repairs may assist the electrical systems survive their full service lives.</p> <p>We reserved for the replacement of the switchgear unit and an allowance for some wiring repairs in 2024.</p>		

6.7 SAFETY AND SECURITY COMPONENTS

SS 1 – Fire Alarm System and Emergency Power		
Year Installed	1975	Description: There is a fire control panel manufactured by Edwards located within the electrical room. There are also smoke detectors, alarm bells, hard-wired emergency lighting, illuminated exit signage, and emergency pull stations located throughout the common areas of the building.
Expected Life Span	40-45	
Observed Condition	38	
Repair or Replace	3	



Financial Review: To the best of our knowledge, the fire alarm system and the emergency power components are original to the building construction in 1975. We understand the Strata has had service agreements with a service contractor for many years and is currently serviced by Vancouver Fire & Security. We understand there have been some periodic repairs or replacements according to recommendations of the service contractor but we are not aware of any major repairs or replacements.



Visual Review: The functionality and operation of the system cannot be commented on as they cannot be tested or reviewed during our site inspection. It is assumed that these systems are installed and maintained to industry standards and in accordance to current fire codes.


Components that are expected to be installed are in place and inspection tags are placed in a clearly visible manner. The tags indicate a completed inspection in 2012 and the upcoming inspection to be performed on or before November 28, 2013. The location of all alarm bells and emergency light packs seem appropriate and sufficient to serve the building.

Recommendations: Fire alarm systems typically have lifespans of 20-25 years. However, some replacement parts are generally available, depending on the model. The fire alarm systems are critical in allowing sufficient time for occupants to escape, should an emergency arise. New, up-to-date systems are less vulnerable to false, nuisance alarms.


Over time, new technologies emerge and older systems become obsolete and become virtually impossible to find replacement parts. Under special circumstances, the system may require replacement earlier at the discretion of the local fire department if there is a significant change in code regulations.

While the system is still functional, we anticipate it is approaching the end of its service life due to its age. We reserved a budget for replacement of the fire alarm system in 2015, and every 30 years thereafter.

SS 2 – Suppression		
Year Installed	1975	Description: There is a dry valve sprinkler system serving the parkade and the storage room. The 4" dry pipe valve is located within the sprinkler room at the basement floor level. Standpipes are located within the stairwells. There are also two siamese connections located on the north and south sides of the building. There are fire extinguishers attached to the walls throughout the corridors.
Expected Life Span	50-60	
Observed Condition	38	
Repair or Replace	15	
		
<p>Financial Review: We understand the suppression system to be original to the building construction in 1975. We are not aware of any major repairs or replacements.</p>		
<p>Visual Review: The functionality and operation of the system cannot be commented on as they cannot be tested or reviewed during our site inspection. The inspection tags by Vancouver Fire & Security are taken as a sign of confidence that the systems are installed and maintained to industry standards.</p> <p>Components that are expected to be installed are all in place and inspection tags are placed in a clearly visible manner. The location of fire extinguishers seems appropriate and sufficient to serve all units of the building. No significant repair has been documented. Inspection tags indicate the upcoming inspection to be due on or before November 28, 2013.</p>		
<p>Recommendations: Suppression system piping suffers from regular wear. While their lifespans are expected to last beyond the scope of the DR, some localized repairs or replacements are anticipated.</p> <p>We have reserved an allowance for suppression repairs or replacements in 2027, and every 15 years thereafter. Typically, these repairs would cover some damaged sections of the piping as well as the replacement of some defective sprinkler heads. As the cost of dry valve air compressor is expected to be below the threshold of the DR, it is assumed to be funded through the operating budget.</p>		

SS 3 – Access Control and Security		
Year Installed	1975	Description: There is an enterphone panel installed next to the front entrance of the building. A remote-controlled system is installed for the access of the parkade gate.
Expected Life Span	40	
Observed Condition	38	
Repair or Replace	2	
		
<p>Financial Review: We understand the idling mechanism of the parkade gate motor was repaired and the springs were replaced in 2010 by Creative Door Services Ltd for \$1,060.75. We were advised by Council that the garage door motor was replaced in March 2013 for \$2,016. To the best of our knowledge, the enterphone system is original to the building construction in 1975 and we are not aware of any major repairs or replacements since then.</p>		
<p>Visual Review: There are no known issues with the access control and security systems. Our visual inspection did not uncover any signs of unusual or unexpected wear or deterioration. The systems were both in operational condition on the day of our inspection.</p>		
<p>Recommendations: We recommend periodic tests of the access control and security system to ensure their uninterrupted operation. Typical access control and security systems phases out in 20-25 years with replacements parts available for up to approximately another 10-15 years after that.</p> <p>The enterphone system is believed to have surpassed its normal expected lifespan. We understand that the Strata has already quoted for its replacement in 2008 and we recommend its replacement in the near future. We recommend the Strata to consider an upgrade to the system at the time of replacement. The upgrade will typically include cameras and hard drives (for video footage) for added security. However, for the purpose of the DR, we have included a like-for-like replacement.</p> <p>We reserved for the replacement of the enterphone system in 2015 and every 25 years thereafter. We have included an allowance for some repairs or upgrades parkade gate motor at this same time.</p>		

6.8 SITE SERVICES COMPONENTS

SRV 1 – Buried Site Services and Drainage		
Year Installed	1975	Description: Site services include sanitary and storm piping, gas piping, and electrical wirings. They are supplied to the building via buried conduits and piping fed from main municipal lines below the adjacent roads. Site drainage is accomplished with natural sloping of the hard and soft landscaping components to various catch basins throughout the site. As indicated on plumbing plans, 10" storm and 8" sanitary municipal piping are connected to the building at the southwest corner. Gas is supplied to the building from the east side with equipment that is presumably maintained and owned by the service provider.
Expected Life Span	60	
Observed Condition	38	
Repair or Replace	2	
		
<p>Financial Review: We understand the site services are original to the building construction in 1975. We are not aware of any major repairs or replacements.</p>		
<p>Visual Review: Buried site services were not visually inspected due to their concealed locations. Review of these systems was done by studying the available information from building plans in combination with the limited amount seen. The sanitary drainage systems within the building, including the risers to the suites, are expected to last beyond the scope of the DR so they have not been included.</p> <p>Where checked, there were no signs of pooling water. We noted various catch basins throughout the site and they appear to be properly placed to serve the building site.</p>		
<p>Recommendations: Buried site service lines endure regular wear. In particular, sanitary and storm piping that are located below grade may experience penetrations by the growth of tree roots. Due to the concealed nature of these components, deficiencies are not easily noticed. Reports from Strata owners about any interrupted services will often be the first and only sign of any defects to the buried site service systems.</p> <p>We assume that the buried services and drainage have a remaining life that extends beyond the scope of this DR. Therefore, full replacements have not been considered. Periodic repairs are needed to give these systems their full service life. We have included an allowance in the plan for buried site services with S 2—Parkade and Site 1—Paving.</p>		

6.9 SITE COMPONENTS

Site 1 – Paving		
Year Installed	1975/ 2008	Description: An asphalt driveway ramp goes from the street level from Prospect Avenue up to the parkade entrance. There is also a concrete patio pad outside the lounge area just next to the front entrance. As indicated on building plans, this topping surface is set in pressure-treated wood spacers.
Expected Life Span	35-40	
Observed Condition	38/5	
Repair or Replace	25	
<div style="display: flex; justify-content: space-around;">   </div>		
<p>Financial Review: Through review of financial records, we understand that the driveway was repaved in 2008 by Rainbow Paving Ltd. for \$5,523.00 which was funded from the operations budget. We understand the concrete patio pad at the front of the building is original to the building construction in 1975 and are not aware of any major repairs or replacements since then.</p>		
<p>Visual Review: It is assumed that all concrete and asphalt work were designed and constructed in accordance with the building code and good building standards.</p> <p>We noted the driveway surface was even and without significant spalling or cracking. It appears to maintain a proper slope to drain. We noted no pooling of water in this area. We noted some chipped areas of the concrete pad against the building. We also noted some cracks of the concrete patio pad.</p>		
<p>Recommendations: Paving is exposed to the elements, particularly in the form of rain and snow. Pressure from vehicles and walking traffic can further deteriorate the paved areas. The longevity of paving components is typically dependent upon the quality of the underlay or foundation. Eventually, these influences can lead to cracking and spalling of the paving surfaces.</p> <p>We anticipate any repairs or replacements of the front patio pad to be below the threshold of the DR and are therefore assumed to be funded through the operating budget. We have reserved an allowance for the repairs of the driveway in 2037 and every 20 years thereafter. Included is an allowance for the repairs of buried site services (refer to SRV 1—Buried Site Services).</p>		

Site 2 – Walkways		
Year Installed	1975	Description: There are sections of walkways outside both the front and back entrance doors. These walkways are constructed of concrete with an exposed-aggregate finish.
Expected Life Span	50	
Observed Condition	38	
Repair or Replace	N/A	
		
<p>Financial Review: We understand the concrete walkways are original to the building construction in 1975. We are not aware of any major repairs or replacements.</p>		
<p>Visual Review: It is assumed that all concrete work were designed and constructed in accordance with the building code and good building standards.</p> <p>The concrete walkways appeared to be level and without major cracking or spalling. The walkways appeared to slope sufficiently to direct water away from the building. We noted no signs of uneven settlement of the walkways.</p>		
<p>Recommendations: Walkways are exposed to the elements in addition to walking traffic. The quality and extent of subgrade preparations will often determine the lifespan of the overlaying surface.</p> <p>We do not expect a full replacement of the sidewalk and walkways to be required within the scope of the DR. However, we anticipate periodic repairs will be necessary. Typically, repairs would include some compacting or adjustments to the subgrade prior to installation of the topping.</p> <p>The repairs of the walkways are anticipated to be below the threshold of the DR and are therefore assumed to be funded through the operating budget.</p>		

Site 3 – Site Guards		
Year Installed	2008	Description: There are steel site guards surrounding the outer edges of the front-side patio and along the wooden stairs just outside of the rear entrance door.
Expected Life Span	50	
Observed Condition	5	
Remaining Life	N/A	
		
<p>Financial Review: We were advised by Council that the site guards around the concrete patio at the front of the building were replaced. Through financial records, we understand that Goldstar Railing Ltd. was contracted for the job in 2008 and the replacement cost was \$945.</p>		
<p>Visual Review: Where checked, we noted no significant rusting of the site guards. The guards were surface-mounted and were secured where inspected.</p>		
<p>Recommendations: Site guards serve both a functional and cosmetic purpose. Their upkeep is required to maintain their serviceability and appeal.</p> <p>We recommend the regular inspection of the guards to ensure their firm attachment. We also recommend a water-resistive coating of these components to inhibit any progression of rust.</p> <p>Repairs or replacements as well as the coating of the site guards are expected to be below the threshold of the DR and are therefore assumed to be budgeted through the operating fund.</p>		

Site 4 – Landscaping		
Year Installed	1975	Description: Site landscaping consists of hard and soft landscaping components. Hard landscaping of this complex consists of some concrete paving, and concrete retaining walls (garbage enclosure), and exterior lights. Soft landscaping includes trees, shrubs, flowerbeds, and sodded grass areas that are located around the exterior of the building. An irrigation system is in place to water the soft landscaping areas. A Rain Bird ESP-6™ control panel is installed in the sprinkler room at the basement floor level.
Expected Life Span	45	
Observed Condition	38	
Repair or Replace	7	
		
<p>Financial Review: We learned through Strata minutes that the west wall (concrete cinder blocks) of the garbage enclosure was repaired in 2008 due to damages by garbage trucks. We understand the Strata has an agreement with the City of White Rock for reimbursement for the repairs as the damages were deemed to be the City’s responsibility. Through financial records, it appears that the Strata was reimbursed for \$927.63. We understand the exterior lights have been replaced in 2011. However, we did not see a work contract and are unaware of the scope of work and the costs involved.</p>		
<p>Visual Review: We assume the maintenance of the irrigation system to be included with the contract with the landscaping contractor. The irrigation system was not tested during our site inspection.</p> <p>We noted the irrigation sprinkler heads to be in place and appeared to be sufficient for the soft landscaping areas. Plants and flowerbeds appear to be well maintained.</p>		
<p>Recommendations: Plants are seasonal and require ongoing maintenance in order to look vibrant and appealing. Continued work with a qualified landscaper is recommended.</p> <p>The concrete walkways have been included with Site 3—Walkways. We have reserved an allowance for the renewals of landscaping components in 2019, and every 15 years thereafter. The allowance is planned to include some repairs with the irrigation system and lamp post, repairs to the rear-side wooden stairs, as well as some re-seeding of flowers and plants.</p>		

7.0 FINANCIAL ANALYSIS

7.1 BENCHMARK ANALYSIS, OVERVIEW AND EXPLANATION

The Benchmark Analysis shows the reserve components, including the life cycle analysis and the cost estimates on a single spreadsheet for convenient examination and easy reference. The estimates follow prudent reserve fund practices, which provide for inflationary cost increases over time and interest income from reserve fund investments.

The reserve fund estimates have been prepared without regard to the current financial position of the Strata Corporation or the current reserve fund contributions by unit owners, and as such, they represent the optimum reserve fund operation, which assumes that the Strata Corporation has continuously assessed adequate reserve funding from the beginning.

This Benchmark Analysis is the foundation of the DR, as it provides the basis for comparison to the actual reserve fund operation. The Benchmark Analysis provides the standard for reserve fund planning and property maintenance, and as such, it is a valuable management and major maintenance resource document.

The foregoing program represents the practical application of reserve fund budget planning and management. When applied, as outlined, the reserve fund will cover anticipated reserve fund expenditures and any contingencies.

The actual costs may vary considerably depending on the time of year when tendering is conducted, the actual detailed scope of work and the economic climate of the construction industry. Major repair and replacement of components requires detailed design, preparation of tender documents as well as tendering and quality assurance during construction.

Reducing standards of renewal/repairs for Contingency Reserve Fund items would result in lower required annual contributions, but the Strata must be made aware that the deferral of recommended repairs and renewals may result in collateral deterioration and/or damage—which may end up inflating remedial costs considerably.

We strongly recommend that the Strata council continues to acquire quotes and estimates for any capital cost items required over the next 3 years, to help with budget planning.

7.1.1 Component Classification

Reserve fund components are conveniently classified in terms of building groups, common element facilities and site improvements.

7.1.2 Lifespan Analysis

Each reserve component has been analyzed in terms of life cycle condition and expected remaining useful life. The lifespan analysis considers the following factors:

1. Type of Component
2. Utilization
3. Material
4. Workmanship
5. Quality
6. Exposure to Weather Conditions
7. Functional Obsolescence

8. Environmental Factors
9. Regular Maintenance
10. Preventive Maintenance
11. Observed Condition

The critical aspect of a Life Span Analysis is the observed condition of each reserve component, which includes:

1. Actual age of the component
2. Maintenance of the component
3. Observed deficiencies of the component
4. Repair and replacement experience
5. Probability of hidden conditions

The Lifespan analysis culminates in component life span estimates, as follows:

1. **Expected Life Span**—each reserve component is analyzed in terms of component type, quality of construction, statistical records and normal life experience.
2. **Observed Condition Analysis**—this is the critical analysis of a reserve component and consists of determining the effective age of the reserve component within its normal life cycle based on the observed condition of the reserve component. The validity of this analysis depends on the experience of the Depreciation Report planner or analyst, as this is a subjective estimate rather than an objective assessment.
3. **Repair or Replacement Analysis**—this refers to an estimate of the number of years before the first instance of major repair or full replacement. When the first instance is a full replacement the number years is simply the expected lifespan minus the observed condition. In the event of a repair, the number presented indicates the estimated remaining life before a major repair should be done. Reserve expenditures should and must be made during the remaining life span to maintain building components and facilities in good condition.

A lifespan analysis is a subjective, or empirical, assessment of the life cycle status of a reserve component. The lifespan of a reserve component is subject to change due to numerous factors. The actual date of repair or replacement can only be viewed as an approximation; we believe that the larger goal is to understand that funds should be reserved for these components so that they can be maintained in optimum condition, thereby maximizing their lifespan.

7.1.3 Current Cost Estimates

Reserve fund component assessments and current cost estimates are based on our investigation, observation, analyses and our experience.

Estimated costs have been calculated using construction cost services including RS Means, National Construction Estimator, Get-A-Quote, Marshall & Swift Valuation System, modified as to time, location and quality of construction. We also verified estimates by quotations from contractors, fabricators and suppliers. Moreover, we have used our own programs and cost compilations and databases.

All costs are strictly estimates and are subject to confirmation at the time competitive bids are obtained from contractors specializing in the repair or replacement work required.

The following factors have been considered in calculating the Major Repair and Replacement Costs Estimates:

1. **Quality of construction**—replacement cost estimates are based on the assumption of using quality materials, as specified or built, or in the case of older developments, as required under current building code regulations, at contractors' prices, using union labour and current construction techniques, and including contractors' overhead and profit. The costs of repairs and/or replacements of many reserve components are invariably higher than original building costs when contractors have considerable latitude in planning their work and can utilize economies of scale to keep costs within construction budgets. In contrast, repair work must frequently be performed in an expedient manner with proper safety precautions and within certain constraints. Cost estimates take into account such additional costs as special construction, safety installations, limited access, noise abatements, and the convenience of the occupants.
2. **Demolition and Disposal Costs**—the estimates herein include provisions for demolition and disposal costs including dumping fees. These costs have been rising in recent years. Particularly, dumping of certain materials has become problematic and very costly. It appears that certain codes and environmental regulations will become more stringent in future years, all of which will further increase disposal costs.
3. **Taxes**—the Goods and Services Tax ("GST") and where applicable the Provincial Sales Tax ("PST") applies to all repairs and replacements including disposal costs. Therefore, these costs are included in the reserve fund estimates hereinafter.

7.1.4 Benchmark Analysis Definitions

Current Replacement Costs—provisions for all major repairs and replacements at current prices.

Current Reserve Fund Requirements—are reserve fund estimates based on the notion of effective age and which should have been contributed by unit owners.

Years Remaining until Repair or Replacement—is the anticipated life span of a component, starting from the date of original construction/installation until major repair or full replacement of the component. The life-cycle is usually discussed in terms of frequency. The life-cycle is based on the assumption that regular service and maintenance is carried out on a particular building to ensure anticipated life-cycles are achieved.

Future Replacement Costs—are provisions for all major repair and replacement costs in the future at the end of the expected life span.

Future Reserve Fund Accumulations—are the current reserve fund requirements together with interest compounded over the remaining life span.

Future Reserve Fund Requirements—which are to be funded by unit owners' payments to the reserve fund plus any interest earned.

THE BENCHMARK ANALYSIS

Benchmark Analysis											
Strata NW 367		15									
Inflation Rate		2.80%									
Interest Rate		1.25%									
Reserve Components *		Year of Acquisition	Expected Lifespan (Years)	Years Left Until Repair or Replace	Current Replacement Cost	Future Replacement Cost	Current Reserve Fund Requirement	Future Reserve Fund Accumulation	Future Reserve Fund Requirement	Annual Reserve Fund Requirement	Reserve Fund Accumulation Allocation
S1	Foundation	1975	40	2	5,000	5,284	4,750	4,869	414	206	0.3%
S2	Parkade	1975	40	2	17,500	18,494	16,625	17,043	1,450	721	1.2%
S3	Balconies	1999	25	11	53,400	72,354	29,904	34,283	38,072	3,250	5.4%
S4	Garage Roof Decks	1999	30	16	68,400	106,401	31,920	38,939	67,462	3,835	6.4%
EE1	Flat Roofing	2009	21	17	103,900	166,149	19,790	24,444	141,705	7,533	12.6%
EE2	Sloped Roofing	2009	25	21	49,000	87,509	7,840	10,177	77,332	3,243	5.4%
EE4a	Exterior Cladding - Vinyl Siding	1975	40	26	247,700	507,863	86,695	119,747	388,116	12,725	21.3%
EE4b	Exterior Cladding - Wood Siding	1975	49	11	50,900	68,967	39,473	45,253	23,714	2,024	3.4%
EE5	Windows - Full Assembly Replacement	1999	40	26	83,600	171,406	29,260	40,415	130,991	4,295	7.2%
EE6	Exterior Doors	1975	46	8	7,500	9,354	6,196	6,843	2,511	300	0.5%
EE7	Painting and Caulking	2010	12	9	8,000	10,257	2,000	2,237	8,021	848	1.4%
I1	Lobby	2013	16	15	10,000	15,132	625	753	14,379	877	1.5%
I2	Corridors and Stairwells	2003	15	3	17,500	19,012	14,000	14,532	4,480	1,475	2.5%
I3	Interior Doors	1975	46	8	7,500	9,354	6,196	6,843	2,511	300	0.5%
I4	Amenities - Social Lounge, Games Room, Sauna, and Bathrooms	1975	45	7	25,000	30,331	21,111	23,029	7,302	1,005	1.7%
M1	Elevator	1975	44	6	133,000	156,968	114,864	123,752	33,216	5,365	9.0%
M2	HVAC - Make Up Air Unit	1975	41	3	15,000	16,296	13,902	14,430	1,865	614	1.0%
P1a	Domestic Water System - Hot Water Equipment	2000	15	2	9,500	10,039	8,233	8,440	1,599	795	1.3%
P1b	Domestic Water System - Distribution Piping	1975	43	5	94,200	108,147	83,247	88,581	19,566	3,817	6.4%
EL1	Electrical Systems	1975	50	12	25,000	34,822	19,000	22,054	12,768	993	1.7%
SS1	Fire Alarm System and Emergency Power	1975	41	3	25,000	27,159	23,171	24,051	3,109	1,023	1.7%
SS2	Suppression	1975	53	15	25,000	37,830	17,925	21,596	16,234	991	1.7%
SS3	Access Control and Security	1975	40	2	5,000	5,284	4,750	4,869	414	206	0.3%
Site1	Paving	2008	30	25	10,000	19,945	1,667	2,274	17,671	607	1.0%
Site4	Landscaping	1975	45	7	20,000	24,265	16,889	18,423	5,842	804	1.3%
	Contingency		1	0	1,500	1,500	1,500	1,500	0	2,000	3.3%
Totals					\$ 1,118,100	\$ 1,740,124	\$ 621,532	\$ 719,378	\$ 1,020,746	\$ 59,852	100%

7.2 THREE 30-YEAR CASH-FLOW FUNDING MODELS

Three scenarios with their respective graphs, cash-flow tables, and projections are presented to the Strata Council for review as detailed below.

Adequacy—this is a minimum financial model. It is a summary of the cash flow and projections if minimum efforts are made. Any shortfalls in the Contingency Reserve Fund against needed expenditures are funded with one yearly contribution increase and the rest via special levies. The bottom line for this funding model is that sufficient funds are available for expenditures as needed but no more.

Full Funding—this financial model works towards getting the Strata to a full funding position by the end of 30 years whereby the amount of asset that's depreciated is reflected the Contingency Reserve Fund balance. Monthly contributions to the Contingency Reserve Fund are increased at the beginning of the cycle and then level off over time with minimal special levies.

Alternative Funding—this financial model works towards getting the Strata to 50% of the Full Funding model position by the end of 30 years, whereby the amount of asset that's depreciated is reflected the Contingency Reserve Fund balance. Monthly contributions to the Contingency Reserve Fund are increased over time and level off over time with a varying amount of special levies.

7.3 GENERAL FINANCIAL ASSUMPTIONS

7.3.1 Statutory Minimum Funding

We have reviewed the statutory minimum funding reserve requirements of the Strata Regulation en. B.C. Reg. 238/2011, Sch. 1, s. 2., which states that:

6.1 For the purposes of section 93 of the Act, the amount of the annual contribution to the contingency reserve fund for a fiscal year, other than the fiscal year following the first annual general meeting, must be determined as follows:

(a) if the amount of money in the contingency reserve fund at the end of any fiscal year after the first annual general meeting is less than 25% of the total amount budgeted for the contribution to the operating fund for the fiscal year that has just ended, the annual contribution to the contingency reserve fund for the current fiscal year must be at least the lesser of

(i) 10% of the total amount budgeted for the contribution to the operating fund for the current fiscal year, and

(ii) the amount required to bring the contingency reserve fund to at least 25% of the total amount budgeted for the contribution to the operating fund for the current fiscal year;

(b) if the amount of money in the contingency reserve fund at the end of any fiscal year after the first annual general meeting is equal to or greater than 25% of the total amount budgeted for the contribution to the operating fund for the fiscal year that has just ended, additional contributions to the contingency reserve fund may be made as part of the annual budget approval process after consideration of the depreciation report, if any, obtained under section 94 of the Act.

We have assumed 25% of the current operating budget to be the minimum statutory funding.

7.3.2 Long Term Inflation Rate

Inflation measurement in reserve fund projections must be based on construction indices rather than the widely quoted Consumer Price Index (CPI), which measures the cost of a basket of consumer goods, not construction costs.

The most widely recognized construction cost service providing periodic cost indices is Statistics Canada.

Overall Average Annual Cost Changes , last 22 years (1989 – 2011)	2.89%
Average Annual Cost Changes, last 10 years (2002 – 2011)	3.82%
Average Annual Cost Changes, last 5 years (2006-2011)	1.52%
Annual Change Data, 4th quarter 2011 to 4th quarter 2012	2.9%
<i>Source: Statistics Canada</i>	

We have selected an inflation rate of **2.80%** for calculating the future major repairs and replacement of assets' cost for the Strata Corporation's Reserve Fund.

7.3.3 Long Term Interest Rate

Investment income can be a significant and increasing source of revenue for reserve funds, and therefore, it is important that reserve funds are continuously and prudently invested.

Reserve fund investments must be directly or indirectly guaranteed by governments. Bank deposits and various investment instruments are insured by the Canada Deposit Insurance Corporation up to a maximum of \$100,000, covering principal and interest. Of note, British Columbia Credit Unions have no limits on amounts insured in their regular accounts.

The ability of Strata corporations to earn the highest rate of interest available in the marketplace, given the restricted conditions of investments, depends on the expertise of financial management and the amount of available funds for investment.

Therefore, the Depreciation Report planner must consider management policies, the historical investment performance and the size of the reserve fund available for investment.

In selecting an appropriate interest rate for reserve fund investments for a particular Strata Corporation, the balance of the reserve fund is the most critical consideration as it dictates investment options and their corresponding interest rates.

Investment opportunities are widely advertised, ranging from bank deposits, term deposits and guaranteed investment certificates (GICs) to money market instruments and government bonds.

The following are investment returns achievable for Strata Corporations, given various reserve fund balances:

GIC's, up to \$99,999 balance	
Term (years):	
1 - 1.5	1.1%
1.5 - 2	1.0%
5	1.95%
10	2.3%
Gov. Canada Bonds Yield	
Term (years):	
1 - 3	.99%
3 - 5	1.14%
5 - 10	1.43%
10+	2.22%
<i>Source: RBC, BoM, TD Canada Trust, Bank of Canada</i>	

Prudent reserve fund investment requires that investments are reasonably matched with anticipated Reserve fund expenditures, ensuring reserve fund liquidity. Therefore, funds should be invested in a laddered portfolio, which ensures that reserve funds are available when needed, and may provide increased returns.

Some management firms use their "purchasing power" by directing business to a particular financial institution to negotiate favourable interest rates for all their clients. This approach may benefit the smaller corporations and is an important consideration when selecting an appropriate interest rate.

The benchmark calculations and the Reserve fund projections are based on the assumption that reserve fund contributions are constantly and continuously invested.

Considering the investment opportunities available in the subject instance, and a recommended management policy of investing in secured guaranteed investments, and having examined the historical rate of return, we have selected a **1.25%** interest rate in calculating the future investment performance of the Strata Corporation's reserve fund.

Actual rates of return on investments will vary according to minimum balances, term, and financial instruments chosen. Providing specific advice on reserve fund investment is beyond the scope of this report and our expertise. Should the Strata wish to explore their investment options a professional advisor should be consulted.

7.3.4 Rounding

Due to rounding automatically executed by computer, there may be minor discrepancies in the data, which are not deemed significant.

7.4 GENERAL ASSUMPTIONS

An adequate Contingency Reserve Fund may be defined as the reserve fund balance together with regular contributions and investment income, which constitutes sufficient cash resources available for all possible and potential reserve fund expenditures, required repairing or replacing common elements or assets of the corporation when needed.

The most direct and stringent measure of the adequacy of reserve fund is the Reserve fund deficiency analysis, whereby the actual closing reserve fund balance is compared with the currently required reserve fund balance.

Any significant difference between the actual reserve fund balance and the required balance will show as a Reserve fund surplus or reserve fund deficiency (shortfall).

A reserve fund surplus, particularly when such surplus is increased by excessive Reserve fund contributions, means that unit owners have contributed too much to the reserve fund, a situation which should be corrected to eliminate such reserve fund surplus.

A reserve fund deficit indicates that owners have not contributed enough to the reserve fund, causing the difference between a fully funded reserve fund and the actual reserve fund balance.

The adequacy of a reserve fund not only requires the test of an estimated fully funded reserve fund, but also requires a test as to the adequacy of a reserve fund should be sufficient cash resources to fund all potential repairs and replacements, including unforeseen events and contingencies.

Therefore, a reserve fund deficiency or shortfall does not automatically mean that the reserve fund is not adequate. It is the judgment of the Depreciation Report planner to conclude whether the reserve fund is adequate or not.

7.5 PROJECTIONS

The projections present a 30 year reserve fund projection showing cash positions, cash flows and cash expenditures in a form and detail which conforms to financial statement presentation of reserve fund operations.

Opening Cash Balance—this is the reserve fund position at the beginning of each and every fiscal year showing the cash resources available, which consist of 1) bank deposits, 2) qualified investments, and 3) accrued interest earned.

Cash Flows—these are the regular reserve fund contributions, special assessments, and interest income based of the opening balance.

Opening Cash Funds—these represent the total cash resources available in any fiscal year and include the current year's cash flow.

Cash Expenditures—these are annual expenditures listed in the categories established by the Depreciation Report. Records or ledger accounts of these expenditure categories should be kept showing reserve fund allocations and charges in a chronological order for control and reference.

Closing Cash Balance—this is the reserve fund position at the end of each and every fiscal year, which is carried forward to the next year.

Deficiency Analysis—the Reserve Deficiency has been projected by formula taking into account the inflation factor, interest rate and reserve fund expenditures. Therefore, a reserve fund

expenditure will not affect the reserve fund deficiency because such an expenditure will also affect the reserve requirements.

7.6 PLAN FOR FUTURE FUNDING

The Strata Property Act provides that the Strata Corporation prepares their own plan for future funding of the reserve fund and that the Strata is not bound by the recommendations of the reserve fund planner.

Subject to the requirements set out in the Strata Property Regulation, the Strata must determine the amount of the annual contribution to the contingency reserve fund. This means that the Strata Council determines the recommended funding.

7.7 PROJECTED RESERVE FUND EXPENDITURES

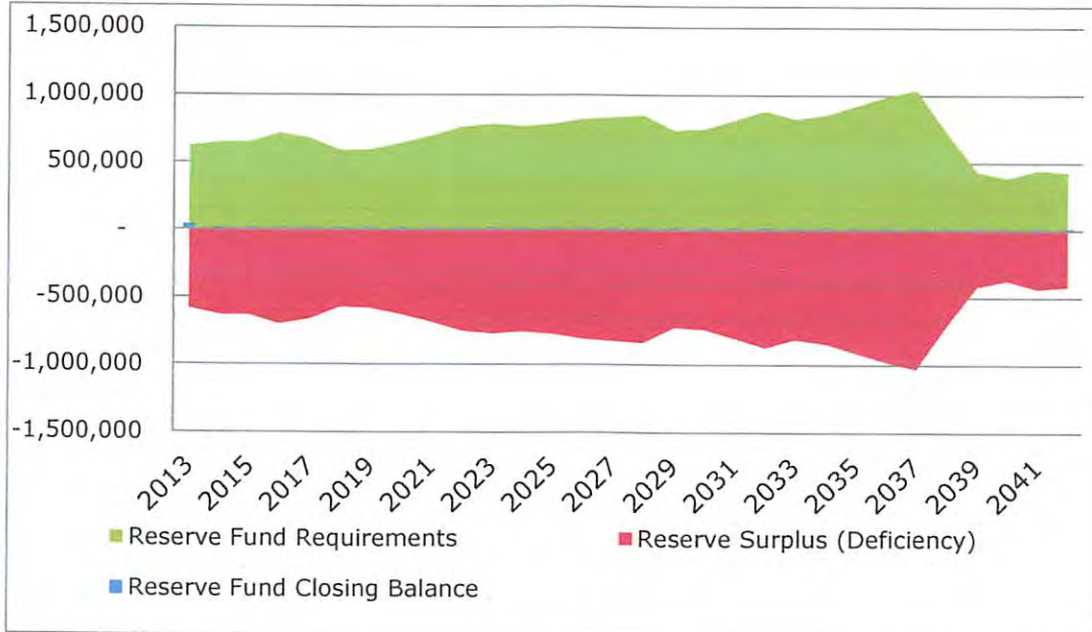
The proposed reserve fund expenditures in the 30 Year Cash Flow Projection are guides in terms of timing, based on the lifespan analysis.

Reserve fund expenditures should readily be varied to conform to actual management and major maintenance plans, and therefore, they should not be dogmatically interpreted.

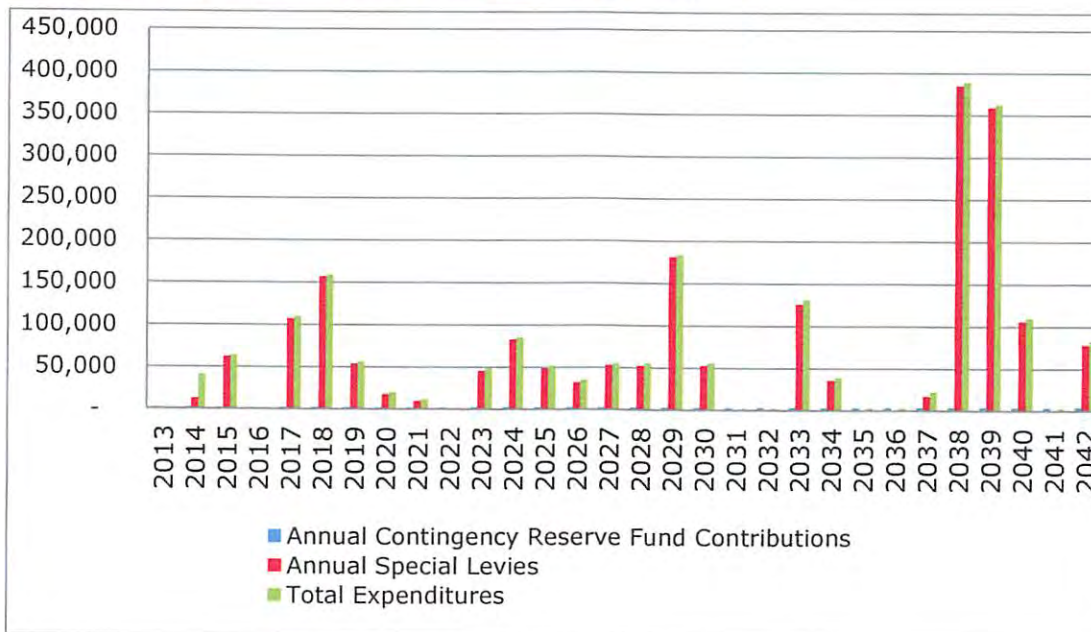
In essence, reserve fund expenditures are the responsibility of management, and any targeted expenditures, guidelines only.

7.8 ADEQUACY FUNDING MODEL

7.8.1 Adequacy—Reserve Requirements, Surplus/(Deficit) and Fund Balance



7.8.2 Adequacy—Contributions Compared to Expenditures



7.8.3 Adequacy—Cash Flow Summary

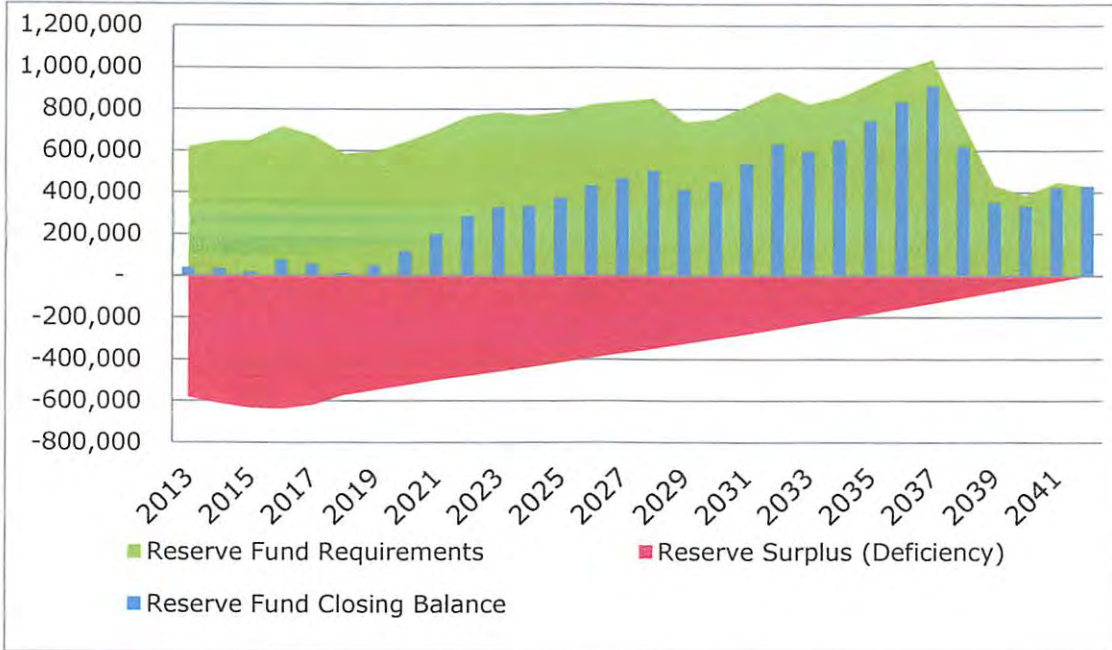
Adequacy-Cash flow Summary										
Strata NW 367										
Total Reserve Fund Contributions Collected										
Year	Reserve Fund Opening Balance	Regular Annual	% Change	Special Levy	Total	Avg per Unit per Month**	Interest Earned	Total Cash Inflow	Estimated Expenditures	Reserve Fund Closing Balance
2013	\$38,069	\$ 1,800	n/a	\$ -	\$ 1,800	\$ 10	\$ 476	\$ 2,276	\$ 1,542	\$ 38,803
2014	38,803	1,854	3%	13,000	14,854	83	485	15,339	40,686	13,456
2015	13,456	1,910	3%	62,000	63,910	355	168	64,078	64,096	13,437
2016	13,437	1,967	3%	-	1,967	11	168	2,135	1,675	13,897
2017	13,897	2,026	3%	107,000	109,026	606	174	109,200	109,870	13,227
2018	13,227	2,087	3%	157,000	159,087	884	165	159,252	158,738	13,741
2019	13,741	2,149	3%	54,000	56,149	312	172	56,321	56,416	13,646
2020	13,646	2,214	3%	18,000	20,214	112	171	20,384	20,579	13,451
2021	13,451	2,280	3%	10,000	12,280	68	168	12,448	12,180	13,719
2022	13,719	2,349	3%	-	2,349	13	171	2,520	1,977	14,262
2023	14,262	2,419	3%	46,000	48,419	269	178	48,597	49,185	13,674
2024	13,674	2,492	3%	83,000	85,492	475	171	85,663	85,384	13,953
2025	13,953	2,566	3%	49,000	51,566	286	174	51,741	51,978	13,716
2026	13,716	2,643	3%	32,000	34,643	192	171	34,815	35,328	13,203
2027	13,203	2,723	3%	53,000	55,723	310	165	55,888	55,232	13,859
2028	13,859	2,804	3%	52,000	54,804	304	173	54,978	55,534	13,302
2029	13,302	2,888	3%	181,000	183,888	1,022	166	184,055	183,740	13,618
2030	13,618	2,975	3%	53,000	55,975	311	170	56,145	55,893	13,870
2031	13,870	3,064	3%	-	3,064	17	173	3,238	2,535	14,573
2032	14,573	3,156	3%	-	3,156	18	182	3,338	2,606	15,306
2033	15,306	3,251	3%	126,000	129,251	718	191	129,442	131,263	13,485
2034	13,485	3,349	3%	36,000	39,349	219	169	39,517	39,472	13,530
2035	13,530	3,449	3%	-	3,449	19	169	3,618	2,831	14,317
2036	14,317	3,552	3%	-	3,552	20	179	3,731	2,910	15,139
2037	15,139	3,659	3%	17,000	20,659	115	189	20,848	22,936	13,050
2038	13,050	3,769	3%	385,000	388,769	2,160	163	388,932	388,945	13,037
2039	13,037	3,882	3%	359,000	362,882	2,016	163	363,045	362,950	13,132
2040	13,132	3,998	3%	106,000	109,998	611	164	110,162	109,854	13,440
2041	13,440	4,118	3%	-	4,118	23	168	4,286	3,341	14,385
2042	14,385	4,242	3%	78,000	82,242	457	180	82,422	83,577	13,230

* Note: figures presented are rounded.

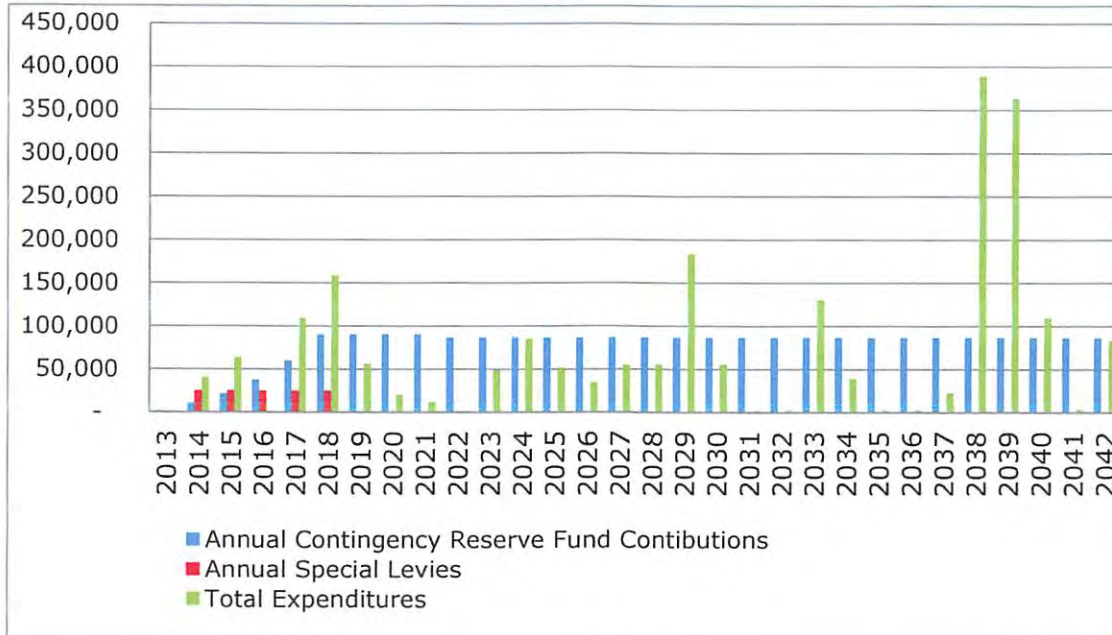
**Note: Avg per Unit per Month is calculated as the total divided by the number of units. Entitlement unit calculations will differ.

7.9 FULL FUNDING MODEL

7.9.1 Full Funding—Reserve Requirements, Surplus/ (Deficit) and Fund Balance



7.9.2 Full Funding—Contributions and Expenditures



7.9.3 Full Funding—Cash Flow Summary

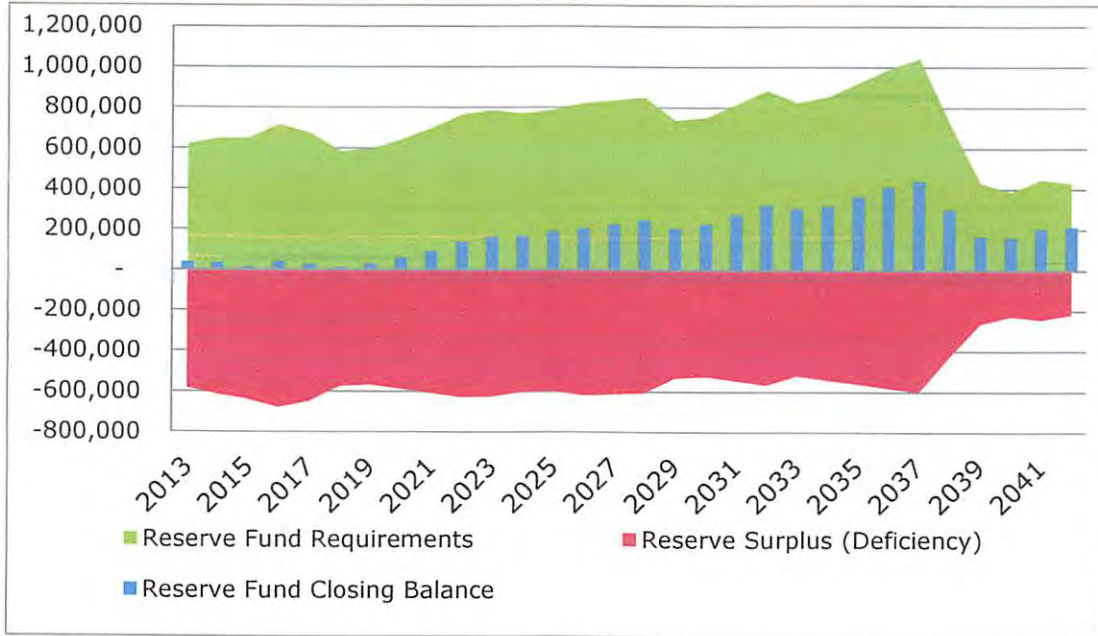
Full Funding-Cash flow Summary										
Strata NW 367										
Total Reserve Fund Contributions Collected										
Year	Reserve Fund Opening Balance	Regular Annual	% Change	Special Levy	Total	Avg per Unit per Month**	Interest Earned	Total Cash Inflow	Estimated Expenditures	Reserve Fund Closing Balance
2013	\$ 38,069	\$ 1,800	n/a	\$ -	\$ 1,800	\$ 10	\$ 476	\$ 2,276	\$ 1,542	\$ 38,803
2014	38,803	10,800	500%	25,125	35,925	200	485	36,410	40,686	34,527
2015	34,527	21,600	100%	25,125	46,725	260	432	47,157	64,096	17,587
2016	17,587	37,800	75%	25,125	62,925	350	220	63,145	1,675	79,057
2017	79,057	60,480	60%	25,125	85,605	476	988	86,593	109,870	55,780
2018	55,780	90,720	50%	25,125	115,845	644	697	116,542	158,738	13,585
2019	13,585	90,720	0%	-	90,720	504	170	90,890	56,416	48,058
2020	48,058	90,720	0%	-	90,720	504	601	91,321	20,579	118,800
2021	118,800	90,720	0%	-	90,720	504	1,485	92,205	12,180	198,824
2022	198,824	87,091	-4%	-	87,091	484	2,485	89,577	1,977	286,424
2023	286,424	87,091	0%	-	87,091	484	3,580	90,671	49,185	327,910
2024	327,910	87,091	0%	-	87,091	484	4,099	91,190	85,384	333,716
2025	333,716	87,091	0%	-	87,091	484	4,171	91,263	51,978	373,001
2026	373,001	87,091	0%	-	87,091	484	4,663	91,754	35,328	429,427
2027	429,427	87,091	0%	-	87,091	484	5,368	92,459	55,232	466,654
2028	466,654	87,091	0%	-	87,091	484	5,833	92,924	55,534	504,045
2029	504,045	87,091	0%	-	87,091	484	6,301	93,392	183,740	413,697
2030	413,697	87,091	0%	-	87,091	484	5,171	92,262	55,893	450,067
2031	450,067	87,091	0%	-	87,091	484	5,626	92,717	2,535	540,249
2032	540,249	87,091	0%	-	87,091	484	6,753	93,844	2,606	631,487
2033	631,487	87,091	0%	-	87,091	484	7,894	94,985	131,263	595,209
2034	595,209	87,091	0%	-	87,091	484	7,440	94,531	39,472	650,268
2035	650,268	87,091	0%	-	87,091	484	8,128	95,220	2,831	742,657
2036	742,657	87,091	0%	-	87,091	484	9,283	96,374	2,910	836,121
2037	836,121	87,091	0%	-	87,091	484	10,452	97,543	22,936	910,728
2038	910,728	87,091	0%	-	87,091	484	11,384	98,475	388,945	620,258
2039	620,258	87,091	0%	-	87,091	484	7,753	94,844	362,950	352,152
2040	352,152	87,091	0%	-	87,091	484	4,402	91,493	109,854	333,791
2041	333,791	87,091	0%	-	87,091	484	4,172	91,264	3,341	421,713
2042	421,713	86,513	0%	-	86,513	481	5,271	91,785	83,577	429,921

* Note: figures presented are rounded.

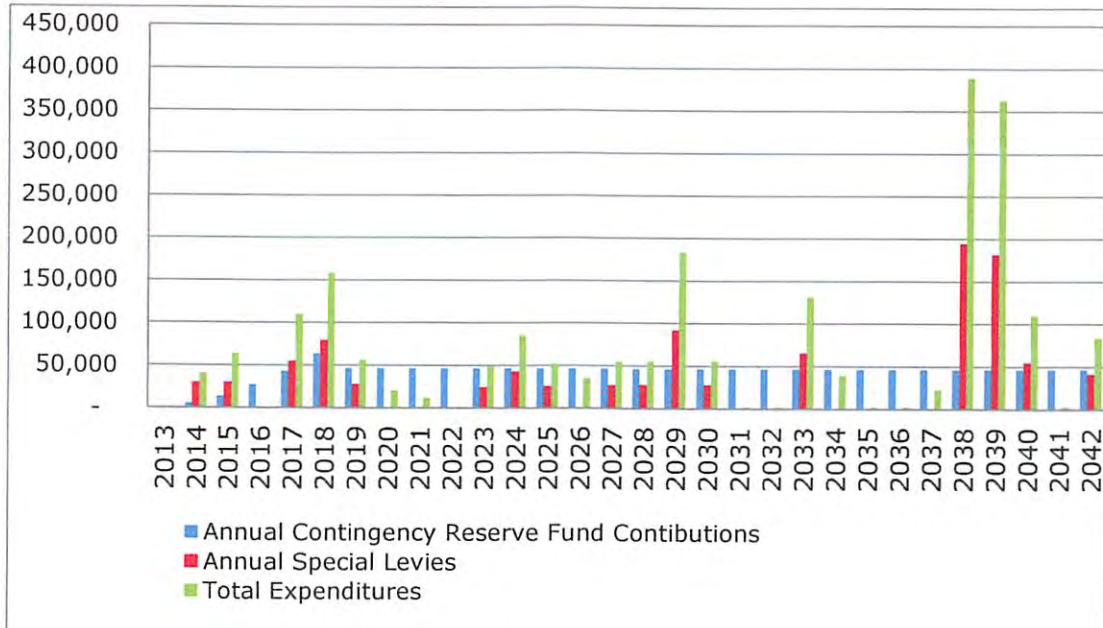
**Note: Avg per Unit per Month is the result of dividing the total by the number of units. Entitlement unit calculations will differ.

7.10 ALTERNATIVE FUNDING MODEL

7.10.1 Alternative—Reserve Requirements, Surplus/ (Deficit) and Fund Balance



7.10.2 Alternative—Contributions and Expenditures



7.10.3 Alternative—Cash Flow Summary

Alternative -Cash flow Summary										
Strata NW 367										
Total Reserve Fund Contributions Collected										
Year	Reserve Fund Opening Balance	Regular Annual	% Change	Special Levy	Total	Avg per Unit per Month**	Interest Earned	Total Cash Inflow	Estimated Expenditures	Reserve Fund Closing Balance
2013	\$ 38,069	\$ 1,800	n/a	\$ -	\$ 1,800	\$ 10	\$ 476	\$ 2,276	\$ 1,542	\$ 38,803
2014	38,803	5,400	200%	30,000	35,400	197	485	35,885	40,686	34,002
2015	34,002	13,500	150%	30,000	43,500	242	425	43,925	64,096	13,831
2016	13,831	27,000	100%	-	27,000	150	173	27,173	1,675	39,328
2017	39,328	43,200	60%	54,935	98,135	545	492	98,626	109,870	28,085
2018	28,085	63,936	48%	79,369	143,305	796	351	143,656	158,738	13,003
2019	13,003	46,545	-27%	28,208	74,754	415	163	74,916	56,416	31,503
2020	31,503	46,545	0%	-	46,545	259	394	46,939	20,579	57,863
2021	57,863	46,545	0%	-	46,545	259	723	47,269	12,180	92,951
2022	92,951	46,545	0%	-	46,545	259	1,162	47,707	1,977	138,681
2023	138,681	46,545	0%	24,592	71,138	395	1,734	72,871	49,185	162,368
2024	162,368	46,545	0%	42,692	89,238	496	2,030	91,267	85,384	168,251
2025	168,251	46,545	0%	25,989	72,534	403	2,103	74,637	51,978	190,911
2026	190,911	46,545	0%	-	46,545	259	2,386	48,932	35,328	204,515
2027	204,515	46,545	0%	27,616	74,161	412	2,556	76,718	55,232	226,001
2028	226,001	46,545	0%	27,767	74,312	413	2,825	77,137	55,534	247,604
2029	247,604	46,545	0%	91,870	138,415	769	3,095	141,510	183,740	205,375
2030	205,375	46,545	0%	27,946	74,492	414	2,567	77,059	55,893	226,541
2031	226,541	46,545	0%	-	46,545	259	2,832	49,377	2,535	273,383
2032	273,383	46,545	0%	-	46,545	259	3,417	49,963	2,606	320,740
2033	320,740	46,545	0%	65,632	112,177	623	4,009	116,186	131,263	305,663
2034	305,663	46,545	0%	-	46,545	259	3,821	50,366	39,472	316,557
2035	316,557	46,545	0%	-	46,545	259	3,957	50,502	2,831	364,229
2036	364,229	46,545	0%	-	46,545	259	4,553	51,098	2,910	412,417
2037	412,417	46,545	0%	-	46,545	259	5,155	51,701	22,936	441,181
2038	441,181	46,545	0%	194,473	241,018	1,339	5,515	246,533	388,945	298,769
2039	298,769	46,545	0%	181,475	228,021	1,267	3,735	231,755	362,950	167,574
2040	167,574	46,545	0%	54,927	101,472	564	2,095	103,567	109,854	161,287
2041	161,287	46,545	0%	-	46,545	259	2,016	48,561	3,341	206,507
2042	206,507	46,545	0%	41,788	88,334	491	2,581	90,915	83,577	213,845

* Note: figures presented are rounded.

**Note: Avg per Unit per Month is the result of dividing the total by the number of units. Entitlement unit calculations will differ.

7.10.4 Alternative—30 Year Projections

Strata NW 367	15 Unite																															
Inflation Rate	2.80%																															
Interest Rate	1.25%																															
Current Year	2012																															
Fiscal Period End Date	Dec.31																															
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042		
Reserve Fund - Opening Balance	38,069	38,803	34,002	13,831	39,328	28,085	13,003	31,503	57,893	92,951	138,681	162,368	168,251	190,911	204,515	226,001	247,604	205,375	226,541	273,383	320,740	305,663	319,557	364,220	412,417	441,181	298,769	167,574	161,287	206,507		
Change in Monthly Contributions	n/a	200.0%	150.0%	100.0%	60.0%	48.0%	-27.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Annual Contingency Reserve Fund Contributions	1,800	5,400	13,500	27,000	43,200	63,936	46,545	46,545	46,545	46,545	46,545	46,545	46,545	46,545	46,545	46,545	46,545	46,545	46,545	46,545	46,545	46,545	46,545	46,545	46,545	46,545	46,545	46,545	46,545	46,545		
Annual Special Levies	-	30,000	30,000	-	54,935	79,389	28,208	-	-	-	24,592	42,892	25,989	-	27,816	27,767	91,870	27,946	-	-	65,832	-	-	-	-	-	194,473	181,475	54,927	-	41,788	
Annual Reserve Fund Interest Income	478	485	425	173	492	351	163	394	723	1,162	1,734	2,030	2,103	2,368	2,556	2,825	3,095	2,567	2,832	3,417	4,009	3,821	3,957	4,653	5,155	5,515	3,735	2,065	2,016	2,581		
Total Cash Resources	40,345	74,688	77,927	41,003	137,955	171,741	87,919	78,442	105,132	140,659	211,553	253,635	242,888	239,842	281,232	303,138	389,114	282,434	275,918	323,348	438,926	356,029	367,060	415,327	464,118	687,714	530,524	271,141	209,848	297,422		
Alternative	First Yr	Repeat X Yrs																														
Expenditures																																
S1 Foundation	2014	12	-	5,284	-	-	-	-	-	-	-	-	-	-	7,380	-	-	-	-	-	-	-	-	-	-	-	-	10,252	-	-	-	
S2 Parkade	2014	12	-	16,494	-	-	-	-	-	-	-	-	-	25,760	-	-	-	-	-	-	-	-	-	-	-	-	-	35,881	-	-	-	
S3 Balconies	2023	25	-	-	-	-	-	-	-	-	-	24,116	24,793	25,488	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
S4 Garage Roof Decks	2028	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,201	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
EE1 Flat Roofing	2029	15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	166,149	-	-	-	-	-	-	-	-	-	-	-	-	-	
EE2 Sloped Roofing	2033	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	87,509	-	-	-	-	-	-	-	-	-	
EE4a Exterior Cladding - Vinyl Siding	2038	40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	254,034	261,147	-	-	-	
EE4b Exterior Cladding - Wood Siding	2023	45	-	-	-	-	-	-	-	-	23,034	23,679	24,342	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
EE5 Windows - Full Assembly Replacement	2038	40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	85,703	88,103	-	-	-	
EE6 Exterior Doors	2020	10	-	-	-	-	-	-	0,364	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
EE7 Painting and Caulking	2021	12	-	-	-	-	-	-	-	10,257	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,287	-	-	-	-	-	-	
I1 Lobby	2027	15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,132	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
I2 Corridors and Stairwells	2015	15	-	-	19,012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28,768	-	-	-	-	-	-	-	-	-	-	-	
I3 Interior Doors	2020	10	-	-	-	-	-	-	9,354	-	-	-	-	-	-	-	-	-	-	-	-	-	12,329	-	-	-	-	-	-	-	-	
I4 Amenities - Social Lounge, Games Room, Sauna, and Bathrooms	2019	30	-	-	-	-	-	30,331	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
M1 Elevator	2018	45	-	-	-	-	156,968	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
M2 HVAC - Make Up Air Unit	2015	18	-	-	16,298	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
P1a Domestic Water System - Hot Water Equipment	2014	15	-	10,039	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,192	-	-	-	-	26,768	-	-	-	-	-	-	-	
P1b Domestic Water System - Distribution Piping	2017	35	-	-	-	108,147	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
EL1 Electrical Systems	2024	50	-	-	-	-	-	-	-	-	-	34,822	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
SS1 Fire Alarm System and Emergency Power	2015	30	-	-	27,159	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
SS2 Suppression	2027	15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	37,830	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
SS3 Access Control and Security	2014	25	-	-	5,284	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Site1 Paving	2037	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,945	-	-	
Site4 Landscaping	2019	15	-	-	-	-	-	24,285	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36,718	-	-	-	-	-	-	-	-	
Contingency	n/a	0.03	1,542	1,585	1,830	1,675	1,722	1,770	1,820	1,871	1,923	1,977	2,032	2,089	2,148	2,208	2,270	2,333	2,399	2,466	2,535	2,606	2,679	2,754	2,831	2,910	2,992	3,075	3,162	3,250	3,341	3,435
Total Expenditures			1,542	40,688	64,098	1,675	109,870	158,738	56,418	20,579	12,180	1,977	49,185	85,384	51,978	35,328	55,232	55,534	183,740	55,893	2,535	2,606	131,263	39,472	2,831	2,910	22,936	389,945	382,956	109,854	3,341	83,577
Reserve Fund Closing Balance			38,803	34,002	13,831	39,328	28,085	13,003	31,503	57,893	92,951	138,681	162,368	168,251	190,911	204,515	226,001	247,604	205,375	226,541	273,383	320,740	305,663	319,557	364,220	412,417	441,181	298,769	167,574	161,287	206,507	
Reserve Fund Requirements			619,990	646,806	650,748	717,059	676,004	585,588	595,323	643,049	698,759	765,368	785,602	769,890	787,387	821,754	836,646	851,422	738,176	751,363	818,072	865,543	825,201	855,866	923,616	992,103	1,041,419	725,344	431,312	388,701	448,046	429,921
Reserve Surplus (Deficiency)			-581,187	-612,904	-636,917	-677,730	-664,919	-572,585	-654,820	-595,186	-605,898	-626,687	-623,234	-601,639	-596,477	-617,238	-610,845	-603,818	-652,802	-654,822	-644,668	-558,803	-619,538	-639,319	-659,387	-679,886	-660,238	-620,575	-626,738	-625,414	-624,538	-616,076

8.0 APPENDIX A—TERMS OF REFERENCE

The Client to whom this Depreciation Report is addressed may use it in deliberations affecting the subject property only, and in doing so, the report must not be extracted—it must be read and used in its entirety for the specific property.

We assumed that the subject property is structurally sound, complies with all environmental standards, and is void of any condition that may affect this report. We provided sufficient information to aid the Strata in selecting suitable renewal and maintenance strategies while endeavouring to limit the cost of obtaining this information.

Conclusions are based on a visual review of a sample of each component. No permanent finish or fixture will be removed for the purpose of inspecting components. No building envelope condition assessment, testing, engineering investigation, detailed quantity survey compilations, legal survey, soil tests, assessment for environmental contaminants, engineering investigations, as these are not within the Scope of the DR.

The condition of visible components was observed and the status of maintenance in general was reported, but there was no comment on functional operation. Our DR Planners were not required to operate any shut down heating or air conditioning system or operate any such system during periods of weather which could possibly damage that system. They were not required to clear snow or ice, foliage, furniture or any other obstacle which prevents visual inspection of any component, finish or fixture. Our DR Planners may report on, but were not obligated to report hazardous substances or other contaminants.

Our DR Planners were not required to light or extinguish any gas pilot light or solid fuel fire. Our DR Planners were not required to enter any area of the building: 1. where head room is less than three (3) feet, 2. where the access opening is less than thirty (30) inches square, 3. where access could possibly cause damage to the structure or finish and 4. where there is a possible threat of personal injury.

We prepared the Depreciation Report using our best efforts with the information and practices that are available to us at the time of preparing the report. We further used our best efforts to make assumptions as to future costs and interest rates to predict future funding however these assumptions are based on future events that may not be foreseeable at the time of the report.

This report is considered a Restricted Report. The use of this document is restricted to the Strata named in this proposal for the assessment and planning their capital funding. It cannot be used for any other purpose. Possession of this report, or a copy thereof, does not carry with it the right of publication. Notwithstanding the foregoing, the applicant herein has permission to reproduce the report in whole or in part for the legitimate purposes of providing information to the Strata Council or other persons entitled to request and receive a copy of the report under the Strata Property Act. The Client agrees that Normac Appraisals Ltd. ("Normac") does not assume any responsibility or liability for any losses suffered by the Strata or any other parties as a result of any use of this report contrary to the provisions of this paragraph. This report is not intended to be used for mortgage nor for insurance purposes or for use as a pre-purchase inspection for potential buyers.

We reserve the right, but will be under no obligation, to review our calculations referred to in the report and, if we consider it necessary, to revise our conclusions in the light of any information existing at the date of the report which becomes known to us after the date of the report.

The Client agrees that any and all claims, whether such claims sound in contract or tort, which the Client has or hereafter may have against Normac (including all staff), in any way arising out of or related to Normac's duties and responsibilities pursuant to this Contract, shall be limited to three times the fee charged under this Contract. In addition to the limitation of liability listed above, Normac will not assume any liability for any consequential loss, injury or damages suffered by the client, including, but not limited to, loss of use, earnings and business interruption.

The Client expressly agrees that Normac's officers, directors, employees, agents and sub-consultants shall have no personal liability to the client in respect of a claim, whether in contract, or tort. The Strata expressly agrees that it will bring no proceedings and take no action in any court of law against any of Normac's officers, directors, employees, agents, and sub-consultants in their personal capacity.

Information used in the creation of the report furnished by others such as explanations, surveys, building plans, and strata plans are assumed to be correct. However, Normac assumes no liability for the accuracy of such information. Reference to a sketch, blueprint, or strata plan appearing in the report is only for the purpose of assisting the reader to visualize the property.

The DR does not intend to record all existing deficiencies. It is likely that these deficiencies—or conditions not uncovered during the DR—may affect the costs, timing or effectiveness of the provided recommendations.

The recommendations in this DR are based on our experience and on generally accepted practise. The long-term effectiveness of these recommendations cannot be assessed beyond present knowledge and experience. A detailed assessment of previous financial records, studies and reports has not been made to substantiate the Strata Corporation's current financial position. The recommendations in this DR are based on the information available at the time of carrying out the DR. Should associated repair/restoration/renewal work reveal additional information; the recommendations may have to be revisited.

Cost estimates presented in this DR are based on approximate quantities and our judgement and experience with similar projects. The cost estimates are to be interpreted as an order of magnitude budget estimate, subject to confirmation by competitive tendering. The cost estimates are also subject to change and are dependent upon some factors over which we have no control, namely market condition, contractor availability, methods and bidding practices, and the cost of labour, materials, and equipment etc.

In issuing this DR, Normac Appraisals Ltd. does not assume any of the duties or liabilities of the designers, builders or past or present owners of the subject property. Owners, prospective purchasers, tenants or others who use or rely on the contents of the report do so with the understanding as to the limitations of the cursory field review undertaken and the understanding that the Consultant cannot be held liable for damages they may suffer in respect to the purchases, ownership, or use of the subject property.

9.0 APPENDIX B—FEEDBACK

Strata Comments	
<p>Council Requests: We were advised by Council that all of the balcony waterproofing membranes, except #303, were replaced in 1999.</p>	<p>Normac Response: Re-worded the financial review section of S 3—Balconies.</p>
<p>Strata plans to have the corridor and stairwell carpets replaced in 2015.</p>	<p>Adjusted the financial model to reflect the Strata’s plans for the carpet replacement.</p>
<p>We were advised by Council that the total repair cost of the deck over the garage entrance equates to \$9,738.38.</p>	<p>Documented the repair in the financial review of S 4—Garage Roof Decks.</p>

10.0 APPENDIX C—B.C.'S STRATA PROPERTY ACT—DEPRECIATION REPORT

For the purposes of section 94 of the Act, a depreciation report must include all of the following:

- 1.0 A physical component inventory and evaluation that complies with section 2 and includes:
 - 1.1 A summary of repairs and maintenance work for common expenses respecting the items listed in section 2.2 that usually occur less often than once a year or that do not usually occur
 - 1.2 A financial forecasting section that complies with section 3
 - 1.3 The name of the person from whom the depreciation report was obtained and include:
 - 1.3.1 That person's qualifications
 - 1.3.2 The error and omission insurance, if any, carried by that person
 - 1.3.3 The relationship between that person and the strata corporation
 - 1.4 The date of the report
 - 1.5 Any other information or analysis that the strata corporation or the person providing the depreciation report considers appropriate

- 2.0 For the purposes of sections 1.1 and 1.2, the physical component inventory and evaluation must:
 - 2.1 Be based on an on-site visual inspection of the site and, where practicable, of the items listed in section 2.2
 - 2.2 Include a description and estimated service life over 30 years of those items that comprise the common property, the common assets and those parts of a strata lot or limited common property, or both, that the strata corporation is responsible to maintain or repair under the Act, the strata corporation's bylaws or an agreement with an owner, including, but not limited to, the following items:
 - 2.2.1 The building's structure
 - 2.2.2 The building's exterior, including roofs, roof decks, doors, windows and skylights
 - 2.2.3 The building's systems, including the electrical, heating, plumbing, fire protection and security systems
 - 2.2.4 Common amenities and facilities
 - 2.2.5 Parking facilities and roadways
 - 2.2.6 Utilities, including water and sewage
 - 2.2.7 Landscaping, including paths, sidewalks, fencing and irrigation
 - 2.2.8 Interior finishes, including floor covering and furnishings
 - 2.2.9 Green building components
 - 2.2.10 Balconies and patios
 - 2.3 Identify common property and limited common property that the strata lot owner, and not the strata corporation, is responsible to maintain and repair

- 3.0 For the purposes of subsection 1.2 the financial forecasting section must include:
 - 3.1 The anticipated maintenance, repair and replacement costs for common expenses that usually occur less often than once a year or that do not usually occur, projected over 30 years, beginning with the current or previous fiscal year of the strata corporation, of the items listed in subsection
 - 3.2 A description of the factors and assumptions, including interest rates and rates of inflation, used to calculate the costs referred to in 3.1

- 3.3 A description of how the contingency reserve fund is currently being funded
 - 3.4 The current balance of the contingency reserve fund minus any expenditures that have been approved but not yet taken from the fund
 - 3.5 At least 3 cash-flow funding models for the contingency reserve fund relating to the maintenance, repair and replacement over 30 years, beginning with the current or previous fiscal year of the strata corporation, of the items listed in subsection 2.2
- 4.0 For the purposes of section 3.5, the cash-flow funding models may include any one or more of the following:
- 4.1 Balances of, contributions to and withdrawals from the contingency reserve fund
 - 4.2 Special levies
 - 4.3 Borrowings
- 5.0 If a strata corporation contributes to the contingency reserve fund based on a depreciation report, the contributions in respect of an item become part of the contingency reserve fund and may be spent for any purpose permitted under section 96 of the Act
- 6.0 A qualified person is:
- 6.1 Any person who has the knowledge and expertise to understand the individual components, scope and complexity of the strata corporation's common property, common assets and those parts of a strata lot or limited common property, or both, that the strata corporation is responsible to maintain or repair under the Act, the strata corporation's bylaws or an agreement with an owner and to prepare a depreciation report that complies with sections 1.0 to 4.0.
- 7.0 The following periods are prescribed to obtain a Depreciation Report:
- 7.1 3 years after the strata corporation has obtained a Depreciation Report
 - 7.2 18 months after the strata corporation has waived the requirement with a $\frac{3}{4}$ resolution passed at an AGM or special general meeting
 - 7.3 12 months within the prescribed period after the strata corporation, by a $\frac{3}{4}$ resolution passed at an AGM or special general meeting has waived the requirement

Strata Property Regulation:

http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/12_43_2000#section6.2

Strata Property Act:

http://www.bclaws.ca/EPLibraries/bclaws_new/document/LOC/freeside/--%20S%20--/Strata%20Property%20Act%20SBC%201998%20c.%2043/00_Act/98043_06.xml

11.0 APPENDIX D—DEFINITIONS

Adequacy—refers to a term used to describe one of the financial models presented. It is a summary of the cash flow and projections if current funding levels continue and minimum efforts are made. Any shortfalls in the Contingency Reserve Fund against needed expenditures are funded with one yearly contribution increase and the rest via special levies. The bottom line for this funding model is that sufficient funds are available for expenditures as needed but no more.

Alternative Funding— refers to one of the financial models presented. This financial model works towards getting the Strata to an alternative funding position by the end of 30 years. Annual Contingency Reserve Fund Contributions to the Contingency Reserve Fund are increased early in the cycle and level off over time with minimal special levies.

Annual Contingency Reserve Fund Contributions— refers to the annual payments made by owners towards the contingency reserve fund.

Annual Reserve Fund Requirement—refers to the hypothetical ideal amount of annual Contingency Reserve Fund Contributions made by the owners to fund major repair or replacement of the Building Component at the end of their life.

Building Component—refers to the various parts of the Strata’s assets under discussion. For example the Strata’s roof, exterior cladding or domestic hot water system is a building component.

Change in Monthly Contributions—refers to the percentage rate at which the Annual Contingency Reserve Fund Contribution is increased or decreased when compared to the prior year.

Complete Replacements—refers to projects that are implemented as one complete repair. Owners can leverage economies of scale and thereby reduce the overall cost but the financial burden for a particular year is often high.

Co-ordinating—refers to projects when more than one repair is completed all at once to take advantage of economies of scale or favorable market conditions. The Owners thus shorten the duration of the burden as well as lowering their overall costs.

Current Replacement Costs—refers to the total amount for all major repairs and replacements for all building components at current prices.

Current Reserve Fund Requirements—refers to a hypothetical ideal balance of the Contingency Reserve Fund at the current date, if full funding of the Contingency Reserve Fund had taken place since the first day of the Strata’s inception. It is a notion of a “pay a portion for usage” contribution to the Contingency Reserve Fund, based on the effective age of building components and their repair or replace date. This is used in the Benchmark as part of the calculation to determine a hypothetical ideal annual Contingency Reserve funding amount.

Expected Lifespan—refers to the anticipated life span of a Building Component, starting from the date of original construction/installation until the date of replacement of the component. The life-cycle is usually discussed in terms of frequency.

Full Funding—refers to one of the financial models presented. This financial model works towards getting the Strata to a full funding position by the end of 30 years whereby the Contingency Reserve Balance equals the Reserve Fund Requirements. Regular contributions to

the Contingency Reserve Fund are increased at the beginning of the cycle and then level off over time with minimal special levies.

Future Replacement Cost—refers to the amount for major repair and replacement of a Building Component in the future at the end of its expected life span.

Future Reserve Fund Accumulation—refers to the hypothetical amount that would be in the future Contingency Reserve Fund at the end of the components' life, by adding the Current Reserve Fund Requirement plus hypothetical compound interest on the Current Reserve Fund Requirement. This is used in the Benchmark as part of the calculation to determine a hypothetical ideal annual Contingency Reserve funding amount.

Future Reserve Fund Requirements—refers to the hypothetical amount of future funding of the Contingency Reserve Fund required to pay for major repair or replacements of Building Components at the end of their life, assuming the current Contingency Reserve Fund balance equalled the Current Reserve Fund Requirement or the hypothetical ideal contributions was made. It is the mathematical difference between the Future Replacement Cost and the Future Reserve Fund Accumulation. This is used in the Benchmark as part of the calculation to determine a hypothetical ideal annual Contingency Reserve contribution.

Inflation Rate—refers to the annual inflation rate, used to reflect assumed increases to current cost estimates, and used to arrive at future expenditure predictions. For this DR we use Statistics Canada's Construction Price Index as it reflects more closely construction materials and services fluctuations.

Interest Rate—refers to the assumed annual interest earned on the Contingency Reserve Fund Balance. Any interest gained is added to the Contingency Reserve Fund.

Localized Renewal—refers to repair or replacement projects that are localized to a particular part of the building or property. Different areas of the building or property may be subject to accelerated wear and tear due to different weather exposure or different usage.

Minimum Contingency Reserve Balance—refers to statutory minimum required Contingency Reserve Fund balance.

Operating Fund—refers to a Strata's regular annual budget where regular annual repair and maintenance costs are funded and where we assume costs of repairs of less than \$5,000 are funded.

Phased Repairs—refers to projects that present a repair or a renewal of a component in a phased approach. They are carried out over multiple periods. The financial toll in a particular year to Owners is reduced when the work occurs, but overall, due to remobilization costs and fluctuations in inflation and market conditions, the total completion costs may be higher.

Reserve Fund Opening Balance—refers to the balance in the Reserve Fund at the start of the Strata's fiscal year.

Years Remaining Until Repair or Replacement—is the anticipated life span of a component, starting from the date of original construction/installation until major repair or full replacement of the component is required. This estimate is based on apparent conditions and not limited to the time remaining for the component's "standard" expected life. The actual service life achieved of a building component is dependent on a number of factors and assumes that regular maintenance is carried out.

12.0 APPENDIX E—TEAM BIOGRAPHIES

Cameron Carter, B. Comm., RI (BC), CRP

President, Normac Appraisals Ltd.

Cameron Carter is a seasoned professional in the real estate industry. He is the founder and president of Normac and has been successfully serving Strata Corporation clients for 15 years, having completed thousands of replacement cost appraisals. His knowledge and experience with strata construction costs, building code upgrades, and municipal bylaws is significant. A member of the Real Estate Institute of Canada (REIC), Cameron is a designated Certified Reserve Planner (CRP).

Gina Arsens, CA, CBV, CRP

Vice President, Normac Appraisals Ltd.

Gina Arsens has 20 years of business and financial experience. She has prepared and reviewed hundreds of financial plans and models during her career. She's held various financial and leadership roles in her career starting with a successful articling period with PricewaterhouseCoopers where she became a Chartered Accountant (CA) and a Chartered Business Valuator (CBV). She has significant experience as a CFO and a CEO. In 2009, Gina had the distinction of being named one of BC's Top 40 under 40 by Business in Vancouver. A member of the REIC, she is a designated CRP.

Amanda McIntyre, Dipl. Arch. Tech.

Depreciation Report Planner

Amanda McIntyre has a deep level of knowledge of building systems, condition assessments, costing, planning and construction. She has conducted hundreds of building condition assessments and depreciation reports. Hailing from Ontario, Amanda started her career at a well-respected building engineering company. After opening a new office for her engineering firm in BC in 2009 she established a strong reputation in her field by successfully managing high-rise development projects, building inspections, condition surveys, depreciation reports, envelope investigations, and site analyses. In 2013 Amanda joined Normac. She holds a Diploma of Architectural Technology from St. Clair College in Ontario.

Aaron Wittstock, BBA, PGCV, CRP

Insurance Appraiser and Depreciation Report Planner

After completing his Post-Graduate Certificate in Real Property Valuation (PGCV) at the Sauder School of Business at UBC, Aaron started his appraisal career at the BC Assessment Authority in their Vancouver-North Shore office where he was an integral team member of a pilot GIS-based appraisal initiative. He joined Normac at the beginning of 2011 carrying out numerous property inspections, municipal bylaw research, and replacement cost estimates for both residential and commercial properties. He is a member of the REIC and is a CRP.

Alfred HY Lam, BAsC in Civil Engineering, IIT

Depreciation Report Planner

Alfred joined Normac in 2013 as a Depreciation Report Coordinator with experience designing and inspecting residential and commercial buildings. He started his career in the UBC Department of Civil Engineering in 2003 performing concrete strength tests, compared steel reinforcements. After working in operations and in an engineering firm he joined Normac. He obtained his degree in Civil Engineering from the University of BC in 2005 and completed the Home Inspection Program from BCIT in 2011.

Janet Au, AACI, P.App, RI (BC), MURb, BA, Dip(ULE), CRP

Senior Appraiser

Janet is a professional appraiser having 8 years of experience appraising properties in BC and Alberta. She joined Normac in 2009 as an Insurance Appraiser and prior to joining Normac, performed fair market appraisals for residential properties. In totality Janet has inspected and prepared appraisals on thousands of properties. For Normac, she is responsible for carrying out appraisal inspections, research and replacement cost estimates and reviewing other employee's work. Janet is a member of the REIC and the Appraisal Institute of Canada (AIC) and is an Accredited Appraiser Canadian Institute Professional Appraiser (AACI, P.App) with the AIC. In 2003 she obtained a Bachelor of Arts degree from the University of Hong Kong, in 2007 a Master of Urban Studies from Simon Fraser University and in 2012 a Diploma in Urban Land Economics from the University of British Columbia. She is a member of the REIC and is a CRP.

Lynda Davies, CRP

Client Services Manager

Lynda joined Normac 10 years ago and has been an integral part of the company's growth ever since. Formerly a successful real estate agent, Lynda joined Normac from GE Capital in 2003. Lynda is responsible for all client service interaction and satisfaction. Lynda is highly skilled and knowledgeable having performed thousands of administrative reviews on cost appraisals. She ensures all processes are followed, reports meet the criteria set by the company, proposals are issued and co-ordinates all office activity. Lynda is a member of the REIC and is a CRP.

Cathy Lau, B. Comm.

Depreciation Report Coordinator

Cathy recently joined Normac as a Depreciation Report Coordinator. Cathy started her career with the BC Assessment Authority in the Okanagan and has performed hundreds of property appraisals. In 2009 she obtained a Bachelor of Commerce Degree with a focus in Real Estate Finance from the University of British Columbia.

Leroy Yee, B. P.E., Dipl. Of Building Construction

Depreciation Report Coordinator

Leroy recently joined Normac as a Depreciation Report Coordinator. He has had a multitude of career experiences that fit well with Depreciation Report preparation. Early in his career he obtained a Diploma of Building Construction from Alberta and was most recently a Strata caretaker and a professional landscape contractor.

Liam Bailey, BSc.

Depreciation Report Coordinator

Liam has recently joined the team at Normac as a Depreciation Report Coordinator. Liam is beginning his career here at Normac after recently moving to Vancouver from Ireland. In 2008 he obtained his Diploma in Construction from Southern Regional College and in 2012 a Bachelor of Science Degree in Construction Engineering and Management from the University of Ulster.