

IMPORTANT INFORMATION Please have this translated

RENSEIGNEMENTS IMPORTANTS Prière de les faire traduire

INFORMACIÓN IMPORTANTE Busque alguien que le traduzca

CHỈ DẪN QUAN TRỌNG Xin nhờ người dịch hộ

重要資料 請找人為你翻譯

これはたいせつなお知らせです。どなたかに日本語に訳してもらってください。

알려드립니다 이것을 번역해 주십시오

ਜ਼ਰੂਰੀ ਜਾਣਕਾਰੀ ਕਿਰਪਾ ਕਰਕੇ ਕਿਸੇ ਕੋਲੋਂ ਇਸ ਦਾ ਉਲੰਘਾ ਕਰਵਾਓ

Notice for the 2013 Annual General Meeting of Acacia Gardens BCS 1997

Wednesday, November 28, 2012 at

Room #C248 & 249 (2nd floor)
Burnaby South Secondary
5455 Rumble Street, Burnaby, BC

Sign in: 6:45 PM

Meeting starts: 7:00 PM



Baywest Management Corp.

#301 - 1195 West Broadway
Vancouver, BC V6H 3X5
Phone (604) 257-0325

November 8, 2012

NOTICE OF THE ANNUAL GENERAL MEETING

TO: ALL OWNERS, ACACIA GARDENS – BCS 1997

DATE: Wednesday – November 28, 2012

**TIME: 6:45 P.M. REGISTRATION
7:00 P.M. CALL TO ORDER**

**PLACE: Room #C248 & 249 (2nd floor), BURNABY SOUTH SECONDARY
5455 Rumble Street, Burnaby, BC**

Please be advised of the upcoming Annual General Meeting. The purpose of the meeting is to approve the 2013 Operating Budget, to consider some $\frac{3}{4}$ vote resolutions, and to elect a new Strata Council.

To be able to proceed with the meeting, a quorum of $\frac{1}{3}$ of all owners entitled to vote must be present in person or by proxy. **If you are unable to attend, please complete the attached proxy form (last page) and give it to the appointed Strata Council member or person who will act on your behalf.** If you are uncertain of the status of your account, please call Baywest Management at 1-877-585-4411 between 8:30 a.m. and 5:00 p.m. Monday to Friday.

Please review the attached information prior to attending the Annual General Meeting and remember to bring this information package with you to the meeting.

We look forward to receiving your input and invite you to contact the Strata Agent between now and the meeting date should you require additional information.

Yours truly,

BAYWEST MANAGEMENT CORP
Agents for the Owners of Strata Plan BCS 1997

A handwritten signature in black ink, appearing to read "Sam Kong".

Sam Kong
Strata Manager
Tel: (604) 714-1543 Fax: (604) 592-3692
Email: skong@baywest.ca

ANNUAL GENERAL MEETING AGENDA

1. REGISTRATION 6:45 P.M.
2. CALL TO ORDER 7:00 P.M.
3. CALLING THE ROLL, CERTIFICATION OF PROXIES AND ESTABLISHMENT OF QUORUM
4. PROOF OF NOTICE OF MEETING
5. ADOPTION OF THE MINUTES OF THE ANNUAL GENERAL MEETING OF NOVEMBER 22, 2011
6. PRESIDENT'S REPORT
7. REPORT ON STRATA CORPORATION INSURANCE
8. RATIFICATION OF RULES

To ratify the following two sets of rules for the strata corporation enacted by the strata council:

Playground and the Surrounding Area

- 1) Residents are directly responsible for all activities by their children that damage or modify any common property including, but not limited to all landscaping elements, benches, and equipment.
 - 2) Items left unattended on or around all common area property including walkways, playgrounds, flower beds, stairways, and grass areas will be discarded without further notice.
9. CONSIDERATION OF THE 2013 OPERATING BUDGET
 10. CONSIDERATION OF RESOLUTIONS REQUIRING $\frac{3}{4}$ VOTE:

3/4 Vote #A – Bylaw Amendments: Window Coverings

Be it resolved by a three-quarter (3/4) vote of the Owners of Strata Plan BCS 1997, Acacia Gardens, to repeal the existing Bylaw 38 (5) and replace it with the following:

38 (5) A resident must ensure that all window coverings and curtains visible to the exterior of the building are in good repair and clean, and similar in size and color as initially installed by the developer. The design of the exterior window blinds can be either horizontal or vertical.

Rationale:

The original exterior window blinds installed by developer consisted of a window covering that was made from white fabric and vertically hung. According to the existing bylaws, the use of horizontal blinds is not permitted.

However, an owner raised an argument that horizontal blinds were consistent with the look of the building and fit within the definition of Bylaw 38(5) and should, therefore, be allowed. The Council has decided to obtain owners' directive on this issue by proposing this bylaw amendment.

Owners who are in favor of allowing horizontal blinds should vote "yes" to this resolution. If this bylaw amendment is not passed, the Council will enforce the existing bylaw and permit only vertical blinds. This means all the horizontal blinds currently installed will not be allowed.

Below are sample pictures of units that have installed horizontal blinds.





3/4 VOTE “B” – CRF EXPENDITURE – IRRIGATION UPGRADE

Be it resolved by a three-quarter (3/4) vote of the Owners of Strata Plan BCS1997, Acacia Gardens, that an amount not to exceed \$10,000 (ten thousand dollars) be expended from the Contingency Reserve Fund for the purpose of upgrading the existing irrigation system.

Rationale:

This resolution is to authorize the expenditure to upgrade the irrigation system. Currently, only the playground area is covered with an irrigation system. The goal is to over time, install a comprehensive irrigation system that will cover the whole strata in order to ensure all the surrounding plants and grass receive adequate water to remain healthy during the summer months.

3/4 VOTE “C” – CRF EXPENDITURE – GARAGE DOOR OPERATOR UPGRADE

Be it resolved by a three-quarter (3/4) vote of the Owners of Strata Plan BCS1997, Acacia Gardens, that an amount not to exceed \$3,000 (three thousand dollars) be expended from the Contingency Reserve Fund for the purpose of upgrading the operator of residential parkade gate .

Rationale:

This resolution is to authorize the expenditure to replace the existing residential parkade gate motor with a new one built with newer technology. The current residential gate is experiencing frequent break downs because of wear and tear due to age and high usage. The proposed new gate motor is more energy efficient, produces less noise, has a smoother operation, and is more durable.

3/4 VOTE “D” – CRF EXPENDITURE – PARKADE CONCRETE REPAIR

Be it resolved by a three-quarter (3/4) vote of the Owners of Strata Plan BCS1997, Acacia Gardens, that an amount not to exceed \$3,000 (three thousand dollars) be expended from the Contingency Reserve Fund for the purpose of repairing minor cracks in the residential parkade concrete slab.

Rationale:

Minor cracks in the concrete of the parkade have started to appear due to the normal settlement of the ground and from wear and tear to surface caused by vehicles. These cracks need to be repaired to prevent further damage to the concrete.

3/4 VOTE “E” – CRF EXPENDITURE – DEPRECIATION REPORT

Be it resolved by a three-quarter (3/4) vote of the Owners of Strata Plan BCS1997, Acacia Gardens, that an amount not to exceed \$9,000 (nine thousand dollars) be expended from the Contingency Reserve Fund for the purpose of preparing a depreciation report as per the newly amended Strata Property Act.

Rationale:

The newly amended Strata Property Act, section 94, requires the Strata Corporation to obtain a depreciation report. Depreciation reports are used to establish long term planning for common property and common assets by determining:

- 1) What assets you own (an inventory)
- 2) The asset condition (evaluation)
- 3) When things need to be replaced (the anticipated maintenance, repair and replacement)
- 4) How much money you currently have (contingency reserve report)
- 5) What is likely cost for future replacement (a description of the factors and assumptions in projecting costs)
- 6) How you are going to pay for the costs (three cash flow models projecting 30 year replacement periods)

The Strata Corporation is required to prepare the depreciation report by the end of 2013 and arrange an update every 3 years. However, a strata corporation can exempt itself from this new requirement through an annual $\frac{3}{4}$ vote.

Below is a list to help you better understand the benefits and disadvantages of this proposal:

Benefits

- Help strata corporations plan for future repair and maintenance costs and the amount needed to be contributed to the CRF. Intended to eliminate ongoing and future Special Levies and Special Assessments which have been disastrous for many unit owners in the past who were 'blindsided' by unexpected expenses
- Mandated by the Province of British Columbia so all strata corporations must follow the same guidelines
- Assist in decision-making for potential buyers
- Reports are valid for three years

Disadvantages

- Initial cost of \$8K - \$10K
- The requirements have only been recently established, therefore finding a "qualified person" at a good price may be difficult
- Reports will need to be done every three years to meet the mandate
- Projections for future repair and maintenance cost may not be accurate

11. ELECTION OF 2013 STRATA COUNCIL

12. ADJOURNMENT



RESIDENTIAL STRATA PROGRAM Declarations

Name of Insured & Mailing Address:

The Owners of Strata Plan BCS1997
c/o Baywest Management Corporation
301 - 1195 West Broadway
Vancouver, BC V6H 3X5

Name of Broker & Mailing Address:

CMW Insurance Services Ltd.
700-1901 Rosser Avenue
Burnaby, BC V5C 6R6
Tel: 604-294-3301 Fax: 604-294-3003
cmwinsurance.com

Location(s) of Risk: 7388 MacPherson Avenue
Burnaby, BC V5J 0A1

Policy Period: January 1, 2012 to January 1, 2013
Both dated to 12:01 am Standard Time at the address of the Insured.

Total Premium: \$70,035.

In return for the payment of the premium and subject to all the terms of this policy, the Insurers listed herein agree to provide the insurance as stated in this policy, subject to all the conditions, exclusions and stipulations contained in the forms attached. Insurance is provided for any of those coverages for which forms are attached and specific amounts of insurance are stated, subject to any applicable Sum Insured, Limits of Liability or Limit of Insurance.

A. PROPERTY

Renewal Policy No. CMW M0672
Insurance Company:
Waiver of Subrogation:

Premium (Section A): \$67,708.
Form No. CMWM-Jan-01-2012
As per Schedule of Subscribing Insurers attached
The Insurers rights of subrogation are waived against
Baywest Management Corporation

Sum Insured	Description of Coverages	Settlement Basis	Co-insurance Basis
\$38,253,000.	Property of Every Description Per Occurrence	Replacement Cost	Stated Amount
Not Covered	Business Interruption		
\$38,253,000.	Earthquake - Annual Aggregate		
\$38,253,000.	Flood - Annual Aggregate		

Special Conditions:

Extended Replacement Cost: 10%

Deductible Amounts:

All Losses \$2,500 except: Water Damage \$15,000; Sewer Back-up \$15,000; Residential Glass Breakage \$100;
Master Key Coverage \$250; Earthquake 10%, minimum \$100,000; Flood \$10,000

Loss Payable To:

The Condominium Corporation, subject to the Strata Property Act or similar statute in the province of jurisdiction

Declarations

Page 2

Name of Insured: The Owners of Strata Plan BCS1997
c/o Baywest Management Corporation

Policy Period: January 1, 2012 to January 1, 2013
Both dated to 12:01 am Standard Time at the address of the Insured.

B. EQUIPMENT BREAKDOWN

Master Policy No. 8601270
Insurance Company:

Premium (Section B): \$150.
Certificate No. CMW BZ0370
Zurich Insurance Company Ltd.
2050-505 Burrard Street
Vancouver, BC V7X 1M6

Deductible (Section B):
Loss Payable:

\$500.
To the Condominium Corporation (Subject to the Strata Property Act or similar statute in the province of jurisdiction)
The Insurers rights of subrogation are waived against Baywest Management Corporation

Waiver of Subrogation:

Limit of Insurance	Description of Coverages
\$38,253,000.	Equipment Breakdown Form ZC 6307 U (04/08), including by-laws subject to a sublimit of \$1,000,000.
Not Covered	Time Element - Business Income Loss
Included	\$100,000. Extra Expense

C. GENERAL LIABILITY

Master Policy No. 501177358
Insurance Company:

Premium (Section C): \$1,380.
Certificate No. CMW L0636
Intact Insurance Company
400-2955 Virtual Way
Vancouver, BC V5M 4X6

Deductibles (Section C):

\$1,000. Bodily Injury and Property Damage Each Event
\$10,000. Limited Pollution Liability

Additional Named Insured:

Baywest Management Corporation
for their management of Strata Plan BCS1997

Limits of Liability	Description of Coverages
\$5,000,000.	Each Occurrence Limit
\$5,000,000.	General Aggregate Limit
\$5,000,000.	Non-Owned Automobile Coverage
\$5,000,000.	Personal Injury and Advertising Injury Liability
\$5,000,000.	Products - Completed Operations, Aggregate Limit
\$10,000.	Medical Payments
\$250,000.	Tenants Legal Liability
\$1,000,000.	Limited Pollution Liability
\$300,000.	Employers' Liability Extension
\$50,000.	Voluntary Compensation Extension (2/3 of Employee's Weekly Wage, but not exceeding \$500 per week)
\$300,000.	Employee Benefits - Aggregate Limit
\$300,000.	Employee Benefits - Each Employee

Declarations

Page 3

Name of Insured: The Owners of Strata Plan BCS1997
c/o Baywest Management Corporation

Policy Period: January 1, 2012 to January 1, 2013
Both dated to 12:01 am Standard Time at the address of the Insured.

D. PROFESSIONAL LIABILITY

Master Policy No. 501148987 (Section D1):
Master Policy No. 501148986 (Section D2):
Insurance Company:

Premium (Section D): \$797.

Certificate No. CMW D0977

Certificate No. CMW E1376

Intact Insurance Company

400-2955 Virtual Way

Vancouver, BC V5M 4X6

Deductible (Section D1):

Nil

Deductible (Section D2):

\$1,000.

Additional Insured (Section D1):

With Respect to Discrimination Defense Costs Only:

Baywest Management Corporation

Name of Insured (Section D2):

Baywest Management Corporation

Section D1

Limits of Liability	Description of Coverages
\$2,000,000.	Directors & Officers Liability (Errors & Omissions) Per Wrongful Act and Annual Aggregate
\$10,000.	Discrimination Defense Costs Per Unsuccessful Action or Complaint
\$25,000.	Discrimination Defense Costs - Annual Aggregate

Section D2

Limits of Liability	Description of Coverages
\$1,000,000.	Errors & Omissions Liability Per Wrongful Act and Annual Aggregate

E. CRIME

Master Policy No. 501177358

Deductible (Section E):

Premium (Section E): Not Applicable

Certificate No. Not Applicable

Not Applicable

Limits of Liability	Description of Coverages
Not Covered	Broad Form Money and Securities, Loss Inside and Outside Premises
Not Covered	Employee Dishonesty Coverage - Form A, Commercial Blanket Bond

The insurance provided by these Declarations is subject to all terms, conditions, provisions, limitations and exclusions of Policy Numbers CMW M0672, CMW BZ0370, 501177358, 501148987 and 501148986 and may be cancelled by the Insurers by registered mail with thirty days notice or as provided by the Policy.

In the event of loss or damage or any change in risk, immediate notice must be given to the insurers or to the broker.

Declarations

Page 4

Name of Insured: The Owners of Strata Plan BCS1997
c/o Baywest Management Corporation

Policy Period: January 1, 2012 to January 1, 2013
Both dated to 12:01 am Standard Time at the address of the Insured.

SCHEDULE OF INSURERS

Section A. PROPERTY

Policy No. CMW M0672

The interest of each insurer hereunder is individual and not joint, and wherever any right or privilege is retained by the insurers, such right or privilege may be exercised by each insurer independently. The liability of each of the Insurer(s) shall be limited to that proportion of the loss which the percentage interest (shown below) against the name of the individual Insurer bears to the total amount of the loss, subject to a maximum amount for each Insurer of their percentage interest (shown below) of the applicable total amount of insurance as shown herein in these Declaration Pages.

<u>Insurers</u>	<u>Interest</u>	<u>Premium</u>
Zurich Insurance Company Ltd.	65%	\$ 44,010.
ACE INA Canada	25%	\$ 16,927.
Catlin Canada Inc.	10%	\$ 6,771.
Total:	100%	\$ 67,708.

Date Issued: January 18, 2012
E&OE /KEV/SPHI


CMW Insurance Services Ltd.
(Authorized Representative)

BCS 1997 Acacia Gardens

Proposed Budget

For the Period January 1 - December 31, 2013

Account	Account Name	Sept-12 Year To Date Actual	Dec-12 Estimated Year End	2012 Annual Budget	2013 New Budget
RECEIPTS REVENUE					
5035-0000	Bylaw Penalties	1,725.00	1,725.00	500.00	500.00
5285-0000	Interest Income	369.98	450.00	0.00	0.00
5290-0000	Fobs/Keys/Remotes	1,050.00	1,050.00	300.00	300.00
5310-0000	Late Payment Penalty	1,950.00	1,950.00	300.00	300.00
5385-0000	MoveIn/Out Fee	3,000.00	3,000.00	2,500.00	2,500.00
5425-0000	Parking Income	1,125.00	1,200.00	200.00	200.00
5500-0000	Owners' Contributions	278,793.81	371,800.00	371,800.00	380,000.00
TOTAL RECEIPTS REVENUE		288,013.79	381,175.00	375,600.00	383,800.00
EXPENSES & RESERVES					
ADMINISTRATIVE EXPENSES					
6028-0000	Bank Charges	212.00	350.00	500.00	500.00
6080-0000	Insurance Premium	52,526.25	70,035.00	77,000.00	77,000.00
6098-0000	Management Fees	31,933.62	42,578.16	43,000.00	44,000.00
6128-0000	Postage/Copies/Office Exp.	1,854.63	2,500.00	2,500.00	2,500.00
TOTAL ADMINISTRATIVE EXPENSES		86,526.50	115,463.16	123,000.00	124,000.00
UTILITIES					
6308-0000	Electricity	23,452.18	33,000.00	30,000.00	33,000.00
6316-0000	Gas	16,820.44	24,000.00	25,000.00	25,000.00
TOTAL UTILITIES		40,272.62	57,000.00	55,000.00	58,000.00
CONTRACT BLDG EXPENSES					
7048-0000	Elevator License	1,888.88	2,700.00	3,500.00	3,500.00
7069-0000	Fire Protection	9,473.79	12,000.00	10,000.00	12,000.00
7080-0000	Garbage Collection	9,935.40	15,000.00	15,000.00	15,000.00
7096-0000	Janitorial	25,822.72	39,000.00	40,000.00	40,000.00
7100-0000	Landscaping	33,006.92	46,000.00	45,000.00	45,000.00
7144-0000	Pest Control	1,169.28	2,000.00	1,800.00	1,800.00
TOTAL CONTRACT BLDG EXPENSES		81,296.99	116,700.00	115,300.00	117,300.00
REPAIRS & MAINTENANCE EXPENSES					
7588-0000	Dryer Vent Clean/Maintenance	0.00	0.00	0.00	3,000.00
7656-0000	Garage Door	4,046.34	5,000.00	1,800.00	1,800.00
7660-0000	Repairs Maintenance	19,714.22	26,000.00	18,000.00	21,200.00
7680-0000	Gutter Cleaning	0.00	0.00	0.00	6,000.00
7728-0000	Locks/Keys	1,453.37	2,000.00	2,500.00	2,500.00
7750-0000	Painting	0.00	0.00	0.00	5,000.00
7782-0000	Power Washing	2,788.80	3,500.00	3,500.00	3,500.00
7848-0000	Snow Removal	2,342.76	4,000.00	5,000.00	5,000.00
7882-0000	Supplies	2,753.97	4,000.00	4,000.00	4,000.00
7912-0000	Window Cleaning	2,536.80	2,536.80	2,500.00	2,500.00
TOTAL REPAIRS & MAINTENANCE EXPENSES		35,636.26	47,036.80	37,300.00	54,500.00
MAJOR PROJECT EXPENSES					
8475-0000	Building Improvements	0.00	0.00	5,000.00	0.00
TOTAL MAJOR PROJECT EXPENSES		0.00	0.00	5,000.00	0.00

BCS 1997 Acacia Gardens

Proposed Budget

For the Period January 1 - December 31, 2013

Account	Account Name	Sept-12 Year To Date Actual	Dec-12 Estimated Year End	2012 Annual Budget	2013 New Budget
	TOTAL OPERATING EXPENSES	243,732.37	336,199.96	335,600.00	353,800.00
	CRF & OTHER BUDGETED RESERVE FUNDS				
8920-0000	Contingency Reserve Fund	29,999.97	40,000.00	40,000.00	30,000.00
	TOTAL RESERVE FUNDS	29,999.97	40,000.00	40,000.00	30,000.00
	TOTAL EXPENSES & RESERVES	273,732.34	376,199.96	375,600.00	383,800.00
	SURPLUS □(DEFICIT)	14,281.45	4,975.04	-	-

BUDGET NOTES AND DETAILS
ACACIA GARDENS – STRATA PLAN BCS 1997
FISCAL YEAR – 2013

As per the *Strata Property Act, Section 92 (a)*, to meet all the expenses, our Strata Corporation must establish, and the Owners must contribute, by means of Strata Fees, to an operating fund for common expenses that usually occurs once a year or more often than once a year.

NEW BUDGET SUMMARY

The new budget proposes a 2.2% increase in strata fees needed to raise additional revenue of approximately \$8,000. Compared to the previous year's budget, there are a few new items that were added::

1. Dryer vent cleaning - \$3000. Since this work is routine and is carried out annually, the payment should be charged against the Operating Budget rather than the Contingency Reserve Fund.
2. Gutter cleaning - \$6000. Cleaning the gutters on an ongoing basis once a year is necessary. Therefore, this work should be charged against the Operating Budget as a routine item instead of the Contingency Reserve Fund.
3. Painting - \$5000. As the buildings age, the painted surface of various areas in the complex are starting to show its age and require repainting to prevent damage to the underlying material. This new item will provide a funding source to address this matter on an ongoing basis.

In addition, some items in the budget need to be increased to reflect the increase in cost compared to the previous year (2012 budget):

- 1) \$3000 increase for electricity;
- 2) \$2000 increase for fire protection;
- 3) \$3000 increase for general repair and maintenance.

RECEIPTS/REVENUE

5500 OWNERS' CONTRIBUTIONS

Strata Fees are the major source of income for the Strata Corporation to operate the common property and facilities of the building. Total fees, combined with other forms of income, must cover all the anticipated operating expenses, capital expenditures and reserve requirements for the fiscal year in order to break even at the end.

ADMINISTRATIVE EXPENSES

6028 BANK CHARGES

Bank charges and fees associated with the Strata Corporation's Operating Account at HSBC.

6080 INSURANCE PREMIUM

Insurance premiums provide insurance coverage for the strata buildings. This covers the base building but does not include household items and owners' improvements.

6098 MANAGEMENT FEE

This category covers the cost of the services provided by the property management company.

6128 POSTAGE/COPIES/OFFICE EXP.

This category covers the postage and photocopy costs of notices, meeting notice packages, minutes, financial statements, bylaws and correspondence, as routinely distributed to or requested by Council members, resident Owners and non-resident Owners.

UTILITIES

6308 ELECTRICITY

Based on the current year's actual cost.

6316 GAS

Based on the current year's actual cost.

CONTRACT / BLDG EXPENSES

7048 ELEVATOR & LICENSE

Cost to inspect and maintain elevators.

7069 FIRE PROTECTION

Cost for inspecting fire safety equipment annually and repairing fire protection system as needed.

7080 GARBAGE COLLECTION

This category covers the cost of the contract for the weekly removal of garbage/recycling items from the strata.

7096 JANITORIAL

This category covers the cost of the caretaking service for the building.

7100 LANDSCAPING

This category covers the cost of maintaining the landscaping of the whole complex.

REPAIRS & MAINTENANCE EXPENSES

7656 GARAGE DOOR

This category covers the cost for the maintenance and repair of the three parkade gates.

7660 GENERAL REPAIR & MAINTENANCE

This amount is allocated for the repair expense to Limited Common Property, Common Property and Common Assets.

7728 LOCKS / KEYS

This amount is allocated for the repair to common doors and their locks.

7782 POWER WASHING

This amount is allocated for semi-annual cleaning of the parkade (power washing and power sweep).

7848 SNOW REMOVAL

This category provides a small amount for snow removal expenses.

7882 SUPPLY

This amount is allocated for purchasing supply for building maintenance.

7912 WINDOW CLEANING

This category covers the cost of annual cleaning for inaccessible residential windows, balcony railing glass and commercial front windows.

8475 BUILDING IMPROVEMENT

This amount is allocated for minor improvements to the building as needed.

RESERVE FUNDS

8920 CONTINGENCY RESERVE FUNDS

As stipulated under Section 92 of the Strata Property Act, common expenses that usually occur less often than once a year or that do not usually occur, may be financed by a withdrawal from the Contingency Reserve Fund.

Section 93 of the Strata Property Act and Section 6.1(3) of the Strata Property Regulations sets out the requirements for the amount of the annual contribution. If the amount of money in the Contingency Reserve Fund at the end of any fiscal year is at least 25% but less than 100% of the total annual budgeted contribution to the Operating Fund for the fiscal year that just ended, the annual contribution to the Contingency Reserve fund may be of any amount.

BCS 1997 Acacia Gardens							
Proposed New Strata Fee							
For the Period January 1 - December 31, 2013							
Unit	SL	U/E	Old Strata Fee	Operating Portion	CRF Reserves Portion	Fee Inc/Dec by	New Strata Fee
001	1	145	\$ 291.84	\$ 274.73	\$ 23.55	\$ 6.44	□ 298.28
002	2	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	□ 199.54
003	3	83	\$ 167.05	\$ 157.26	\$ 13.48	\$ 3.69	□ 170.74
004	4	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	□ 199.54
005	5	108	\$ 217.37	\$ 204.62	\$ 17.54	\$ 4.79	□ 222.16
006	6	71	\$ 142.90	\$ 134.52	\$ 11.53	\$ 3.15	□ 146.05
007	7	56	\$ 112.71	\$ 106.11	\$ 9.09	\$ 2.49	□ 115.20
008	8	71	\$ 142.90	\$ 134.52	\$ 11.53	\$ 3.15	□ 146.05
009	9	107	\$ 215.36	\$ 202.73	\$ 17.38	\$ 4.75	□ 220.11
010	10	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	□ 199.54
011	11	83	\$ 167.05	\$ 157.26	\$ 13.48	\$ 3.69	□ 170.74
012	12	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	□ 199.54
013	13	146	\$ 293.85	\$ 276.62	\$ 23.71	\$ 6.48	□ 300.33
014	14	145	\$ 291.84	\$ 274.73	\$ 23.55	\$ 6.44	□ 298.28
015	15	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	□ 199.54
016	16	82	\$ 165.04	\$ 155.36	\$ 13.32	\$ 3.64	□ 168.68
017	17	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	□ 199.54
018	18	108	\$ 217.37	\$ 204.62	\$ 17.54	\$ 4.79	□ 222.16
019	19	71	\$ 142.90	\$ 134.52	\$ 11.53	\$ 3.15	□ 146.05
020	20	56	\$ 112.71	\$ 106.11	\$ 9.09	\$ 2.49	□ 115.20
021	21	71	\$ 142.90	\$ 134.52	\$ 11.53	\$ 3.15	□ 146.05
022	22	108	\$ 217.37	\$ 204.62	\$ 17.54	\$ 4.79	□ 222.16
023	23	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	□ 199.54
024	24	83	\$ 167.05	\$ 157.26	\$ 13.48	\$ 3.69	□ 170.74
025	25	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	□ 199.54
026	26	145	\$ 291.84	\$ 274.73	\$ 23.55	\$ 6.44	□ 298.28
027	27	111	\$ 223.41	\$ 210.31	\$ 18.03	\$ 4.93	□ 228.34
028	28	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	□ 199.54
029	29	82	\$ 165.04	\$ 155.36	\$ 13.32	\$ 3.64	□ 168.68
030	30	96	\$ 193.22	\$ 181.89	\$ 15.59	\$ 4.26	□ 197.48
031	31	107	\$ 215.36	\$ 202.73	\$ 17.38	\$ 4.75	□ 220.11
032	32	71	\$ 142.90	\$ 134.52	\$ 11.53	\$ 3.15	□ 146.05
033	33	111	\$ 223.41	\$ 210.31	\$ 18.03	\$ 4.93	□ 228.34
034	34	71	\$ 142.90	\$ 134.52	\$ 11.53	\$ 3.15	□ 146.05
035	35	108	\$ 217.37	\$ 204.62	\$ 17.54	\$ 4.79	□ 222.16
036	36	96	\$ 193.22	\$ 181.89	\$ 15.59	\$ 4.26	□ 197.48
037	37	82	\$ 165.04	\$ 155.36	\$ 13.32	\$ 3.64	□ 168.68
038	38	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	□ 199.54
039	39	111	\$ 223.41	\$ 210.31	\$ 18.03	\$ 4.93	□ 228.34
040	40	71	\$ 142.90	\$ 134.52	\$ 11.53	\$ 3.15	□ 146.05
041	41	107	\$ 215.36	\$ 202.73	\$ 17.38	\$ 4.75	□ 220.11
042	42	95	\$ 191.21	\$ 179.99	\$ 15.43	\$ 4.21	□ 195.42
043	43	83	\$ 167.05	\$ 157.26	\$ 13.48	\$ 3.69	□ 170.74
044	44	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	□ 199.54

BCS 1997 Acacia Gardens							
Proposed New Strata Fee							
For the Period January 1 - December 31, 2013							
Unit	SL	U/E	Old Strata Fee	Operating Portion	CRF Reserves Portion	Fee Inc/Dec by	New Strata Fee
045	45	111	\$ 223.41	\$ 210.31	\$ 18.03	\$ 4.93	□ 228.34
046	46	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	□ 199.54
047	47	83	\$ 167.05	\$ 157.26	\$ 13.48	\$ 3.69	□ 170.74
048	48	95	\$ 191.21	\$ 179.99	\$ 15.43	\$ 4.21	□ 195.42
049	49	107	\$ 215.36	\$ 202.73	\$ 17.38	\$ 4.75	□ 220.11
050	50	71	\$ 142.90	\$ 134.52	\$ 11.53	\$ 3.15	□ 146.05
051	51	56	\$ 112.71	\$ 106.11	\$ 9.09	\$ 2.49	□ 115.20
052	52	71	\$ 142.90	\$ 134.52	\$ 11.53	\$ 3.15	□ 146.05
053	53	107	\$ 215.36	\$ 202.73	\$ 17.38	\$ 4.75	□ 220.11
054	54	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	□ 199.54
055	55	83	\$ 167.05	\$ 157.26	\$ 13.48	\$ 3.69	□ 170.74
056	56	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	□ 199.54
057	57	146	\$ 293.85	\$ 276.62	\$ 23.71	\$ 6.48	□ 300.33
058	58	146	\$ 293.85	\$ 276.62	\$ 23.71	\$ 6.48	□ 300.33
059	59	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	□ 199.54
060	60	83	\$ 167.05	\$ 157.26	\$ 13.48	\$ 3.69	□ 170.74
061	61	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	□ 199.54
062	62	107	\$ 215.36	\$ 202.73	\$ 17.38	\$ 4.75	□ 220.11
063	63	71	\$ 142.90	\$ 134.52	\$ 11.53	\$ 3.15	□ 146.05
064	64	56	\$ 112.71	\$ 106.11	\$ 9.09	\$ 2.49	□ 115.20
065	65	71	\$ 142.90	\$ 134.52	\$ 11.53	\$ 3.15	□ 146.05
066	66	107	\$ 215.36	\$ 202.73	\$ 17.38	\$ 4.75	□ 220.11
067	67	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	□ 199.54
068	68	83	\$ 167.05	\$ 157.26	\$ 13.48	\$ 3.69	□ 170.74
069	69	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	□ 199.54
070	70	146	\$ 293.85	\$ 276.62	\$ 23.71	\$ 6.48	□ 300.33
071	71	146	\$ 293.85	\$ 276.62	\$ 23.71	\$ 6.48	□ 300.33
072	72	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	□ 199.54
073	73	83	\$ 167.05	\$ 157.26	\$ 13.48	\$ 3.69	□ 170.74
074	74	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	□ 199.54
075	75	107	\$ 215.36	\$ 202.73	\$ 17.38	\$ 4.75	□ 220.11
076	76	71	\$ 142.90	\$ 134.52	\$ 11.53	\$ 3.15	□ 146.05
077	77	113	\$ 227.43	\$ 214.10	\$ 18.35	\$ 5.02	□ 232.45
078	78	114	\$ 229.45	\$ 216.00	\$ 18.51	\$ 5.06	□ 234.51
079	79	113	\$ 227.43	\$ 214.10	\$ 18.35	\$ 5.02	□ 232.45
080	80	114	\$ 229.45	\$ 216.00	\$ 18.51	\$ 5.06	□ 234.51
081	81	113	\$ 227.43	\$ 214.10	\$ 18.35	\$ 5.02	□ 232.45
082	82	114	\$ 229.45	\$ 216.00	\$ 18.51	\$ 5.06	□ 234.51
083	83	113	\$ 227.43	\$ 214.10	\$ 18.35	\$ 5.02	□ 232.45
084	84	114	\$ 229.45	\$ 216.00	\$ 18.51	\$ 5.06	□ 234.51
085	85	136	\$ 273.73	\$ 257.67	\$ 22.09	\$ 6.03	□ 279.76
086	86	113	\$ 227.43	\$ 214.10	\$ 18.35	\$ 5.02	□ 232.45
087	87	114	\$ 229.45	\$ 216.00	\$ 18.51	\$ 5.06	□ 234.51
088	88	113	\$ 227.43	\$ 214.10	\$ 18.35	\$ 5.02	□ 232.45

BCS 1997 Acacia Gardens							
Proposed New Strata Fee							
For the Period January 1 - December 31, 2013							
Unit	SL	U/E	Old Strata Fee	Operating Portion	CRF Reserves Portion	Fee Inc/Dec by	New Strata Fee
089	89	114	\$ 229.45	\$ 216.00	\$ 18.51	\$ 5.06	□ 234.51
090	90	113	\$ 227.43	\$ 214.10	\$ 18.35	\$ 5.02	□ 232.45
091	91	59	\$ 118.75	\$ 111.79	\$ 9.58	\$ 2.62	□ 121.37
092	92	64	\$ 128.81	\$ 121.26	\$ 10.39	\$ 2.84	□ 131.65
093	93	63	\$ 126.80	\$ 119.37	\$ 10.23	\$ 2.80	□ 129.60
094	94	63	\$ 126.80	\$ 119.37	\$ 10.23	\$ 2.80	□ 129.60
095	95	63	\$ 126.80	\$ 119.37	\$ 10.23	\$ 2.80	□ 129.60
096	96	53	\$ 106.67	\$ 100.42	\$ 8.61	\$ 2.36	□ 109.03
097	97	53	\$ 106.67	\$ 100.42	\$ 8.61	\$ 2.36	□ 109.03
098	98	53	\$ 106.67	\$ 100.42	\$ 8.61	\$ 2.36	□ 109.03
099	99	71	\$ 142.90	\$ 134.52	\$ 11.53	\$ 3.15	□ 146.05
100	100	52	\$ 104.66	\$ 98.53	\$ 8.44	\$ 2.31	□ 106.97
101	101	53	\$ 106.67	\$ 100.42	\$ 8.61	\$ 2.36	□ 109.03
102	102	53	\$ 106.67	\$ 100.42	\$ 8.61	\$ 2.36	□ 109.03
103	103	64	\$ 128.81	\$ 121.26	\$ 10.39	\$ 2.84	□ 131.65
104	104	64	\$ 128.81	\$ 121.26	\$ 10.39	\$ 2.84	□ 131.65
105	105	63	\$ 126.80	\$ 119.37	\$ 10.23	\$ 2.80	□ 129.60
106	106	59	\$ 118.75	\$ 111.79	\$ 9.58	\$ 2.62	□ 121.37
107	107	64	\$ 128.81	\$ 121.26	\$ 10.39	\$ 2.84	□ 131.65
108	108	63	\$ 126.80	\$ 119.37	\$ 10.23	\$ 2.80	□ 129.60
109	109	63	\$ 126.80	\$ 119.37	\$ 10.23	\$ 2.80	□ 129.60
110	110	63	\$ 126.80	\$ 119.37	\$ 10.23	\$ 2.80	□ 129.60
111	111	53	\$ 106.67	\$ 100.42	\$ 8.61	\$ 2.36	□ 109.03
112	112	53	\$ 106.67	\$ 100.42	\$ 8.61	\$ 2.36	□ 109.03
113	113	53	\$ 106.67	\$ 100.42	\$ 8.61	\$ 2.36	□ 109.03
114	114	71	\$ 142.90	\$ 134.52	\$ 11.53	\$ 3.15	□ 146.05
115	115	52	\$ 104.66	\$ 98.53	\$ 8.44	\$ 2.31	□ 106.97
116	116	53	\$ 106.67	\$ 100.42	\$ 8.61	\$ 2.36	□ 109.03
117	117	53	\$ 106.67	\$ 100.42	\$ 8.61	\$ 2.36	□ 109.03
118	118	64	\$ 128.81	\$ 121.26	\$ 10.39	\$ 2.84	□ 131.65
119	119	64	\$ 128.81	\$ 121.26	\$ 10.39	\$ 2.84	□ 131.65
120	120	64	\$ 128.81	\$ 121.26	\$ 10.39	\$ 2.84	□ 131.65
121	121	146	\$ 293.85	\$ 276.62	\$ 23.71	\$ 6.48	□ 300.33
122	122	146	\$ 293.85	\$ 276.62	\$ 23.71	\$ 6.48	□ 300.33
123	123	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	□ 199.54
124	124	82	\$ 165.04	\$ 155.36	\$ 13.32	\$ 3.64	□ 168.68
125	125	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	□ 199.54
126	126	107	\$ 215.36	\$ 202.73	\$ 17.38	\$ 4.75	□ 220.11
127	127	71	\$ 142.90	\$ 134.52	\$ 11.53	\$ 3.15	□ 146.05
128	128	56	\$ 112.71	\$ 106.11	\$ 9.09	\$ 2.49	□ 115.20
129	129	71	\$ 142.90	\$ 134.52	\$ 11.53	\$ 3.15	□ 146.05
130	130	107	\$ 215.36	\$ 202.73	\$ 17.38	\$ 4.75	□ 220.11
131	131	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	□ 199.54
132	132	83	\$ 167.05	\$ 157.26	\$ 13.48	\$ 3.69	□ 170.74

BCS 1997 Acacia Gardens							
Proposed New Strata Fee							
For the Period January 1 - December 31, 2013							
Unit	SL	U/E	Old Strata Fee	Operating Portion	CRF Reserves Portion	Fee Inc/Dec by	New Strata Fee
133	133	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	199.54
134	134	111	\$ 223.41	\$ 210.31	\$ 18.03	\$ 4.93	228.34
135	135	71	\$ 142.90	\$ 134.52	\$ 11.53	\$ 3.15	146.05
136	136	107	\$ 215.36	\$ 202.73	\$ 17.38	\$ 4.75	220.11
137	137	96	\$ 193.22	\$ 181.89	\$ 15.59	\$ 4.26	197.48
138	138	82	\$ 165.04	\$ 155.36	\$ 13.32	\$ 3.64	168.68
139	139	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	199.54
140	140	112	\$ 225.42	\$ 212.20	\$ 18.19	\$ 4.97	230.39
141	141	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	199.54
142	142	82	\$ 165.04	\$ 155.36	\$ 13.32	\$ 3.64	168.68
143	143	96	\$ 193.22	\$ 181.89	\$ 15.59	\$ 4.26	197.48
144	144	107	\$ 215.36	\$ 202.73	\$ 17.38	\$ 4.75	220.11
145	145	71	\$ 142.90	\$ 134.52	\$ 11.53	\$ 3.15	146.05
146	146	146	\$ 293.85	\$ 276.62	\$ 23.71	\$ 6.48	300.33
147	147	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	199.54
148	148	82	\$ 165.04	\$ 155.36	\$ 13.32	\$ 3.64	168.68
149	149	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	199.54
150	150	107	\$ 215.36	\$ 202.73	\$ 17.38	\$ 4.75	220.11
151	151	71	\$ 142.90	\$ 134.52	\$ 11.53	\$ 3.15	146.05
152	152	56	\$ 112.71	\$ 106.11	\$ 9.09	\$ 2.49	115.20
153	153	71	\$ 142.90	\$ 134.52	\$ 11.53	\$ 3.15	146.05
154	154	107	\$ 215.36	\$ 202.73	\$ 17.38	\$ 4.75	220.11
155	155	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	199.54
156	156	82	\$ 165.04	\$ 155.36	\$ 13.32	\$ 3.64	168.68
157	157	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	199.54
158	158	146	\$ 293.85	\$ 276.62	\$ 23.71	\$ 6.48	300.33
159	159	102	\$ 205.29	\$ 193.26	\$ 16.56	\$ 4.53	209.82
160	160	153	\$ 307.94	\$ 289.88	\$ 24.85	\$ 6.79	314.73
161	161	97	\$ 195.23	\$ 183.79	\$ 15.75	\$ 4.31	199.54
162	162	83	\$ 167.05	\$ 157.26	\$ 13.48	\$ 3.69	170.74
163	163	96	\$ 193.22	\$ 181.89	\$ 15.59	\$ 4.26	197.48
164	164	107	\$ 215.36	\$ 202.73	\$ 17.38	\$ 4.75	220.11
165	165	72	\$ 144.91	\$ 136.42	\$ 11.69	\$ 3.20	148.11
166	166	56	\$ 112.71	\$ 106.11	\$ 9.09	\$ 2.49	115.20
167	167	82	\$ 165.04	\$ 155.36	\$ 13.32	\$ 3.64	168.68
168	168	108	\$ 217.37	\$ 204.62	\$ 17.54	\$ 4.79	222.16
169	169	114	\$ 229.45	\$ 216.00	\$ 18.51	\$ 5.06	234.51
Monthly Total	15394		30,983.24	29,166.94	2,499.92	683.62	31,666.86
			x12	x12	x12	x12	x12
Annual Total			\$ 371,798.88	\$ 350,003.28	\$ 29,999.04	\$ 8,203.44	\$ 380,002.32

**BCS 1997 Acacia Gardens
PROPOSED BUDGET SUMMARY**

	Sept-12 Year To Date Actual	Dec-12 Estimated Year End	2012 Annual Budget	2013 Proposed Budget
TOTAL OWNER CONTRIBUTION	278,794	371,800	371,800	380,000 <input type="checkbox"/>
Operating Fund				
Opening Balance	15,351	15,351	15,351	13,494
Owner's Contribution	248,794	331,800	331,800	350,000 <input type="checkbox"/>
Other Income	9,220	9,375	3,800	3,800
Total Operating Expenses	(243,732)	(336,200)	(335,600)	(353,800)
Prior Year Adjustment	(6,832)	(6,832)	-	-
Ending Balance	22,800	13,494	15,351	13,494
Contingency Reserve Fund				
Opening Balance	60,723	60,723	60,723	102,266
Owner's Contribution	30,000	40,000	40,000	30,000 <input type="checkbox"/>
Interest Income	739	967	967	1,325
Transfer from Building Envelope Study	176	176	-	-
Transfer from Deck and Gutter	400	400	-	-
CRF Loan Insurance	(15,000)	-	-	-
Ending Balance	77,038	102,266	101,690	133,591
Reserve - Building Envelope Study				
Opening Balance	176	176	-	-
Transfer to CRF	(176)	(176)	-	-
Ending Balance	-	-	-	-
Reserve - Deck Gutter				
Opening Balance	6,000	6,000	-	-
Expenditure	(5,600)	(5,600)	-	-
Transfer to CRF	(400)	(400)	-	-
Ending Balance	-	-	-	-
Reserve - Dryer Vent				
Opening Balance	6,000	6,000	-	-
Expenditure	(6,000)	(6,000)	-	-
Ending Balance	-	-	-	-
Reserve - Fence				
Opening Balance	18,000	18,000	-	-
Expenditure	(18,000)	(18,000)	-	-
Ending Balance	-	-	-	-
Reserve - Landscaping Improvement				
Opening Balance	15,000	15,000	-	4,433
Expenditure	(10,567)	(10,567)	-	-
Ending Balance	4,433	4,433	-	4,483
Special Levy - Air Unit				
Opening Balance	198,474	198,474	-	3,499
Interest	1,347	1,377	1,377	40
Expenditure	(113,542)	(114,109)	-	-
Refund to Owners	(82,243)	(82,243)	-	-
Ending Balance	4,037	3,499	1,377	3,538
<input type="checkbox"/> Items included in the Total Owners' Contributions calculation				
Estimated CRF annual interest rate 1.13%				

Balance Sheet
Acacia Gardens (bcs1997)
September 30, 2012

Monday, October 1, 2012

	September 2012	August 2012	Change
ASSETS			
CURRENT ASSETS			
Bank - Operating	25,601.48	23,027.95	2,573.53
Accounts Receivable	939.61	(318.44)	1,258.05
AR Spec Levy - Air Unit	0.00	927.21	(927.21)
AR - Other	0.00	5.00	(5.00)
TOTAL CURRENT ASSETS	\$ 26,541.09	23,641.72	2,899.37
OTHER ASSETS			
Accrued Interest	155.77	252.35	(96.58)
Prepaid - Insurance	17,508.75	23,345.00	(5,836.25)
TOTAL OTHER ASSETS	\$ 17,664.52	23,597.35	(5,932.83)
RESERVES			
Reserve Bank - Fence	0.00	18,000.00	(18,000.00)
Reserve Bank - Landscaping	4,432.52	4,923.08	(490.56)
TOTAL RESERVES	\$ 4,432.52	22,923.08	(18,490.56)
CRF BANK			
CRF Bank - General	76,961.78	68,516.93	8,444.85
TOTAL CRF BANK	\$ 76,961.78	68,516.93	8,444.85
SPECIAL LEVY BANK			
Spec Levy Bank - Air Unit	4,027.21	85,243.98	(81,216.77)
TOTAL SPECIAL ASSESSMENT BANK	\$ 4,027.21	85,243.98	(81,216.77)
TOTAL ASSETS	\$ 129,627.12	223,923.06	(94,295.94)
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts Payable	1,128.01	5,009.15	(3,881.14)
Accounts Payable - Other	500.00	500.00	0.00
Accrued Liabilities	4,541.64	4,541.64	0.00
Contractor Holdback	150.00	150.00	0.00
TOTAL CURRENT LIABILITIES	\$ 6,319.65	10,200.79	(3,881.14)
RESERVES			
Reserve - Fence	0.00	18,000.00	(18,000.00)
Reserve - Landscape Improvement	4,432.52	4,923.08	(490.56)
TOTAL RESERVES	\$ 4,432.52	22,923.08	(18,490.56)
CONTINGENCY RESERVE FUND			
CRF - General	77,038.31	68,628.45	8,409.86
CRF Loan - Insurance	15,000.00	20,000.00	(5,000.00)
TOTAL CONTINGENCY RESERVE FUND	\$ 92,038.31	88,628.45	3,409.86
OPERATING FUND			
Operating Surplus/(Deficit) Current Year	14,281.45	7,381.60	6,899.85

Balance Sheet
 Acacia Gardens (bcs1997)
 September 30, 2012

Monday, October 1, 2012

	September 2012	August 2012	Change
Operating Surplus/(Deficit) Prior Years	15,350.69	15,350.69	0.00
Prior Year Operating Surplus - Adjustment	(6,832.00)	(6,832.00)	0.00
TOTAL OPERATING SURPLUS/(DEFICIT)	\$ 22,800.14	15,900.29	6,899.85
SPECIAL LEVY			
Spec. Levy - Air Unit	4,036.50	86,270.45	(82,233.95)
TOTAL SPECIAL LEVY	\$ 4,036.50	86,270.45	(82,233.95)
TOTAL LIABILITIES AND EQUITY	\$ 129,627.12	223,923.06	(94,295.94)



Sam Kong, Strata Manager

Oct 2, 2012

Date

WHAT A STRATA CORPORATION NEEDS TO KNOW ABOUT DEPRECIATION REPORTS

What is a depreciation report?

A depreciation report is a legislated planning requirement for strata corporations in British Columbia. Depreciation reports are used to establish long term planning for common property and common assets to determine:

- 1) What assets you own (an inventory)
- 2) The asset condition (evaluation)
- 3) When things need to be replaced (the anticipated maintenance, repair and replacement)
- 4) How much money you currently have (contingency reserve report)
- 5) What it is likely to cost for future replacement (a description of the factors and assumptions in projecting costs)
- 6) How you are going to pay for the costs (three cash flow models projecting 30 year replacement periods)

The regulations have set out requirements for time periods of the reports, qualifications of persons providing reports, schedules for updates, disclosure of reports, conditions of the reports and what information must be contained and financial planning and disclosure.

Which Regulations were passed or amended on December 13, 2011 that relate to depreciation reports and the contingency reserve fund?

As of December 13, 2011, a depreciation report is a mandatory function of strata corporations in the Province of British Columbia. Strata Corporations who are not exempt, must comply with the provision by December 13, 2013. Strata corporations with fewer than 5 strata lots, and those strata corporations who pass an annual three quarter vote, are exempt from the requirement.

On December 10, 2009, Bill 8, the *Strata Property Amendment Act* came into effect. At that time, only a limited number of the sections came into effect, with section 15 of the amendments, depreciation reports, being deferred. The regulations passed on December 13, 2011 brought section 15 into effect, and implemented the regulations that identify the requirements for depreciation reports as well as the inclusion of changes to Form B Information Certificates which take effect on March 1, 2012 for depreciation reports, and January 1, 2014 for parking stalls and storage lockers.

What can we do as strata corporations at this time to start the process of planning for a depreciation report?

If your strata corporation does not pass a three quarter vote for exemption from the requirement, then you will be required to have a report completed by December 13, 2013. To start the process your strata corporation can contribute greatly to the ease of providing the depreciation report and economizing by gathering all of your records and documents that are specific to your type of strata corporation. A sample list follows that illustrates the types of records and documents the person preparing the depreciation report may need to review. In the absence of documents, the person preparing the depreciation report will need to make some reasonable assumptions. For smaller strata corporations your document requirements may be limited; however, at the minimum a copy of the registered strata plan, any registered bylaw amendments, and any property conditions will be important for the first stages of the proposals and planning.

Documents & Records

- **Operating budget**
- **Current balance sheet, including the contingency reserve fund balance and any investments & assets**
- **General ledger**
- **Copies of invoices relevant to operations and repairs**
- **Current insurance certificate or insurance appraisal**
- **Any reciprocal easements/Service agreements/Air Parcel Agreements**
- **Any leases and licenses (enterphone systems, parking garage use)**
- **Any agreements granting third party use and access of the strata property**
- **Prints, plans and drawings – architectural, structural, mechanical, electrical, fire protection and other systems.**
- **Any prior investigation reports: maintenance, repair, investigation etc.**
- **Annual fire inspection report**
- **Maintenance manuals**
- **Maintenance logs**
- **Registered strata plan & any amendments**
- **Registered bylaws & any amendments**
- **Any bylaws where the strata corporation has taken responsibility for the maintenance and repair of part of a strata lot**
- **Any information & bylaws relating to sections**
- **Any registered allocations of Limited Common Property**
- **Any alteration agreements where an owner has taken responsibility for the cost of the maintenance or renewal of the alteration**
- **Lawsuits or arbitration decisions that impact property use, maintenance repair or obligation**

To simplify the depreciation report process, and to assist with accurate long-term archiving of documents, it is recommended documents, including the large scale drawings, be scanned into electronic format if possible to use when preparing the depreciation report.

Who is a “qualified person” that will develop the depreciation report?

Regulation 6.2(6) broadly defines who is qualified to develop your depreciation report.

(6) For the purposes of section 94 (1) of the Act, “qualified person” means 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 subsections (1) to (4).

In addition to providing a legislated planning tool for renewals, maintenance and financial planning for the strata corporations, the depreciation report imposes a significant level of responsibility on the strata corporation. The report will become a significant document in assessing property asset value and must be disclosed in a Form B Information Certificate. The report may be used by insurance providers, mortgage providers, mortgage insurers, and most of all, buyers. This is an official report, and may be used to determine a buyer’s qualification’s for a mortgage, to establish risk for insurers, and for buyers to determine their future liabilities before they decide to make an offer for purchase. Throughout all of these transactions third parties are relying upon the information in the depreciation report which could result in potential liability for the strata corporation with respects to the accuracy and reliability of information in the report.

What is the duty of the qualified person preparing the report?

The person preparing the report will have a duty to disclose in the report their qualifications, their relationship with the strata corporation and whether or not they carry errors and omissions insurance, as well as a description of that insurance. Their qualifications will have a direct link to their duties under the regulations. The qualified person will be required to:

- Provide an inventory of the strata corporation’s common property common assets, and any limited common property or part of a strata lot that the strata corporation has a duty to maintain, repair and renew.
- Provide an evaluation of the inventory by performing a physical review of the site and the components.
- Provide an evaluation that addresses the following requirements:
 - Estimate the service life of the assets over the next 30 years
 - The anticipated maintenance, repair and replacement costs that usually occur less than once per year
 - Evaluation of the components (the current condition)
 - Financial evaluation of the factors and assumptions used in estimating the costs over the 30 year period
 - A description of how the contingency reserve fund is currently being funded, along with a current balance, minus any expenditures that have been approved but not yet taken from the fund, and
 - At least three cash flow models for the contingency reserve fund relating to the maintenance, repair and replacement over 30 years.

What skills will be necessary for the person / team / firm providing the report?

- The ability to read and interpret technical documents and drawings.
- The education, experience and knowledge to be able to conduct on site inspections of building components and provide a reliable assessment of their condition and remaining life expectancy.
- A knowledge of building systems, building codes, plus an understanding of material defects, product compatibility, product availability and new technologies.
- An understanding of the structure and governance of strata corporations and their legislated obligations for maintenance, repair and replacement of components, with an understanding of the application of strata corporations that have duly constituted sections, air parcel agreements, and multiple strata corporations that share joint facilities.
- An understanding of strata corporation financial obligations for annual budgets, contingency reserve funds and special levies.
- The ability to financially project and prepare at least three different cash flow models over 30 years.

Who do we hire to do the depreciation report?

Several of the following professions may have the skills and qualifications necessary to prepare a depreciation report.

- A person who is a registered professional engineer with the Association of Professional Engineers and Geoscientists of B.C.
- A person who holds a certificate of practice within the meaning of the Architects Act of B.C.
- A person who is a member of the Real Estate Institute of Canada and holds the designation of a certified reserve planner
- A person who is a member of the Appraisal Institute of Canada
- A person who is a member of the Canadian Institute of Quantity Surveyors and holds the designation of professional quantity surveyor.
- Other persons who meet the qualifications and skills required.

Any one of the above designations unto itself is not a complete representation of a person's qualifications or skills. A depreciation report requires technical, financial planning, and management skills. This combination of expertise may be difficult to find in one individual. Depending on how complicated and extensive your strata corporation is, this may mean your depreciation report is prepared by a team of professionals rather than an individual. A review of the experience of the person, references, the ability to provide errors and omission insurance, samples of reports and any other relevant documentation that attests to the knowledge and competency of the person are all a part of finding the right person to conduct your depreciation report.

Do the Regulations permit our strata corporation to conduct our own Depreciation Report?

Technically, the regulations do not prohibit a strata corporation from preparing their own depreciation report; however, consider the requirements of the Act & Regulations and the liabilities first. A person (when applied also means the consulting firm or group of certified professionals who make the proposal) is going to have to be identified as providing the report. If it is the strata corporation providing their own report, then it will be disclosed in the report that the information has been provided by the strata corporation, and/or specific individuals. You will have to disclose in the report who that is and the liability, qualifications and competency of that person. In addition to providing a planning tool for renewals, maintenance and financial planning for the strata corporation, the report also imposes a level of liability on the strata corporation for accuracy. Remember that the report may be used by insurance providers, mortgage providers and mortgage insurers, and most of all, buyers. This is an official report, and will be used to determine a buyer's qualifications for a mortgage, to establish risk for insurers, and for buyers to determine their future liabilities, before they make a decision or make an offer for purchase. Throughout all of these transactions, the strata corporation is exposed to liability.

How does a strata corporation manage the liabilities of possible inaccurate information or errors in reporting information?

Ultimately, the strata corporation and the person(s) in the strata corporation who do the depreciation report are left with the complete scope of liability with no recourse against a 3rd party. If there is an error, resulting in an action for damages against the corporation, does the strata corporation have any coverage under the directors and officers liability insurance, with respects to having provided this service? Every insurance policy has unique terms, conditions and exclusions, and before a strata corporation ventures into creating and providing the depreciation report, they are advised to contact their insurance broker to determine the extent of coverage under these conditions.

Who makes the decision to provide your own report?

Before you perform your own service work, has this been a decision of the strata council or the owners at a general meeting, and are they aware that they are assuming these liabilities before they make this decision? The Strata Property Act holds council members to a standard to exercise the care, diligence and skill of a reasonably prudent person in comparable circumstances; however, these conditions are not likely that of a volunteer in light of the conditions set out by the regulations. Section 31(b) of the *Strata Property Act* and section 6.2 (6) of the Regulations, set out the interpretation of a "qualified person" to mean any person who has the knowledge and expertise to understand the individual components, scope and complexity of the strata corporation's common property, common asset 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 subsections (1) to (4).

Can our strata corporation be exempt from the need for a depreciation report and what are the implications of such a decision?

One of the most valuable benefits of a depreciation report is the assembled inventory of common property, common assets, plus the portions of the limited common property and the strata lot that the strata corporation is going to have to repair, maintain and replace. There are many strata corporations that have operated with limited function under the *Strata Property Act*. The new regulations impose an additional obligation that the strata corporation complies with the regulation. Strata corporations of five or more units are required to provide a depreciation report by December 13, 2013. However, a strata corporation of five or more units may be exempted, if the strata corporation annually passes a three quarters vote at a general meeting. This will require the strata corporation to include the exact wording of a three quarters vote resolution with the notice of the general meeting and on the agenda. The minutes will then reflect the results of the three quarters vote.

However, before your strata corporation considers an exemption, consider the implications. Depreciation reports are going to be a widely used tool to manage risk for buyers purchasing in a strata corporation. A buyer and their mortgage provider or mortgage insurer may have a keen interest in a depreciation report. The absence of a report may make it more difficult for an owner to sell their unit – financial institutions may be reluctant to lend if possible special levies and other future costs are unknown. Also, buyers will be using depreciation reports to determine the accuracy of the asking price. The absence of a depreciation report may impose restrictions on the property that limit the ability to sell.

What happens if we fail to pass a three quarter vote exempting the strata corporation from the depreciation report requirement?

Normally, an exemption, if desired, would be voted on at an annual general meeting. It may also be done by calling a special general meeting. The vote should always be conducted well in advance of the next deadline for obtaining a depreciation report. The regulation specifies three such deadlines or triggers:

1. December 13, 2013 (two years after the legislative requirement came into force);
2. Three years after your last valid depreciation report was obtained; and
3. Eighteen months after any previously passed three quarter vote to exempt.

The eighteen month timeframe allows six months to complete a depreciation report if an exemption passes one year but fails at the next AGM.

How long is a depreciation report good for?

The regulation specifies that a new report must be obtained three years after the last one. These subsequent reports may be less expensive than the original baseline report as some of the information and modeling will only require updating. However, the new report must still include on-site visual inspections and cover at least 30 years from that date. Be aware that, in addition to your assets having aged since the last report, interest rates, inflation rates, and the cost of items and labour will likely have changed.

Some experts advise that depreciation reports should cover the entire expected life of the building rather than the minimum 30 years required. Such a report may be no more expensive and would give the strata corporation better information to use in planning, saving and equitably allocating costs between present and future owners.

If we are in the process of completing our depreciation report, what information do we include with the Form B?

The Form B Information Certificate, Section 59 of the *Strata Property Act*, is a document completed by the strata corporation/strata agent that discloses the specified information about the strata corporation and the strata lot for only that date of issue. If the strata corporation does not have a recent depreciation report completed, then implication of a pending report should not be disclosed. The conditions, details and financial information of pending reports may be inaccurate and are subject to change until the report is received from the person, consultant, company providing the report. Once the strata corporation, council/strata agent has received the report, it must be included with a Form B. If the strata corporation has commissioned a depreciation report, the information should be contained in the minutes of the strata council meetings, to provide notice and information to the strata corporation and any party reviewing the minutes. A new Form B, effective March 1, 2012, lists all required attachments.

Enclosed:

- Sample: Depreciation Report Request for Proposal
- Addendum: *Strata Property Act* and Regulations

Strata Property Act
FORM A
PROXY APPOINTMENT

Re: Strata Lot _____ of Strata Plan BCS 1997 AND/OR
Civic address Suite _____ - 7388 MacPherson Avenue, Burnaby, B.C. of
Strata Plan BCS 1997.

I/We, _____, the owner(s) of the strata
lot described above, appoint _____

to act as my/our proxy at the Annual General Meeting to be held on

Wednesday, November 28, 2012.

Dated this _____ day of _____, 20__

Signature of Owner (s): _____

Signature of Owner (s): _____

NOTE: This Proxy Appointment should only be used if an owner is unable to attend the meeting in person and wishes to appoint a Strata Council member or person the authority to vote on his/her behalf. A person who acts on behalf of another person is called a Proxy. A Proxy does not have to be another owner in the building. It can be anyone over the age of 18. Please note that an employee of the Strata Corporation such as a Resident Caretaker / Manager or Strata Manager cannot be appointed as a proxy.

COMPLETE AND SIGN THIS FORM AND GIVE IT TO THE COUNCIL MEMBER OR PERSON THAT WILL BE REPRESENTING YOU.