JRS ENGINEERING
BUILDING ENVELOPE CONSULTANTS

DEPRECIATION REPORT

PENINSULA VILLAGE
2500 – 152ND STREET
SURREY, BC

PREPARED FOR: The Owners, Strata Plan LMS 133
c/o Mr. Peter Newton
2500 – 152nd Street, Surrey, BC

DATE: **OCTOBER 15, 2014**

JRS PROJECT: VR13329

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PREFACE

The purpose of this Depreciation Report is to assist the Owners in the asset management of their property with respect to the major building systems and components. JRS has reviewed pertinent building documents, communicated with building representatives, and performed a visual site review, all of which is summarized in this report.

The provisions of this Depreciation Report, including Reserve Planner qualifications, insurance requirements and site review and reporting methods, address all the requirements of the current Strata Property Act (Section 94) and its associated Regulation – BC Reg43/2000 (Part 6). These methods are also consistent with nation-wide standards and guidelines provided by the Real Estate Institute of Canada (REIC).

In accordance with Strata Property Regulation requirements, JRS Engineering Ltd. confirms that it and its employees, directors and affiliates are unaware of any conflicting relationship with the Strata Corporation. This Depreciation Report is being provided independently, with no other purpose than to provide the Strata Corporation with an objective report in accordance with the Engineering Services Agreement executed on August 14, 2013.

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APPENDICES

1.0 EXECUTIVE SUMMARY

JRS Engineering Ltd. (JRS) was retained by The Owners, Strata Plan LMS 133 to complete a Depreciation Report on Peninsula Village, located at 2500 – 152nd Street, Surrey, BC. The purpose of this report is to assist in allocating the anticipated reserve fund expenditures associated with the major systems and components of the complex. This executive summary should be read with the rest of the report in its entirety to recognize the full context.

Based on the Contingency Reserve Fund (CRF) balance, contributions and requirements, the Strata Corporation is in an above average financial condition. However, due to significant renewals estimated to occur around 2021, it would be prudent for the Strata Corporation to increase its CRF contributions. The Strata Corporation's current annual CRF contribution is approximately $149,400. We recommend you either maintain your current contributions level or increase it per the Graduated Hybrid model presented in Appendix D.

While JRS recommends prudent and practical increases in the Strata Corporation's annual CRF contributions, we understand that ideal contribution increases may not occur. At the very least, this report should be used as supplemental information and an education tool for current owners and potential buyers to save for possible upcoming special levies.

Over the next three years (before the next Depreciation Report update), the Strata Corporation should consider the following:

- Continue replacing the balcony membrane and guardrails at the remaining 12 balconies.
- Painting of the cedar cladding and trim.

The Strata Corporation should also conduct a more detailed review to further assess the following components:

- Garage doors at each unit.
- Entrance gates at south and west elevations.

The following is a summary of the most pertinent financial values within a 30-year outlook:

ITEM		COST
Current Replacement Costs	$	6,799,415
Future Replacement Costs	$	10,416,342
Current Reserve Fund Requirements	$	3,658,832
Future Reserve Fund Requirements	$	6,406,834
Current Annual Reserve Fund Contributions	$	149,400
Theoretical Fully Funded Annual Reserve Fund Contributions	$	418,326
Target Annual Reserve Fund Contributions (50%)	$	209,163

Our financial analysis includes three funding models: Baseline, Theoretical Fully Funded, and a Graduated Hybrid.

The Baseline model consists of current contribution levels or the statutory requirement, whichever is higher. In this case, it is the former, $149,400. This would lead to at least two special levies within the 30-year outlook.

The Theoretical Fully Funded model creates a fully funded CRF that should not require any special levies within a 30-year outlook. However, this theoretical model would require the Owners to increase their current contributions immediately, which would be financially challenging for many and impractical to try to pass at a general meeting.

The Graduated Hybrid model is a funding strategy that JRS recommends, which will allow the Strata Corporation to gradually increase their contributions to 50% of a fully funded contribution level by 2018, then implementing inflationary increases – minimizing the frequency and amount of potential special levies.

It is incumbent on the Owners to decide which funding strategy works best for them and to tailor their own, customized financial plan. The Cash Flow Table for the recommended Graduated Hybrid Funding model is included in Appendix D for your review.

2.0 TERMS OF REFERENCE

2.1 GENERAL LIMITATIONS

JRS assumes that this is the first Depreciation Report for this property (requiring a site visit and a full compilation of asset inventory). We also assume that the building systems were built and completed with no known deficiencies in design and that construction procedures performed were in general conformance with the documents provided by the Owners and Property Manager, unless otherwise noted.

The drawings, diagrams and photographs presented in this report are included for illustration purposes. No legal survey, soil analysis, detailed investigations, quantity survey compilations, nor exhaustive physical examinations, representative sampling or intrusive tests were performed, which would be required to discover any hidden conditions within the property.

JRS' technical area of expertise is within the building envelope. Items such as mechanical, electrical, conveyance and site service systems have been reviewed in a general nature for the purposes of budgeting and can be reviewed in a more detailed fashion should the Owners wish to do so. Accordingly, we have identified any items that require a more comprehensive review by appropriate professionals.

Replacement costs are subjective. They are based on a combination of company experience, building documents and historical construction data. It must be appreciated that reserve fund budgeting and projections are not an exact science. At best, they are prudent provisions for typical life cycle renewal costs, if and when they arise. Reserve fund requirements are subject to change and must be reviewed and revised periodically.

2.2 REPORT ORGANIZATION

Section 1.0 presents an executive summary of the depreciation report.

Section 2.0 presents our terms of reference outlining general limitations of the report, how this report is organized, a general building description, all relevant building documents reviewed, and when the site visit(s) were performed.

Section 3.0 presents an introduction to the report. This includes a brief background to Depreciation Reports, methodology used to create one, a general description of all reserve systems and components, as well as a short note on updating the report.

Section 4.0 presents a technical inventory of each building system consisting of a general description and history relating specifically to this property.

Section 5.0 presents a financial analysis of each building system consisting of historical data, life cycle renewal costs, and at least three funding models with 30-year cost projections (as required by the Strata Property Regulation). A summary and opinion of adequacy of the CRF, with considerations is also included.

Section 6.0 presents our recommendations to the Owners.

Section 7.0 presents our report closure and limitations.

Included as part of this report are the following appendices:

Appendix A – Technical Inventory - Component Descriptions

Appendix B – Replacement Costs (Benchmark Analysis)

Appendix C – Funding Models and Cost Projections

Appendix D – Cash Flow Table

2.3 BUILDING DESCRIPTION

Peninsula Village is a residential, strata-owned complex consisting of 95, two- or three-story townhomes with unit garages, 2 gate houses at each entrance, visitor parking and a shared clubhouse amenity building. The residential complex is a phased development built circa 1991 – 1993. For the purpose of this report we have adopted the 1991 construction date for all phases.

Around the perimeter of the property there are many tall trees and plants. The buildings are mostly surrounded with large open-grassed areas and vegetation with planters located throughout the property.

The property has undergone a number of on-going and large building envelope renewal projects. This includes the on-going replacement of the balcony membrane and guardrails, with 14 balconies complete and 12 remaining, painting of buildings in 2006 and the re-roofing project in 2011 carried out in conjunction with the replacement of the gutters and downspouts.

A general description and site plan of the property are summarized below:

DESCRIPTION	
Construction Date	1991
Applicable Building Code	1985 BC Building Code
Number of Buildings	33
Number of Storeys	Two and three story
Number of Units	95
Number of Parking Stalls	30
Site Area	366,276 ft^2
Gross Floor Area	128,184 ft^2
Landscaping Area	238,092 ft^2

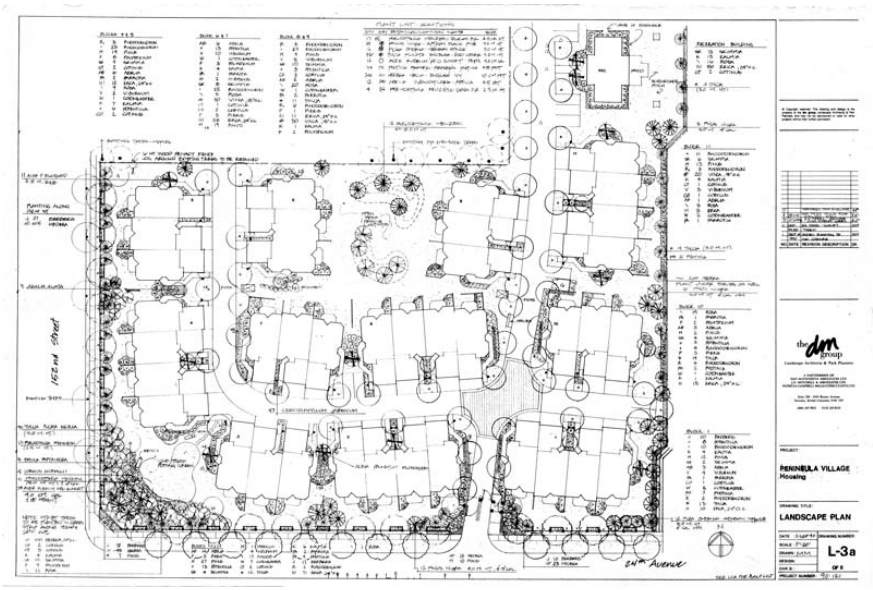

Figure 1 – Site Plans of Peninsula Village, phase 1 and phase 2

2.4 DOCUMENTS REVIEWED

The following documents were provided for our review as resources for this Depreciation Report:

Plans/Drawings and Technical Documents

- Landscape Drawings, the dm group, September 11, 1990
- 24th Ave Entrance
- Framing and Fire Separation Details
- Roadworks and Grading Sanitary & Storm Sewer Waterworks Phase 1
- Roof Plans 1A & 2A
- Sanitary and Storm Sewer Waterworks PH 1
- Sanitary and Storm Sewer Waterworks PH 1 roll 2

- Sanitary and Storm Sewer Waterworks PH 2
- Sanitary and Storm Sewer Waterworks PH 3 & 4
- Sedimentary Control Details
- Telephone and Electrical
- Tree Preservation and Landscape Plans
- Elevation and Framing Detail PH 3 & 4
- Floor Plans & Elevation Details Misc.
- Floor Plans & Elevation Details PH 3 & 4
- Roof Plans Building Types 1 & 2
- Sanitary-Storm-Sewers Waterworks PH 1
- Sanitary-Storm-Sewers Waterworks PH 2
- Site Floor & Window Plan PH 2 & 3
- Wall & Windows Plan
- Woodcroft Site Plan – PH 2

Non-Technical and Financial Documents

- Meeting Minutes September – November 2010; February – December 2011; January – December 2012, January to June 2013.
- Estimated Annual Operating and Contingency Budget –April 30, 2012
- Approved Annual Operating and Contingency Budget – April 30, 2013
- Operating Fund Statement – April, 2012, December 2012, January – July 2013
- LMS 133 Schedule of rules
- Site Plan/Floor Plan
- Schedule of Bylaws – Registered May 8, 2006
- HUB International Coastal Insurance Brokers Summary of Coverage

In addition, we interviewed Bob Piper (strata council member) and communicated with Arthur Zhang (Strata Property Agent) as supplementation to the building history and supporting documents.

2.5 SITE VISITS

Michelle O'Carroll, B.Eng. (Hons) MIEI, EIT of JRS visited Peninsula Village on August 27, 2013. Access was provided to the clubhouse and utility rooms.

3.0 INTRODUCTION

3.1 BACKGROUND

The terms *Contingency Reserve Fund Study* and *Depreciation Report* have been used interchangeably. The former is typically used across Canada and the latter is the terminology used in the Strata Property Act of BC. Therefore, *Depreciation Report* will be used for reporting purposes. It should be noted that a Depreciation Report is not a technical report, but more of a financial

report that contains technical descriptions and predictions intended to assist the Owners with the prudent fiscal management of their CRF.

A Depreciation Report is a financial plan that consists of the identification, description, quantification and analysis of reserve components, and then provides cost estimate and life cycle analysis, projecting future repair or replacement costs and estimating the necessary reserve fund requirements. It also takes into consideration inflationary trends, interest assumptions, and appropriate funding models.

Depreciation Reports are a basis for prudent financial planning for capital expenditures, intended to assist Owners and property managers with informed decision making on CRF matters such as investment, management, and budgeting. In essence, it provides a guide for the Owners to save sufficient funds to cover the costs of future repairs and replacements of major building systems and components, as well as to help ensure that current and future Owners are assessed for CRF contributions fairly and equitably.

3.2 METHODOLOGY

There are generally four main components in the Depreciation Report production process:

1) Background Review

JRS reviews the pertinent technical, financial and legal records related to the building for the purposes of writing a Depreciation Report. We also communicate with building representatives in order to confirm CRF financial information, previous capital expenditures, system replacements, maintenance strategies, and upcoming renewals. This gives us a deeper understanding of the financial situation, building maintenance and the overall context of the asset management history.

2) Site Visit

JRS visits the property to visually review all the major building systems and components, which can include making notes and sketches, as well as taking site measurements and photographs. Intrusive/destructive investigation or inspection by specialized professionals does not typically take place, as Depreciation Reports are meant to provide a general overview of component conditions.

3) Technical Inventory

JRS compiles an inventory of items that summarizes descriptions of all the major systems and components into a practical list of reserve items. To keep the list simple and easy to use, in some cases we have grouped together items that have minor renewal costs as well as similar maintenance and replacement dates. For example, roof components such as insulation, asphalt shingles, vents, and eave flashings are not reserved separately; instead, they are grouped together, as they will likely be replaced at the same time. Replacement dates are estimated based on typical service life and effective ages.

4) Financial Analysis

JRS' financial analysis is consistent with those outlined and recommended by the REIC. It is uses the Cash Flow Funding method, which presents estimated current and future replacement costs for the CRF as a whole, as well as an accumulated CRF balance, using assumed inflation and interest rates. Units and dimensions are taken either directly from site, drawings, archived data on various governmental websites, or a combination of all of these sources. We provide at least three funding models to assist the Owners with their CRF contribution strategy. Unit rates and allowances are based on similar completed projects, contractor quotes and other costing manuals/data.

3.3 RESERVE FUND SYSTEMS AND COMPONENTS

The reserve fund systems and components include all those required by the Strata Property Regulation, Part 6.2(2)(b) and are generally categorized using the Construction Specification Institute's Uniformat organizational system (as recommended by REIC).

While all the systems and components in the subsections below may not be included on this property, it is important to note all the possible assets an individual strata lot owner is potentially responsible for.

Building Envelope and Structure

This includes the exterior building enclosure: roofing, wall cladding, windows, doors, and below-grade waterproofing, as well as associated flashings, sealants, trim/fascia and other waterproofing components.

This also includes balconies/decks, which include balcony framing, waterproofing, guardrails, fascia boards, flashing and soffits, as well as other miscellaneous structural components (e.g. exterior posts, beams, stairways, etc.).

Interior

This includes ceiling, wall and floor finishes, partition doors and walls (as defined as common property), as well as wall decor, trims and furnishings in common areas, not in individual units.

Conveyance

This includes elevators, escalators and other forms of human transport.

Mechanical

This includes plumbing, Heating Ventilation Air Conditioning (HVAC) and limited fire protection components.

Electrical

This includes service connections and distribution, lighting, power, communication and security, as well as limited fire protection components.

Specialty

This includes special construction and recreational facilities..

Site Services

This includes landscaping, sewage and storm water drainage, water supply, specialty outdoor lighting, fencing and other site improvements.

Certain building components will not be included as reserve items if they meet the following conditions: a) match the expected lifespan of the building, b) are not part of shared common property, c) are maintenance items where maintenance occurs more than once a year, or d) the replacement costs are negligible relative to the total replacement costs.

3.4 UPDATING

Per the Strata Property Regulation - Part 6.2(7)(a), unless a 3/4 exemption vote is passed, Strata Corporations require a new or updated Depreciation Report every three years.

Furthermore, it is important that the Strata Council review the Depreciation Report annually to confirm accumulated CRF balance and contributions, document all expenditures and ensure that deterioration of certain building systems/components has not accelerated.

Continually updating your Depreciation Report will not only mitigate insufficient reserve funds for major repairs/renewals, but it will also enhance the value and durability of the property.

4.0 TECHNICAL INVENTORY

The technical inventory and reserve component descriptions below are property specific and based on building documents, visual review and communication with building representatives.

This technical inventory is categorized in the Uniformat sections listed below and summarized in component description boxes consisting of location, installation date, typical service life, effective age, remaining service life, planned renewal date, general description and condition as well as short term action. These reserve component description boxes are located in Appendix A.

An overall general description and system history are presented for each of the major building systems below.

4.1 BUILDING ENVELOPE AND STRUCTURE

Major building envelope components consist of roofs, windows, doors, wall cladding, and balconies, as well as associated waterproofing, membranes, sealants and paint coatings.

The buildings have steep sloped asphalt shingled roofs with various low-sloped 2-ply SBS roofs throughout.

The windows and sliding doors are double-glazed with aluminum frames. No sealant was observed around the windows and doors, which are from original construction. Glass block windows are installed at second level of buildings.

The exterior of the buildings are clad with cedar cladding and wood trim. No major renewal of the cladding system was observed.

There are various types of doors on the exterior of buildings including garage doors at each unit, insulated metal framed glass infill swing doors and entry doors to units.

A below-grade membrane was not observed on site; however, exploratory excavations would have to confirm this.

Thirty visitor parking stalls are provided throughout the property.

We have also included allowances for exposed structural elements which may require targeted renewal prior to the end of the building lifespan.

4.2 INTERIOR

The interior finishes include wall paint, carpeting and tile, furniture, fireplace, pool table, shuffle board, kitchen and washroom within the clubhouse.

4.3 MECHANICAL

The mechanical systems for this complex are located within each individual unit and are the responsibility of the owner. The mechanical components are limited to the domestic water pipes and gas piping.

Costs to renew domestic water piping should be viewed with caution. Numerous factors such as hazardous materials, BC Building Code changes, material costs/upgrades as well as complicated plumbing designs and interior furnishings can significantly affect the estimated cost of this asset.

Property-wide renewals on fire hydrants are not typically included in these reports (as recommended by the REIC) due to the unpredictability of hidden conditions, soft costs and BC Fire Code changes/updates. Any safety deficiencies would also be caught during periodic inspections and corrected accordingly. Furthermore, complete and comprehensive fire detection system replacement has not been included in this report as this varies widely with different brands, models and parts and some manufacturers discontinue production of certain parts that support the current system. As the fire panels/detection systems become obsolete, a certified fire protection professional should be engaged to assess the system and make more detailed recommendations.

4.4 ELECTRICAL

The electrical reserve components include electrical distribution devices (i.e. incoming services, transformers, various distribution panels, wiring etc.), and enterphone system.

The electrical section of any Depreciation Report should be viewed with caution. Many electrical systems and components generally serve the life of

the building without having to be replaced (e.g. electrical panels, transformers, incoming underground service lines, etc). Renewal dates are difficult to predict, depending on use, maintenance and review. Major electrical system renewals are rare but can be expensive. Furthermore, it is not always clear whose responsibility certain electrical items belong to (e.g. distribution transformer, electrical wiring). Electrical room/vault maintenance and review should be performed on a periodic basis.

4.5 SPECIALTY

The speciality reserve items include the clubhouse and mailboxes within.

4.6 SITE SERVICES

The site services include walkways, patios, site services (utilities lines), exterior lighting, pond equipment, footbridge, retaining walls, fencing and landscaping.

5.0 FINANCIAL ANALYSIS

5.1 RESERVE FUND: HISTORICAL DATA

Based on the documents reviewed and our communications with building representatives, we have summarized pertinent CRF transactions and balances in the table below:

DESCRIPTION	2013
Annual Operating Budget	**$232,413**
CRF Balance	**$446,580**
Approved CRF contributions	$149,400
Past interest accrued on CRF	1%

5.2 RESERVE FUND: LIFE CYCLE RENEWAL COSTS

The Life Cycle Renewal Cost table (Benchmark Analysis), included in Appendix B, is a tabulated summary of expected renewal years, costs and reserve fund parameters. Per the visual condition assessment of all the major building systems and components, future replacement dates are predicted (assuming reasonable and ongoing maintenance). This assumes that ongoing and reasonable maintenance is being performed unless otherwise noted or reported by property representatives. Based on these dates, as well as the assumed interest and inflation rates, the current and future CRF requirements are determined and allocated.

The order-of-magnitude renewal costs are developed based on general designs, makes and models, as well as estimated areas, assumed quantities and unit rates. While these costs may not be required on the specified dates, some or all of these allowances can be spent before or after these dates as needed. This is especially true for aggregate subjective assets like electrical, landscaping and miscellaneous mechanical equipment.

These costs may not consist of all contractor mobilization and front end costs, overhead and profit, as well as a detailed schedule of values, which would require the review of drawings, details, specifications and material schedules. Contingencies, consulting, project management and general contractor fees have also not been included. JRS does not guarantee the accuracy of these costs, and shall incur no liability where actual construction costs are exceeded.

The following pie chart illustrates the percentage that each of the major building systems represent relative to each other. The entire pie represents the reproduction value of the building reserve components and the wedges refer to the respective building systems, based on the "Reserve Fund Assessment Allocation" column in the benchmark analysis of Appendix B.

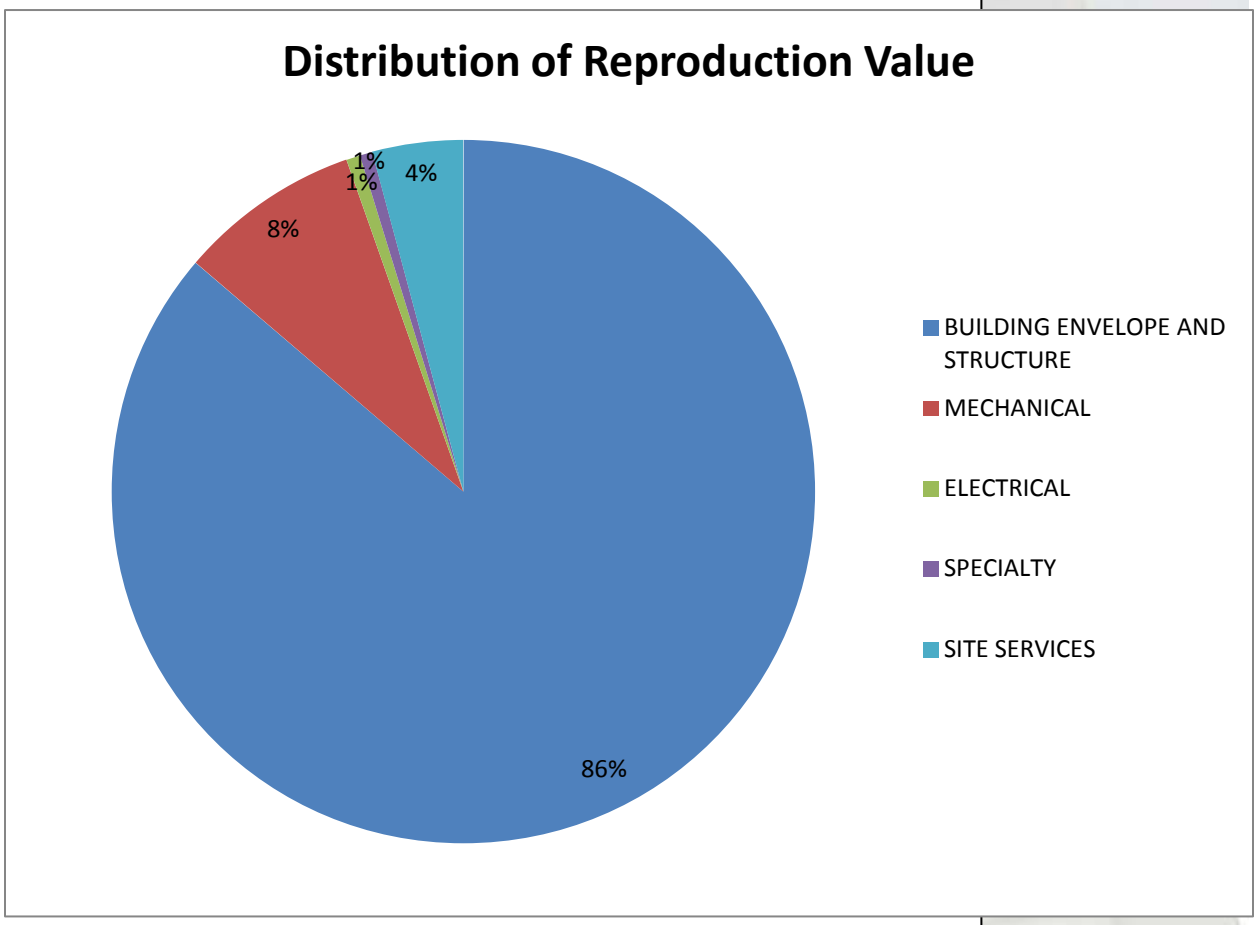

Figure 2 – Pie Distribution of Assets

It should also be noted that a *Power Smart Product Incentive Program* exists with BC Hydro. The program is intended to provide incentives for simple retrofits with energy efficient products to certain BC Hydro business customers. Refer to the *BC Hydro Product Acceptance Criteria* catalogue to determine acceptable technical and product requirements (i.e. lighting, HVAC and refrigeration) for the shared common assets of your property in order to potentially offset required renewal costs.

5.3 RESERVE FUND: 30-YEAR COST PROJECTION

The Cost Projection Sheets located in Appendix C consist of the estimated replacement costs of all the reserve fund components at anticipated renewal dates for the next 30 years (per the Strata Property Regulation). It should be noted that JRS does not purport that the actions/expenditures at the listed renewal dates must or will occur, but that we recommend the Strata Corporation strive to have sufficient funds for these actions/renewals that should or are highly likely to take place at or around these dates.

Interest Rate

Although the Regulation requires a reserve fund plan to be projected over 30 years, the interest rate is weighted more towards recent and short-term economic conditions because of their volatility over time. This is the rate of return applied to your CRF investment. We have assumed an annual interest rate of **1.0%**, taken from historical data of interest earned on your CRF in 2012 and as confirmed my Strata Property Agent. This should be revised at the next Depreciation Report update. Significant consideration should be made towards an investment strategy that allows all or some of your CRF funds to grow at higher rates of return. Refer to Part 6.11 in the Strata Property Regulation to confirm what types of investment vehicles are permitted.

Inflation Rate

This is the growth rate applied to all future renewal costs. A common fallacy is that this rate should be tied to the CPI (Consumer Price Index). The CPI is based on a fixed basket of commodities - consumer goods and services such as milk and eggs, which are largely unrelated to construction costs. Since this fixed basket contains goods and services of unchanging or equivalent quantity and quality, the CPI reflects only price fluctuations and excludes labour costs, which is a significant portion of remediation/renewal projects. The CPI includes approximately 600 commodities categorized in 168 basic commodity classes, which is simply too broad to use for future construction/renewal cost estimating. Furthermore, volatile items such as oil and gas are also excluded from CPI, which can greatly affect construction costs.

We have derived an inflation rate from changes in actual construction price indices obtained from Statistics Canada relating to all trades in the Vancouver-area construction market. The estimated inflation rate takes into consideration construction indices going back to 1981 (as far back as Statistics Canada has records).

The inflation rate used in this Depreciation Report is **2.9%**. Although this is somewhat similar to the current CPI, a distinction in the process of reaching this value must be understood.

Interest and inflation rates are significant factors when projecting future replacement costs and CRF requirements. Slight variations in either parameter can have dramatic effects on future values, including the annual CRF

contributions or any special levies, which are usually the most relevant concerns for the majority of Owners.

5.4 FUNDING MODELS

To assist the Owners with funding strategies, the Strata Property Regulation (Part 6.2.4) requires that at least three funding models be provided. Essentially, these are possible funding strategies for the Owners to contribute to their CRF. Our funding models are "cash flow" and "cash funded" to allow pragmatic and user friendly recommendations.

It is important to note that there are many possibly funding strategies that a Reserve Planner can recommend. JRS has included the following three different cash flow funding models, which essentially consists of a low end, high end and a combination of the two:

Baseline

This model maintains the status quo (how the CRF is currently being funded) or the statutory requirement (10% of operating budget), whichever is higher. Annual increases are only governed by inflation and therefore future loans or special levies are likely to occur. This is the most "hands off" funding strategy, consisting of a more reactive approach.

Theoretical Fully Funded

This model immediately implements a contribution level that will eventually achieve a 100% fully funded accumulated reserve fund balance. This contribution strategy should theoretically never require loans or special levies and can be perceived as a hypothetical model, which is typically not practical for the Strata Corporation to execute.

Graduated Hybrid

This model is a combination of the Baseline and Fully Funded models, starting at current contribution levels and ramping up to a 50% fully funded contribution level. Special levies may still occur but at smaller and less frequent amounts. This funding strategy allows a more targeted funding plan, allowing for a more balanced and pro-active approach.

It is widely accepted that strata fees in BC are generally low and that most CRFs are under-funded. This is likely the driving force for Depreciation Report legislation, which has been mandated in many other provinces some time ago. Therefore, your Baseline model, as well as the statutory requirement, is not sufficient in most cases. The Fully Funded model is ideal, but impractical for most strata corporations—at least when trying to attain a fully funded level within a short period of time. Achieving at least a 50% fully funded contribution level as soon as practical, should be the goal of every strata corporation. History in other provinces and with Strata Corporations who have already updated their Depreciation Reports, have shown that this is feasible.

JRS has provided a Graduated Hybrid funding model that we believe is achievable and pragmatic. These models allow the Owners to ramp up towards a 50% fully funded contribution level within five years.

The Baseline, Theoretical Fully Funded and Graduated Hybrid funding models are presented in Appendix C. A graph is included with each funding model cost projection sheet to summarize and visually aid the reader in comprehending the CRF contributions, balance, and requirements. The varying input parameter in each funding model is the annual contribution amount to the CRF.

5.5 SUMMARY OF RESULTS AND ADEQUACY OF RESERVE FUND

The Baseline and Fully Funded models indicate an unacceptable frequency of special levies and an immediately onerous level of annual contributions, respectively.

The Graduated Hybrid Model allows the Owners to increase their current levels of annual contributions towards a 50% fully funded contribution within five years.

The Owners do not have to decide on either of the models – they should choose what financial plan or contribution level works for them. Each model safeguards against negative CRF balances. However, it is incumbent on the Owners to ensure that at least the statutory requirements outlined in Part 6.1 of the Strata Property Regulation are maintained, which is widely known to be a bare minimum that almost never achieves a reasonably long term funded CRF.

It is important to note that this Depreciation Report, nor should any Depreciation Report, purport to be used verbatim or used to pressure the Strata Corporation into mandating higher CRF contributions. Our financial analysis and funding strategies are meant to simply provide information and encourage a balanced approach in saving for eventual renewals that may occur at or around the time stated in the funding models, which should be continually reviewed and updated. Therefore, this report should not be perceived as having to spend exactly the amounts at the specified times. It should be used as guidance for the Strata Council to manage its CRF and create its own detailed, customized financial plan.

5.6 CONSIDERATIONS

It is often practical and economical to undertake the repair or replacement of property assets at the same time or immediately consecutive to one another. Although resulting in higher immediate capital costs, there will be potentially less disturbance to unit occupants than performing work at separate times, which may be a significant consideration. The Owners should evaluate the relative weight they ascribe to some of the issues noted above prior to undertaking any major capital expenditures or updating the Depreciation Report, so that this information can be incorporated accordingly.

The intent of this Depreciation Report is to mitigate unfair levels of contribution and encourage the Strata Corporation as a whole or as individuals to save for eventual renewals/replacements to the property, starting at the soonest applicable fiscal year.

Costs and input data should also be reviewed and updated regularly to ensure a higher level of accuracy. Review of the financial parameters should be performed by the Strata Council annually and through Depreciation Report updates, which include site visits by a Reserve Planner every three years, per the Strata Property Regulation.

6.0 RECOMMENDATIONS

JRS recommends the Strata Council implement the Graduated Hybrid model or something similar to eventually reach a 50% fully funded contribution level by 2018 or sooner. However this Strata Council Corporation is in relatively strong fiscal condition, maintaining the current contribution levels would be acceptable. The Strata Council should compare it with the other funding strategies, tailor it to the ownership demographics and decide which would be the most appropriate and acceptable for the general ownership to include in the annual budget.

Over the next three years (before the next Depreciation Report update), the Strata Council should also consider the following:

1. Continue replacing the remaining 12 balcony membranes. This should be completed in conjunction with the balcony guardrail replacement.
2. Repainting of the cedar cladding and trim is planned to be carried out within the next three years.
3. Prior to the next Depreciation Report update, a more detailed review of the garage doors and entrance gates is recommended to more accurately determine the remaining service lives of the components.

JRS further submits the following general recommendations:

1. Perform more detailed, intrusive investigations targeting the higher expense systems (e.g. building envelope, piping, etc.) in order to fine tune the service life predictions and replacement costs.

2. Prior to any major renewals, the Strata Council should hire a consultant to prepare drawings and specifications and tender out the work to multiple contractors before raising funds or requesting any special levies.
3. Major repairs and replacements should be recorded in, and funded from, a separate contingency reserve fund account. Keep in mind that multiple "sub-CRF-accounts" for specific assets (e.g. roofing, windows, piping, etc.) are not required and should be used with caution.
4. The Strata Council should create a committee or appoint a strata council member to oversee the overall management and documentation of the CRF.
5. The CRF should be invested with a strategy that will allow for multiple transactions and achieve a higher rate of return than the current interest rate.

7.0 CLOSURE

This report was prepared by JRS for Strata Plan LMS 133. Any use that a third party makes of this report, or any reliance or decisions made based on it, are the sole responsibility of such third parties.

The findings herein are based on a visual review of surface conditions. Deficiencies that may exist, but were not recorded in this report, were not apparent given the level of study undertaken.

This assessment is in part based on information provided by others. Unless specifically noted, we have assumed this information to be correct and have relied upon it in reaching our conclusions and recommendations.

Component conditions and renewal costs identified are for the purpose of general financial planning. This report is not intended to substitute the need for in-depth condition assessment of components by professionals using testing and other means.

The replacement costs in this report apply only within the confines and objectives of this review. The costs herein must not be used in conjunction with any other appraisal or Depreciation Report and may be invalid if so used.

The Strata Corporation may use this report in deliberations affecting the subject property only, and in so doing, the report must not be abstracted; it must be used in its entirety.

The material in this report reflects the best judgement of JRS in light of the information available at the time of preparation.

Please contact the undersigned if you should require any additional information.

Prepared by:

JRS ENGINEERING LTD.
Per:

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Reviewed by:

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Project Engineer and Division Manager

Appendix A

Technical Inventory – Component Descriptions

BUILDING ENVELOPE AND STRUCTURE

1 New Balcony Assembly

Building Envelope and Structure

Location: Exterior of the building

Year Installed: 2010

Typical Service Life (yrs): 30

Effective Age (yrs): 3

Remaining Service Life (yrs): 27

Planned Renewal Date: 2040

Description: Balconies are wood framed structures with PVC membrane.

Condition: Unable to review as access to balconies was not provided.

Comments: When replacement of the guardrails is planned, JRS recommends that the Strata Corporation hire an engineering firm to provide building envelope details and ensure that installation is carried out in conformance with the project details. An allowance has been included to replace the balcony membrane every 15 years with full replacement of the balcony assembly every 30 years.

2 Original Balcony Assembly

Building Envelope and Structure

Location: Exterior of the building

Year Installed: 1991

Typical Service Life (yrs): 30

Effective Age (yrs): 26

Remaining Service Life (yrs): 4

Planned Renewal Date: 2017

Description: Balconies are wood framed structures with PVC membrane.

Condition: Unable to review as access to balconies was not provided. Strata Corporation noted that original membranes are being replaced on an ongoing basis.

Comments: Replacement of the membrane on the remaining 12 balconies is recommended in the next four years in conjunction with the replacement of the balcony guardrails. An allowance has been included to replace the balcony membrane every 15 years with full replacement of the balcony assembly every 30 years.

3 New Balcony Guardrail

Building Envelope and Structure

Location: Exterior of the building

Year Installed: 2010

Typical Service Life (yrs): 30

Effective Age (yrs): 3

Remaining Service Life (yrs): 27

Planned Renewal Date: 2040

Description: Metal picket guardrails provide protection to the second-level balconies.

Condition: Guardrails appear to be in serviceable condition.

Comments: Replacement of the guardrails is recommended to be carried out in conjunction with the future replacement of the balcony assembly.

4 Original Balcony Guardrail

Building Envelope and Structure

Location: Exterior of the building

Year Installed: 1991

Typical Service Life (yrs): 30

Effective Age (yrs): 26

Remaining Service Life (yrs): 4

Planned Renewal Date: 2017

Description: Wood picket guardrails provide protection to the 2nd floor balconies.

Condition: Guardrails are nearing the end of their service lives.

Comments: Replacement of the guardrails is recommended to be carried out concurrently with the replacement of the membrane in 2015. It is suggested that new guardrails be fascia-mounted as top-mounted railings are common sources of moisture ingress at balconies.

5 Exterior Stairways

Building Envelope and Structure

Location: Exterior of the building

Year Installed: 1991

Typical Service Life (yrs): 50

Effective Age (yrs): 22

Remaining Service Life (yrs): 28

Planned Renewal Date: 2041

Description: Concrete stairways provide access to elevated areas throughout the property.

Condition: Stairways appear to be in serviceable condition.

Comments: An allowance has been included for a percentage of future potential repairs.

6 Exterior Walls – Cedar Cladding

Building Envelope and Structure

Location: Exterior of the building

Year Installed: 1991

Typical Service Life (yrs): 30

Effective Age (yrs): 22

Remaining Service Life (yrs): 8

Planned Renewal Date: 2021

Description: The cedar cladding is installed on the exterior of the building.

Condition: Cedar cladding appears to be in serviceable condition.

Comments: The eventual replacement of the cedar cladding will incorporate a rainscreen wall assembly per the BC Building Code. The condition of the underlying materials is unknown as no exploratory recesses were made during this review. It is recommended that a more detailed review of the cladding be carried out three years prior to the expected replacement to further assess the condition of the wall assembly.

7 Exterior Walls - Brick

Building Envelope and Structure

Location: Exterior of the building

Year Installed: 1991

Typical Service Life (yrs): 30

Effective Age (yrs): 22

Remaining Service Life (yrs): 8

Planned Renewal Date: 2021

Description: The cladding system consists of varying tones of red rectangular bricks installed at each unit.

Condition: The brick appears to be in a serviceable condition.

Comments: An allowance has been included to re-point a small percentage of the brick and re-seal the brick cladding.

8 Exterior Walls – Stone Veneer

Building Envelope and Structure

Location: Exterior of the building

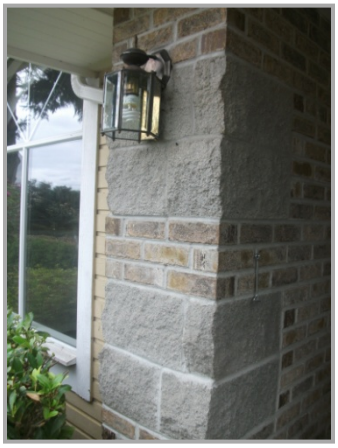
Year Installed: 1991

Typical Service Life (yrs): 30

Effective Age (yrs): 22

Remaining Service Life (yrs): 8

Planned Renewal Date: 2021



Description: Stone is installed at various locations on the exterior of the building.

Condition: Stone appears to be in serviceable condition.

Comments: An allowance has been included to re-point a small percentage of the stone and re-seal the stone cladding.

9 Exterior Walls – Wood Trim

Building Envelope and Structure

Location: Exterior of the building

Year Installed: 1991

Typical Service Life (yrs): 30

Effective Age (yrs): 22

Remaining Service Life (yrs): 8

Planned Renewal Date: 2021

Description: Cedar wood trim is installed at window and door surrounds and various locations throughout the buildings.

Condition: Wood trim appears to be in serviceable condition.

Comments: Replacement of the wood trim should be carried out in conjunction with the replacement of the cedar cladding.

10 Window Assemblies

Building Envelope and Structure

Location: Exterior of the building

Year Installed: 1991

Typical Service Life (yrs): 30

Effective Age (yrs): 22

Remaining Service Life (yrs): 8

Planned Renewal Date: 2021

Description: Windows are double glazed, aluminum framed.

Condition: Windows appear to be in serviceable condition.

Comments: It was observed that no sealant was installed at window surrounds. An allowance has been included to install a percentage of sealant at window surrounds as issues arise.

11 Glass Block Window

Building Envelope and Structure

Location: Exterior of the building

Year Installed: 1991

Typical Service Life (yrs): 30

Effective Age (yrs): 22

Remaining Service Life (yrs): 8

Planned Renewal Date: 2021

Description: 28 glass block windows installed at second-level of various buildings.

Condition: Glass block windows appear to be in serviceable condition.

Comments: An allowance has been included to replace a percentage of glass blocks as issues arise in addition to an allowance to replace a percentage of grout every 30 years.

12 Sliding Doors

Building Envelope and Structure

Location: Exterior of the building

Year Installed: 1991

Typical Service Life (yrs): 30

Effective Age (yrs): 22

Remaining Service Life (yrs): 8

Planned Renewal Date: 2021

Description: The sliding doors are the patio and balcony sliding glass doors.

Condition: Doors appear to be in serviceable condition.

Comments: An allowance has been included to replace a percentage of doors every 30 years.

13 Swing Doors

Building Envelope and Structure

Location: Exterior of the building

Year Installed: 1991

Typical Service Life (yrs): 30

Effective Age (yrs): 22

Remaining Service Life (yrs): 8

Planned Renewal Date: 2021

Description: Insulated metal clad door located at unit 29.

Condition: Door appear to be in serviceable condition.

Comments: An allowance has been included to replace the door every 30 years.

14 Entrances - Clubhouse

Building Envelope and Structure

Location: Exterior of the clubhouse

Year Installed: 1991

Typical Service Life (yrs): 30

Effective Age (yrs): 22

Remaining Service Life (yrs): 8

Planned Renewal Date: 2021

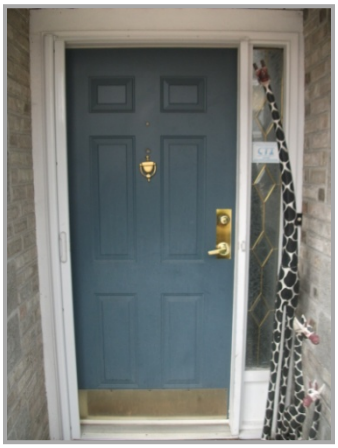
Description: Insulated metal clad, glass infill, swing doors provide access to the clubhouse at the front and rear of the building.

Condition: Doors appear to be in serviceable condition.

Comments: An allowance has been included to replace the doors every 30 years.

15 Entry Doors

Building Envelope and Structure



Location: Exterior of the building

Year Installed: 1991

Typical Service Life (yrs): 50

Effective Age (yrs): 22

Remaining Service Life (yrs): 28

Planned Renewal Date: 2041

Description: Insulated metal clad entry doors provide access to the units.

Condition: Doors appear to be in serviceable condition.

Comments: An allowance has been included to replace a percentage of the doors every 30 years.

16 Service Doors

Building Envelope and Structure

Location: Throughout the property

Year Installed: 1991

Typical Service Life (yrs): 50

Effective Age (yrs): 22

Remaining Service Life (yrs): 28

Planned Renewal Date: 2041

Description: Service doors provide access to the nine utility rooms on the property.

Condition: Doors appear to be in serviceable condition.

17 Garage Doors

Building Envelope and Structure

Location: Exterior of the building

Year Installed: 1991

Typical Service Life (yrs): 25

Effective Age (yrs): 20

Remaining Service Life (yrs): 5

Planned Renewal Date: 2018

Description: Overhead roller sliding garage doors provide access to garages attached to the units.

Condition: Doors are nearing the end of their service lives.

Comments: It is recommended that a review of the garage doors be undertaken three years prior to the expected renewal to further assess their condition.

18 Sealant

Building Envelope and Structure

Location: Exterior of the building

Year Installed: 1991

Typical Service Life (yrs): 10

Effective Age (yrs): 9

Remaining Service Life (yrs): 1

Planned Renewal Date: 2014

Description: Sealant provides a continuous shedding surface for the cladding. No sealant was observed at window and door surrounds.

Comments: An allowance has been included to install a percentage of sealant as issues arise.

19 Paint Coating

Interior

Location:	Exterior of the building
Year Installed:	2006
Typical Service Life (yrs):	10
Effective Age (yrs):	9
Remaining Service Life (yrs):	1
Planned Renewal Date:	2014

Description: This includes the painting of the cedar cladding and trim.

Condition: Strata noted that the complex is expected to be painted within the next 3 years.

Comments: Typically, painting should be carried out every 7-10 years. An allowance has been included to repaint every 10 years.

20 Steep Slope Asphalt Shingles

Interior

Location:	Exterior of the building
Year Installed:	2012
Typical Service Life (yrs):	30
Effective Age (yrs):	1
Remaining Service Life (yrs):	29
Planned Renewal Date:	2042

Description: The steep slopes of the residential buildings are protected with asphalt shingles.

Condition: The shingles appear to be in serviceable condition.

Comments: Strata Corporation noted that plywood sheathing over wood strapping was installed during the 2010 re-roofing project per BC standards.

21 Low Slope Torch on 2-ply

Interior

Location:	Exterior of the building
Year Installed:	2012
Typical Service Life (yrs):	30
Effective Age (yrs):	1
Remaining Service Life (yrs):	29
Planned Renewal Date:	2042

Description: 2-ply SBS membrane installed on low-sloped roofs throughout the property.

Condition: Membrane appears to be in serviceable condition.

Comments: It is important to ensure that the membrane is maintained, particularly at transitions and penetrations. An allowance to conduct a condition assessment three years prior to replacement has been included.

22 Gutters and Downspouts

Interior

Location:	Exterior of the building
Year Installed:	2012
Typical Service Life (yrs):	15
Effective Age (yrs):	1
Remaining Service Life (yrs):	14
Planned Renewal Date:	2027

Description: This refers to the gutters surrounding the sloped roofs and the various downspouts on the buildings.

Condition: The gutters and downspouts appear to be in serviceable condition.

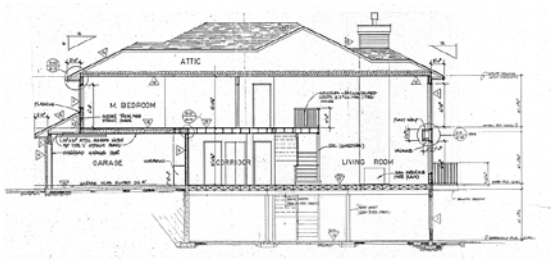
Short-Term Action Required: The gutters and downspouts should be inspected regularly and any debris removed from the gutters.

Comments: An allowance has been included to replace a percentage of the gutters and downspouts every 15 years and in conjunction with the roof replacement.

23 Below-grade Membrane - Basements

Interior

Location:	Below-grade section of the basements
Year Installed:	1991
Typical Service Life (yrs):	50
Effective Age (yrs):	22
Remaining Service Life (yrs):	28
Planned Renewal Date:	2041



Description: It is assumed that a waterproofing coating or membrane is present protecting the structure from water penetrations.

Condition: Could not be visually reviewed but no issues were noted.

Comments: A failure in the waterproofing membrane will result in water in direct contact with the concrete slab and possibly the building itself. Cracks in the concrete (which are normal) combined with a failed membrane will result in leakage through the concrete. An allowance has been included in the reserve fund plan in 2041 for a percentage of potential repairs.

MECHANICAL

24 Domestic Water Pipes

Mechanical

Location: Throughout the property

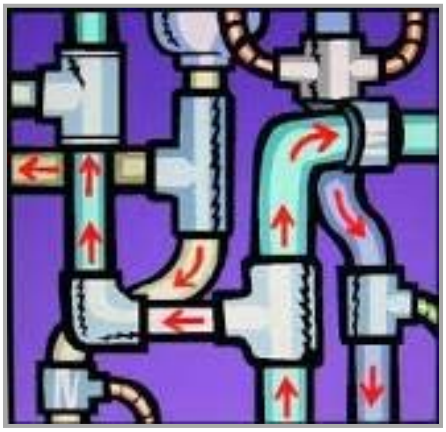
Year Installed: 1991

Typical Service Life (yrs): 30

Effective Age (yrs): 22

Remaining Service Life (yrs): 8

Planned Renewal Date: 2021



Description: The main water pipes including the hot and cold water lines to the units and shared areas.

Condition: Could not be visually reviewed but no issues were noted.

Comments: An allowance has been included to conduct a review three years prior to the planned renewal to further assess the condition of the water pipes.

25 Gas Pipes

Mechanical

Location: Throughout the property

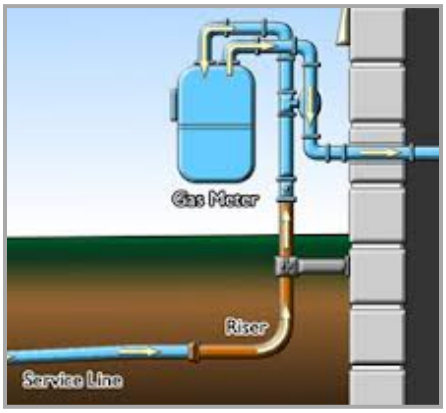
Year Installed: 1991

Typical Service Life (yrs): 50

Effective Age (yrs): 22

Remaining Service Life (yrs): 28

Planned Renewal Date: 2041



Description: Gas piping provides gas to each unit.

Condition: The pipes were not reviewed; however no issues have been reported.

Comments: An allowance has been included to address a percentage of potential repairs in 2041.

ELECTRICAL

26 Service Distribution

Electrical

Location: Electrical room

Year Installed: 1991

Typical Service Life (yrs): 50

Effective Age (yrs): 22

Remaining Service Life (yrs): 28

Planned Renewal Date: 2041

Description: Includes underground lines from the transformer as well as switches within the electrical room.

Condition: Appears to be in serviceable condition.

Comments: Routine inspections and maintenance should be performed.

27 Power Distribution

Electrical

Location: Throughout the property

Year Installed: 1991

Typical Service Life (yrs): 40

Effective Age (yrs): 22

Remaining Service Life (yrs): 18

Planned Renewal Date: 2031

Description: Includes electrical cables and wiring throughout the site in addition to exit signs, lighting and baseboard heaters within the clubhouse.

Condition: The components appear to be in reasonable condition with no apparent misuse.

Comments: Routine inspections and maintenance should be performed.

28 Enterphone System

Electrical

Location:	Entrance to property
Year Installed:	1991
Typical Service Life (yrs):	35
Effective Age (yrs):	22
Remaining Service Life (yrs):	13
Planned Renewal Date:	2026

Description: Enterphone system located at both entrances to the property on the south and west elevations.

Condition: Enterphone system appears to be in serviceable condition.

SPECIALTY

29 Mailboxes

Specialty

Location: Clubhouse lobby

Year Installed: 1991

Typical Service Life (yrs): 30

Effective Age (yrs): 22

Remaining Service Life (yrs): 8

Planned Renewal Date: 2021

Description: Mailboxes are located in the lobby of the clubhouse.

Condition: Mailboxes are in serviceable condition.

30 Clubhouse

Specialty

Location: Eastern area of the property

Year Installed: 1991

Typical Service Life (yrs): 40

Effective Age (yrs): 22

Remaining Service Life (yrs): 18

Planned Renewal Date: 2031

Description: Clubhouse includes a kitchen, bathroom, seating and games area.

Condition: Clubhouse appears to be in serviceable condition.

Comments: Replacement costs include flooring, painting, fireplace, pool table, shuffle board, furniture, kitchen and bathroom. The service life is arbitrary based on aesthetic appeal, historical information and Strata Council preference.

SITE SERVICES

31 Softscaping

Site Services

Location: Exterior areas surrounding buildings

Year Installed: 1991

Typical Service Life (yrs): 30

Effective Age (yrs): 22

Remaining Service Life (yrs): 8

Planned Renewal Date: 2021

Description: Includes grass, planters and large and small trees.

Condition: Softscaping appears to be well maintained.

Comments: An allowance has been included every 30 years to address a percentage or repairs in addition to an allowance to target minor repairs every 10 years in between.

32 Hardscaping

Site Services

Location: Exterior area surrounding buildings

Year Installed: 1991

Typical Service Life (yrs): 30

Effective Age (yrs): 22

Remaining Service Life (yrs): 8

Planned Renewal Date: 2021

Description: This includes the concrete and asphalt walkways, patios and roadways.

Condition: The hardscaping appears to be well maintained.

Comments: An allowance has been included every 30 years to address a percentage or repairs in addition to an allowance to target minor repairs every 10 years in between.

33 Pond & Foundation

Site Services

Location: At the main entrance

Year Installed: 1991

Typical Service Life (yrs): 15

Effective Age (yrs): 9

Remaining Service Life (yrs): 6

Planned Renewal Date: 2019

Description: The pond and fountain are located within the softscaping at the west entrance to the property.

Condition: Appears to be in serviceable condition.

34 Underground Water Supply & Drainage

Site Services

Location: Exterior of buildings

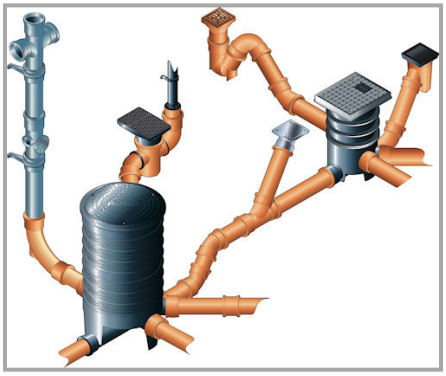
Year Installed: 1991

Typical Service Life (yrs): 50

Effective Age (yrs): 22

Remaining Service Life (yrs): 28

Planned Renewal Date: 2041



Description: This includes the main water and sewer lines connecting each unit to the city mains. Also included are the perimeter drainage pipes that surround the buildings

Condition: Were not visually reviewed at this time; however, no issues were noted.

Comments: It is recommended that a further review be conducted to better assess the condition of the pipes prior to renewal. An allowance has been included for the future potential of isolated repairs.

35 Outdoor Lighting & Electrical

Site Services

Location: Exterior of buildings

Year Installed: 1991

Typical Service Life (yrs): 40

Effective Age (yrs): 22

Remaining Service Life (yrs): 18

Planned Renewal Date: 2031

Description: Wall-mounted lights are installed at each unit in addition to post lighting throughout the property.

Condition: Strata noted that wall-mounted lights need replacing.

Comments: Regular inspections should be performed and damaged or worn items should be replaced. An allowance has been included for the replacement of wall-mounted lights in 2014.

36 Retaining Walls

Site Services

Location: Throughout the property

Year Installed: 1991

Typical Service Life (yrs): 30

Effective Age (yrs): 22

Remaining Service Life (yrs): 8

Planned Renewal Date: 2021

Description: Wood retaining walls are located at various planter locations throughout the site.

Condition: Retaining walls appear to be in serviceable condition.

Comments: Regular inspections of the retaining walls should be performed to locate any potential damage and repair as necessary.

37 Wood Fencing/Partition Walls

Site Services

Location: Throughout the property

Year Installed: 1991

Typical Service Life (yrs): 30

Effective Age (yrs): 22

Remaining Service Life (yrs): 8

Planned Renewal Date: 2021

Description: Wood fence and partition walls are located on the north and east boundaries of the property and between patios.

Condition: Appears to be in serviceable condition.

Comments: Strata Council noted that the perimeter fence on the north and east elevations are a shared responsibility with adjoining properties. Regular inspections of the wood fence and partitions should be performed to locate any potential damage and repair and re-paint as necessary.

38 Metal Fencing

Site Services

Location: Perimeter of the property

Year Installed: 1991

Typical Service Life (yrs): 35

Effective Age (yrs): 22

Remaining Service Life (yrs): 13

Planned Renewal Date: 2026

Description: Metal fence is located on the south and west elevations of the complex.

Condition: Appears to be in serviceable condition.

Comments: Regular inspections of the metal fence should be performed to locate any potential damage and repair and re-paint as necessary.

39 Gates

Site Services

Location: Entrances to property

Year Installed: 1991

Typical Service Life (yrs): 30

Effective Age (yrs): 20

Remaining Service Life (yrs): 10

Planned Renewal Date: 2023

Description: Remote-controlled gates are located at the south and west entrances to the property.

Condition: Strata Council noted previous issues with the gates have been encountered.

Comments: It is recommended that a further review be conducted to better assess the condition of the gates prior to renewal.

40 Footbridge

Site Services

Location: Entrance to property

Year Installed: 1991

Typical Service Life (yrs): 30

Effective Age (yrs): 22

Remaining Service Life (yrs): 8

Planned Renewal Date: 2021

Description: Footbridge located over the pond at the west entrance to the property.

Condition: Appears to be in serviceable condition.

Appendix B

Life Cycle Renewal Costs (Benchmark Analysis)

PENINSULA VILLAGE
LIFE CYCLE RENEWAL COSTS

Inflation Factor *2.9%*
Interest Rate *1.00%*

(Benchmark Analysis)

RESERVE COMPONENTS BENCHMARK ANALYSIS	YEAR INSTALLED	EXPECTED LIFE (Yrs)	EFFECTIVE AGE (Yrs)	REMAINING LIFE (Yrs)	RENEWAL YEAR	CURRENT REPLACEMENT COST	FUTURE REPLACEMENT COST	CURRENT RESERVE FUND REQUIREMENT	FUTURE RESERVE FUND ACCUMULATION	FUTURE RESERVE FUND REQUIREMENT	ANNUAL RESERVE FUND ASSESSMENT	RESERVE FUND ASSESSMENT ALLOCATION
BUILDING ENVELOPE AND STRUCTURE												
1 New Balcony Assembley	2010	30	3	27	2040	67,200	145,407	6,720	8,791	136,616	4,433	1.06%
2 Original Balcony Assembly	1991	30	26	4	2017	50,400	56,506	43,680	45,454	11,052	2,722	0.65%
3 New Balcony Guardrail	2010	30	3	27	2040	21,353	46,203	2,135	2,793	43,410	1,408	0.34%
4 Original Balcony Guardrail	1991	30	26	4	2017	16,015	17,955	13,879	14,443	3,512	865	0.21%
5 Exterior Stairways	1991	50	22	28	2041	3,544	7,890	1,559	2,060	5,830	181	0.04%
6 Exterior Walls - Cedar Cladding	1991	30	22	8	2021	1,579,536	1,985,421	1,158,326	1,254,302	731,119	88,239	21.11%
7 Exterior Walls - Brick	1991	30	22	8	2021	17,140	21,545	12,569	13,611	7,934	958	0.23%
8 Exterior Walls - Stone Veneer	1991	30	22	8	2021	1,714	2,154	1,257	1,361	793	96	0.02%
9 Exterior Walls - Wood Trim	1991	30	22	8	2021	580,944	730,226	426,026	461,325	268,901	32,454	7.76%
10 Window Assemblies	1991	30	22	8	2021	953,400	1,198,390	699,160	757,090	441,300	53,261	12.74%
11 Glass Block Window	1991	30	22	8	2021	10,033	12,611	7,357	7,967	4,644	560	0.13%
12 Sliding Doors	1991	30	22	8	2021	111,169	139,735	81,524	88,279	51,457	6,210	1.49%
13 Swing Doors	1991	30	22	8	2021	1,365	1,716	1,001	1,084	632	76	0.02%
14 Entances - Clubhouse	1991	30	22	8	2021	17,955	22,569	13,167	14,258	8,311	1,003	0.24%
15 Entry Doors	1991	50	22	28	2041	37,406	83,287	16,459	21,747	61,540	1,915	0.46%
16 Service Doors	1991	50	22	28	2041	3,150	7,014	1,386	1,831	5,182	161	0.04%
17 Garage Doors	1991	25	20	5	2018	149,625	172,616	119,700	125,806	46,810	9,177	2.20%
18 Sealant	1991	10	9	1	2014	14,522	14,943	13,069	13,200	1,743	1,743	0.42%
19 Paint Coating	2006	10	9	1	2014	134,350	138,246	120,915	122,124	16,122	16,122	3.86%
20 Steep Slope Asphalt Shingles	2012	30	1	29	2042	1,769,796	4,054,797	58,993	78,727	3,976,070	118,865	28.44%
21 Low Slope Torch on 2-ply	2012	30	1	29	2042	95,681	219,216	3,189	4,256	214,960	6,426	1.54%
22 Gutters & Downspouts	2012	15	1	14	2027	124,030	185,072	8,269	9,505	175,567	11,746	2.81%
23 Below-grade Membrane - Basements	1991	50	22	28	2041	6,980	15,542	3,071	4,058	11,484	357	0.09%
MECHANICAL												
24 Domestic Water Pipes	1991	30	22	8	2021	598,500	752,293	438,900	475,266	277,027	33,435	8.00%
25 Gas Pipes	1991	50	22	28	2041	25,819	57,488	11,360	15,011	42,477	1,322	0.32%
ELECTRICAL												
26 Service Distribution	1991	50	22	28	2041	10,500	23,379	4,620	6,104	17,274	538	0.13%
27 Power Distribution	1991	40	22	18	2031	24,785	41,464	13,632	16,306	25,158	1,283	0.31%
28 Enterphone System	1991	35	22	13	2026	15,750	22,839	9,900	11,267	11,572	838	0.20%
SPECIALTY												
29 Mailboxes	1991	30	22	8	2021	6,914	8,691	5,070	5,491	3,200	386	0.09%
30 Clubhouse	1991	40	22	18	2031	39,250	65,662	21,588	25,822	39,841	2,031	0.49%
SITE SERVICES												
31 Softscaping	1991	30	22	8	2021	107,473	135,089	78,813	85,344	49,746	6,004	1.44%
32 Hardscaping	1991	30	22	8	2021	56,490	71,006	41,426	44,858	26,148	3,156	0.76%
33 Pond & Fountain	1991	15	9	6	2019	8,144	9,668	4,886	5,187	4,481	728	0.17%
34 Underground Water Supply & Drainage	1991	50	22	28	2041	23,615	52,580	10,391	13,729	38,851	1,209	0.29%
35 Outdoor Lighting & Electrical	1991	40	22	18	2031	7,035	11,769	3,869	4,628	7,141	364	0.09%
36 Retaining Walls	1991	30	22	8	2021	11,374	14,297	8,341	9,032	5,265	635	0.15%
37 Wood Fencing/Partition Walls	1991	30	22	8	2021	52,007	65,370	38,138	41,298	24,072	2,905	0.70%
38 Metal Fencing	1991	35	22	13	2026	23,205	33,650	14,586	16,600	17,049	1,235	0.30%
39 Gates	1991	30	20	10	2023	17,325	23,058	11,550	12,758	10,300	984	0.24%
40 Footbridge	1991	30	22	8	2021	2,625	3,300	1,925	2,084	1,215	147	0.04%
RESERVE FUND PLANNING												
Certified Reserve Fund Consultant	2013	3	0	3	2016	5,000	5,448	-	0	5,448	1,798	0.43%
TOTAL RESERVES						**6,803,118**	**10,676,108**	**3,532,409**	**3,844,856**	**6,831,252**	**417,976**	**100%**

DEFINITIONS

RESERVE COMPONENTS: Individual components within the major building systems. Note that some of these components were separated due to differences in installation dates. There may also be multiple renewals and smaller repairs included in the 30-year outlook. Minor components with insignificant renewal costs have either been combined with an allowance or not included in order to simplify financial analysis.

YEAR INSTALLED: Year the component was installed, which includes original construction or replacement. JRS assumes that all previously replaced components were new when installed, unless stated otherwise.

EXPECTED LIFE: Expected service life based on historical data and industry standards.

EFFECTIVE AGE: Assessed age of component. The default is the chronological age, but may be adjusted based on condition, location (exposure to weather and traffic), installation, maintenance, brand, model, etc.

REMAINING LIFE: Effective Age subtracted from Expected Life.

RENEWAL YEAR: Sum of current year and Remaining Life.

UNIT QUANTITY: Number of units.

UNIT MEASURE: Type of units.

UNIT COST: Cost for one unit. Cost allowances are used in the following circumstances:

- Certain reserve components where a percentage of replacement is accounted for as full replacement would not be practical.
- Where quantifying a unit cost is not practical.
- Where there is an agglomeration of smaller reserve items.

CURRENT REPLACEMENT COST: Cost to replace now, calculated as a product of Unit Measure and Unit Cost.

FUTURE REPLACEMENT COST: Cost to replace at expected date (including compounded inflation).

CURRENT RESERVE FUND REQUIREMENT: Amount needed in CRF now.

FUTURE RESERVE FUND ACCUMULATION: Amount of funds the Strata should have for this item if it met the current CRF requirements, given the CRF account's interest rate.

FUTURE RESERVE FUND REQUIREMENT: What the Strata's deficit or surplus will be when it is time to replace.

ANNUAL RESERVE FUND ASSESSMENT: This is derived from the standard "Future Value of an Annuity" formula. Essentially, this tells the Strata how much it needs to contribute each year to make sure this item is fully funded (i.e. no special levies, assessments or loans).

RESERVE FUND ASSESSMENT ALLOCATION: Allocated percentage of entire CRF.

CONSIDERATIONS & LIMITATIONS

The service life and estimated age of a specific reserve component is highly subjective. It should not be used for the exact timing of replacements, but as a relative timing to be used to assist in developing a financial plan. The exact timing of replacements will be influenced by several factors that are difficult to quantify. These factors include but are not limited to the following:

- Design appropriateness of reserve component
- Installation of reserve component
- Frequency and intensity of maintenance
- Frequency of use and misuse
- Exposure to traffic and weather
- Brand, quality, and model of reserve components
- Unplanned events such as earthquakes, floods and fires

It should be noted that economies of scale may be achieved if multiple projects are bundled together into larger projects, thus sharing front-end and mobilization costs.

The estimated costs should be considered as "order-of-magnitude" and used to allocate funds to undertake the work, not for accounting purposes. Actual costs will vary based on a variety of factors, which include but are not limited to the following:

- labour and materials market conditions
- time of the year
- contractor availability
- site-specific conditions
- environment concerns
- design specifications
- functional obsolescence
- project delivery method
- tendering process
- code upgrades
- required emergency repairs discovered during construction
- occupancy use and facility operations

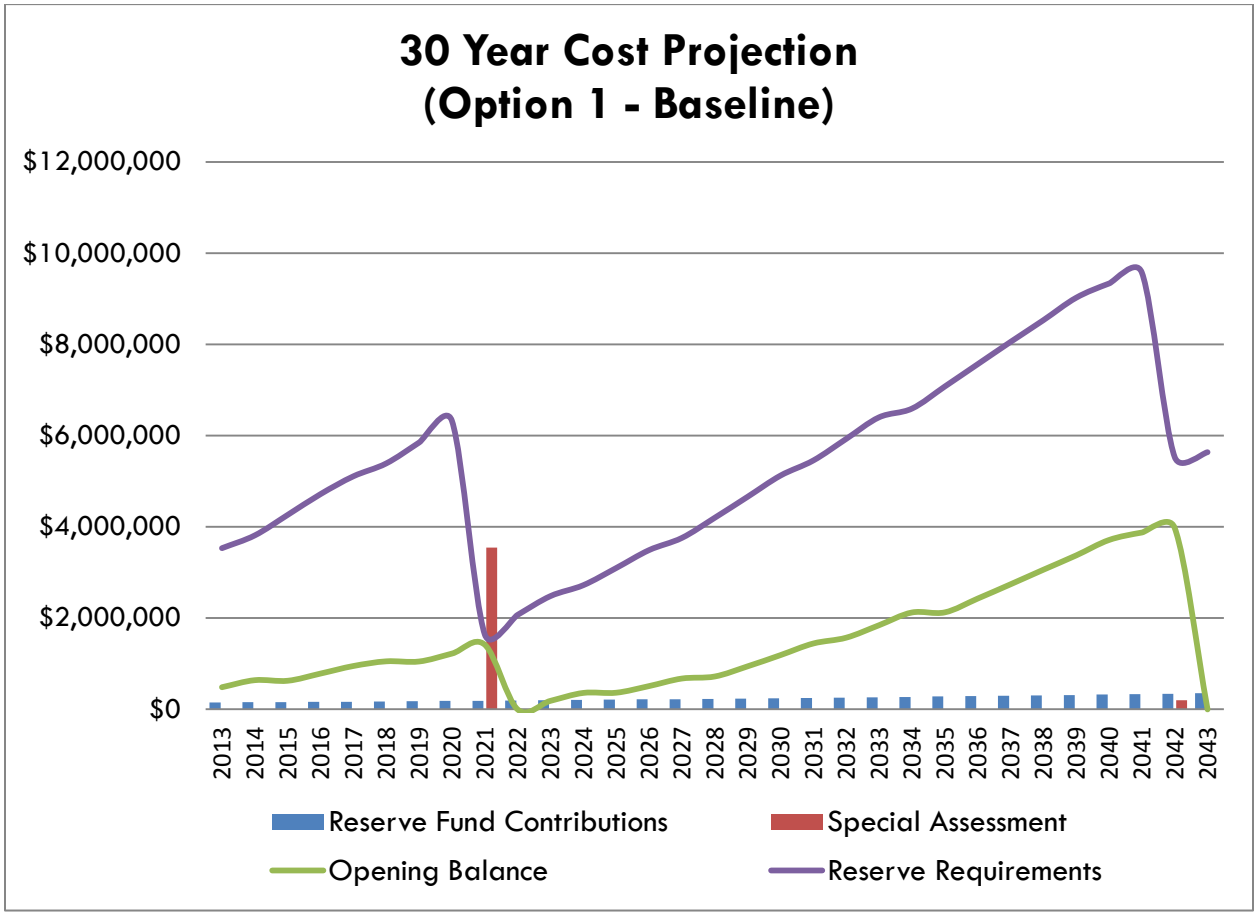
More accurate estimates can only be determined once the project objectives are specified and the work tendered. Project-related costs, such as consulting services, contingency allowances, front-end costs, all overhead and profit, have not been included.

Appendix C

Funding Models & Cost Projections

OPTION 1 (BASELINE)

This model shows annual contributions (increasing with inflation) consistent with status quo (current contributions) or the statutory requirement of 10% of operating budget, whichever is higher. In this case the former, $149,400. As seen below, multiple special levies will be required. From 2013 to 2043 (the end of the 30-year outlook), special levies will theoretically be required in 2 out of 30 years..

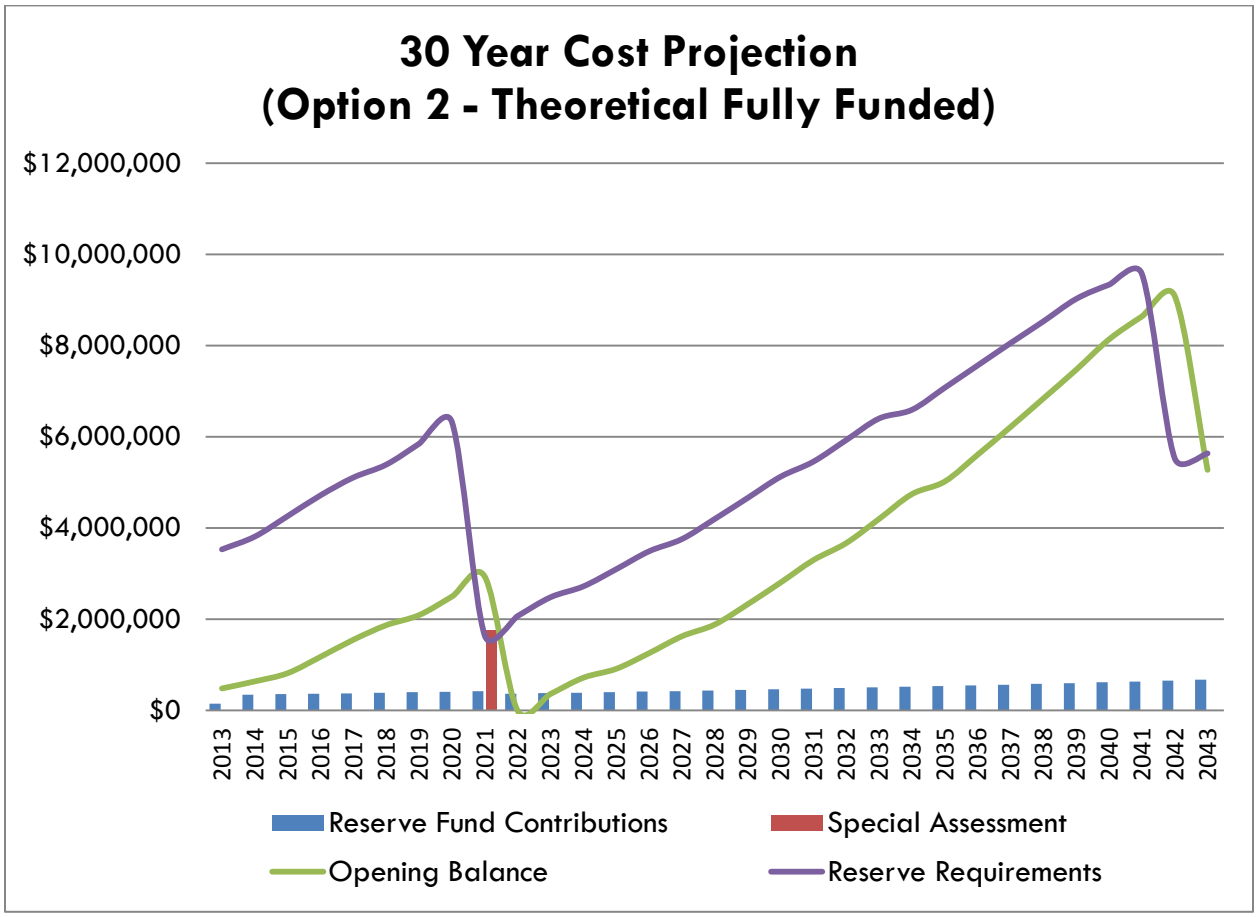


PENINSULA VILLAGE		YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR
SAMPLE 30-YEAR PROJECTION		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
OPENING BALANCE (CRF)		**486,606**	**640,872**	**628,025**	**785,496**	**951,129**	**1,053,679**	**1,049,957**	**1,223,143**	**1,417,873**	**0**	**188,236**	**361,900**	**366,244**	**511,523**	**676,796**	**721,420**	**944,028**	**1,189,514**	**1,444,301**	**1,571,192**	**1,844,088**	**2,123,170**	**2,125,522**	**2,426,991**	**2,739,600**	**3,058,697**	**3,372,622**	**3,710,508**	**3,874,273**	**3,974,409**	**0**
Reserve Fund Contributions	2.90%	149,400	153,733	158,191	162,778	167,499	172,356	177,355	182,498	187,790	193,236	198,840	204,607	210,540	216,646	222,929	229,394	236,046	242,891	249,935	257,183	264,642	272,316	280,213	288,340	296,701	305,306	314,160	323,270	332,645	342,292	352,218
Special Assessment										3,544,570																					201,734	
Reserve Fund Interest Income	1.00%	4,866	6,409	6,280	7,855	9,511	10,537	10,500	12,231	14,179	0	1,882	3,619	3,662	5,115	6,768	7,214	9,440	11,895	14,443	15,712	18,441	21,232	21,255	24,270	27,396	30,587	33,726	37,105	38,743	39,744	0
TOTAL CASH RESOURCES		**640,872**	**801,013**	**792,496**	**956,129**	**1,128,140**	**1,236,573**	**1,237,811**	**1,417,873**	**5,164,412**	**193,236**	**388,959**	**570,126**	**580,446**	**733,284**	**906,492**	**958,028**	**1,189,514**	**1,444,301**	**1,708,679**	**1,844,088**	**2,127,170**	**2,416,718**	**2,426,991**	**2,739,600**	**3,063,697**	**3,394,590**	**3,720,508**	**4,070,883**	**4,245,661**	**4,558,179**	**352,219**
RESERVE FUND EXPENDITURES																																
BUILDING ENVELOPE AND STRUCTURE																																
1 New Balcony Assembley	6,720	--	--	--	--	--	--	--	--	--	--	--	--	36,527	--	--	--	--	--	--	--	--	--	--	--	--	--	--	145,407	--	--	--
2 Original Balcony Assembly	43,680	--	--	--	--	56,506	--	--	--	--	--	--	--	27,396	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
3 New Balcony Guardrail	2,135	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	46,203	--	--	--
4 Original Balcony Guardrail	13,879	--	--	--	--	17,955	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
5 Exterior Stairways	1,559	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	511	--	--	7,890	--	--
6 Exterior Walls - Cedar Cladding	1,158,326	--	--	--	--	--	10,000	--	--	1,985,421	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
7 Exterior Walls - Brick	12,569	--	--	--	--	--	--	--	--	21,545	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
8 Exterior Walls - Stone Veneer	1,257	--	--	--	--	--	--	--	--	2,154	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
9 Exterior Walls - Wood Trim	426,026	--	--	--	--	--	--	--	--	730,226	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
10 Window Assemblies	699,160	--	--	--	--	--	--	--	--	1,198,390	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
11 Glass Block Window	7,357	--	--	--	--	--	--	--	--	12,611	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
12 Sliding Doors	81,524	--	--	--	--	--	--	--	--	139,735	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
13 Swing Doors	1,001	--	--	--	--	--	--	--	--	1,716	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
14 Entances - Clubhouse	13,167	--	--	--	--	--	--	--	--	22,569	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
15 Entry Doors	16,459	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	83,287	--	--	--
16 Service Doors	1,386	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	7,014	--	--	--
17 Garage Doors	119,700	--	--	5,000	--	--	172,616	--	--	--	--	--	--	--	--	--	5,000	--	--	--	--	--	--	--	--	--	--	10,218	--	--	--	352,749
18 Sealant	13,069	--	14,943	--	--	--	--	--	--	--	--	--	19,888	--	--	--	--	--	--	--	--	--	26,469	--	--	--	--	--	--	--	--	--
19 Paint Coating	120,915	--	138,246	--	--	--	--	--	--	--	--	--	183,995	--	--	--	--	--	--	--	--	--	244,883	--	--	--	--	--	--	--	--	--
20 Steep Slope Asphalt Shingles	58,993	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	10,000	--	4,054,797	--
21 Low Slope Torch on 2-ply	3,189	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	219,216	--
22 Gutters & Downspouts	8,269	--	--	--	--	--	--	--	--	--	--	--	--	--	--	185,072	--	--	--	--	--	--	--	--	--	--	--	--	--	--	284,166	--
23 Below-grade Membrane - Basements	3,071	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	3,065	--	--	15,542	--
MECHANICAL																																
24 Domestic Water Pipes	438,900	--	--	--	--	--	--	--	--	752,293	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
25 Gas Pipes	11,360	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	57,488	--	--	--
ELECTRICAL																																
26 Service Distribution	4,620	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	23,379	--	--	--
27 Power Distribution	13,632	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	41,464	--	--	--	--	--	--	--	--	--	--	--	--
28 Enterphone System	9,900	--	--	--	--	--	--	--	--	--	--	--	--	--	22,839	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SPECIALTY																																
29 Mailboxes	5,070	--	--	--	--	--	--	--	--	8,691	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
30 Clubhouse	21,588	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	65,662	--	--	--	--	--	--	--	--	--	--	--	--
SITE SERVICES																																
31 Softscaping	78,813	--	--	--	--	--	--	--	--	135,089	--	--	--	--	--	--	--	--	--	10,762	--	--	--	--	--	--	--	--	--	19,064	--	--
32 Hardscaping	41,426	--	--	--	--	--	--	--	--	71,006	--	--	--	--	--	--	--	--	--	2,829	--	--	--	--	--	--	--	--	--	5,010	--	--
33 Pond & Fountain	4,886	--	--	--	--	--	--	9,668	--	--	--	--	--	--	--	--	--	--	--	--	--	--	14,844	--	--	--	--	--	--	--	--	--
34 Underground Water Supply & Drainage	10,391	--	--	--	--	--	4,000	--	--	--	--	4,000	--	--	--	--	4,000	--	--	--	--	4,000	--	--	--	--	8,174	--	--	52,580	--	9,430
35 Outdoor Lighting & Electrical	3,869	--	19,800	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	11,769	--	--	--	--	--	--	--	--	--	--	--	--	--
36 Retaining Walls	8,341	--	--	--	--	--	--	--	--	14,297	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
37 Wood Fencing/Partition Walls	38,138	--	--	--	--	--	--	--	--	65,370	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
38 Metal Fencing	14,586	--	--	--	--	--	--	--	--	--	--	--	--	--	33,650	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
39 Gates	11,550	--	--	2,000	--	--	--	--	--	--	--	23,058	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
40 Footbridge	1,925	--	--	--	--	--	--	--	--	3,300	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
RESERVE FUND PLANNING																																
Certified Reserve Fund Consultant	-	--	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000
TOTAL EXPENDITURES		**0**	**172,988**	**7,000**	**5,000**	**74,460**	**186,616**	**14,668**	**0**	**5,164,412**	**5,000**	**27,058**	**203,882**	**68,923**	**56,489**	**185,072**	**14,000**	**0**	**0**	**137,486**	**0**	**4,000**	**291,196**	**0**	**0**	**5,000**	**21,968**	**10,000**	**196,610**	**271,252**	**4,558,178**	**367,179**
CLOSING BALANCE		**640,872**	**628,025**	**785,496**	**951,129**	**1,053,679**	**1,049,957**	**1,223,143**	**1,417,873**	**0**	**188,236**	**361,900**	**366,244**	**511,523**	**676,796**	**721,420**	**944,028**	**1,189,514**	**1,444,301**	**1,571,192**	**1,844,088**	**2,123,170**	**2,125,522**	**2,426,991**	**2,739,600**	**3,058,697**	**3,372,622**	**3,710,508**	**3,874,273**	**3,974,409**	**0**	**-14,960**
RESERVE REQUIREMENTS	**3,532,409**	**3,532,409**	**3,812,720**	**4,261,823**	**4,717,417**	**5,108,106**	**5,390,547**	**5,847,760**	**6,324,214**	**1,641,019**	**2,070,405**	**2,482,026**	**2,720,940**	**3,097,202**	**3,489,661**	**3,757,461**	**4,199,011**	**4,658,977**	**5,123,542**	**5,455,267**	**5,927,795**	**6,401,049**	**6,591,839**	**7,075,733**	**7,564,466**	**8,053,086**	**8,529,625**	**9,022,897**	**9,334,492**	**9,574,560**	**5,530,103**	**5,636,201**
ACCUMULATED RESERVE FUND BALANCE		**-2,891,537**	**-3,184,695**	**-3,476,327**	**-3,766,287**	**-4,054,427**	**-4,340,590**	**-4,624,617**	**-4,906,341**	**-1,641,020**	**-1,882,169**	**-2,120,126**	**-2,354,696**	**-2,585,679**	**-2,812,865**	**-3,036,041**	**-3,254,983**	**-3,469,463**	**-3,679,242**	**-3,884,075**	**-4,083,708**	**-4,277,879**	**-4,466,317**	**-4,648,743**	**-4,824,866**	**-4,994,389**	**-5,157,003**	**-5,312,389**	**-5,460,218**	**-5,600,151**	**-5,530,102**	**-5,651,161**

OPTION 2 (THEORETICAL FULLY FUNDED)

This model shows annual contributions (increasing with inflation) that would allow for a sufficient and fully funded CRF that should theoretically not require special levies during the 30-year outlook. This contribution level is immediate and based on the objective of achieving a positive value in the accumulated CRF balance after 30 years.

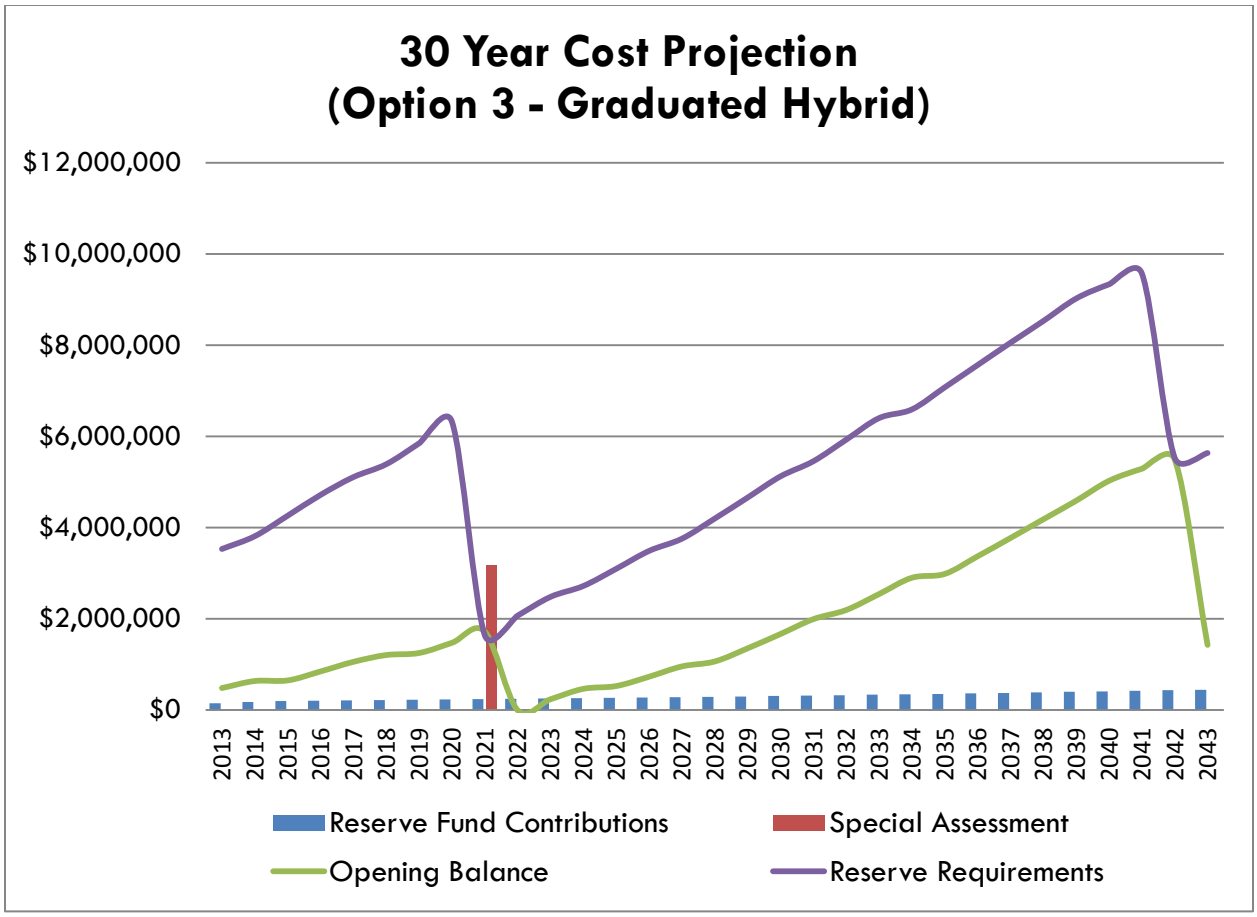
Fully funded contributions are usually much higher than the amount the Owners are actually contributing to the CRF. Therefore, it is usually difficult to achieve this immediately.



PENINSULA VILLAGE SAMPLE 30-YEAR PROJECTION		YEAR 2013	YEAR 2014	YEAR 2015	YEAR 2016	YEAR 2017	YEAR 2018	YEAR 2019	YEAR 2020	YEAR 2021	YEAR 2022	YEAR 2023	YEAR 2024	YEAR 2025	YEAR 2026	YEAR 2027	YEAR 2028	YEAR 2029	YEAR 2030	YEAR 2031	YEAR 2032	YEAR 2033	YEAR 2034	YEAR 2035	YEAR 2036	YEAR 2037	YEAR 2038	YEAR 2039	YEAR 2040	YEAR 2041	YEAR 2042	YEAR 2043
OPENING BALANCE (CRF)		**486,606**	**640,872**	**821,221**	**1,179,424**	**1,553,561**	**1,872,631**	**2,093,699**	**2,500,206**	**2,937,052**	**0**	**364,568**	**721,441**	**916,087**	**1,258,986**	**1,629,427**	**1,887,004**	**2,330,593**	**2,805,341**	**3,297,928**	**3,671,427**	**4,200,009**	**4,744,140**	**5,021,195**	**5,607,320**	**6,214,848**	**6,839,443**	**7,469,772**	**8,135,305**	**8,638,309**	**9,089,629**	**5,276,986**
Reserve Fund Contributions	2.90%	149,400	346,929	356,990	367,343	377,996	388,957	400,237	411,844	423,788	369,568	380,286	391,314	402,662	414,339	426,355	438,719	451,442	464,534	478,005	491,868	506,132	520,810	535,913	551,454	567,447	583,903	600,836	618,260	636,190	654,639	673,624
Special Assessment										1,774,202																						
Reserve Fund Interest Income	1.00%	4,866	6,409	8,212	11,794	15,536	18,726	20,937	25,002	29,371	0	3,646	7,214	9,161	12,590	16,294	18,870	23,306	28,053	32,979	36,714	42,000	47,441	50,212	56,073	62,148	68,394	74,698	81,353	86,383	90,896	52,770
TOTAL CASH RESOURCES		**640,872**	**994,210**	**1,186,424**	**1,558,561**	**1,947,092**	**2,280,315**	**2,514,874**	**2,937,052**	**5,164,412**	**369,568**	**748,499**	**1,119,969**	**1,327,910**	**1,685,915**	**2,072,076**	**2,344,593**	**2,805,341**	**3,297,928**	**3,808,913**	**4,200,009**	**4,748,140**	**5,312,391**	**5,607,320**	**6,214,848**	**6,844,443**	**7,491,740**	**8,145,305**	**8,834,918**	**9,360,881**	**9,835,164**	**6,003,379**
RESERVE FUND EXPENDITURES																																
BUILDING ENVELOPE AND STRUCTURE																																
1 New Balcony Assembley	6,720	--	--	--	--	--	--	--	--	--	--	--	--	36,527	--	--	--	--	--	--	--	--	--	--	--	--	--	145,407	--	--	--
2 Original Balcony Assembly	43,680	--	--	--	--	56,506	--	--	--	--	--	--	--	27,396	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
3 New Balcony Guardrail	2,135	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	46,203	--	--	--	--
4 Original Balcony Guardrail	13,879	--	--	--	--	17,955	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
5 Exterior Stairways	1,559	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	511	--	--	7,890	--	--
6 Exterior Walls - Cedar Cladding	1,158,326	--	--	--	--	--	10,000	--	--	1,985,421	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
7 Exterior Walls - Brick	12,569	--	--	--	--	--	--	--	--	21,545	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
8 Exterior Walls - Stone Veneer	1,257	--	--	--	--	--	--	--	--	2,154	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
9 Exterior Walls - Wood Trim	426,026	--	--	--	--	--	--	--	--	730,226	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
10 Window Assemblies	699,160	--	--	--	--	--	--	--	--	1,198,390	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
11 Glass Block Window	7,357	--	--	--	--	--	--	--	--	12,611	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
12 Sliding Doors	81,524	--	--	--	--	--	--	--	--	139,735	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
13 Swing Doors	1,001	--	--	--	--	--	--	--	--	1,716	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
14 Entances - Clubhouse	13,167	--	--	--	--	--	--	--	--	22,569	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
15 Entry Doors	16,459	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	83,287	--	--	--
16 Service Doors	1,386	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	7,014	--	--	--
17 Garage Doors	119,700	--	--	5,000	--	--	172,616	--	--	--	--	--	--	--	--	--	5,000	--	--	--	--	--	--	--	--	--	10,218	--	--	--	352,749
18 Sealant	13,069	--	14,943	--	--	--	--	--	--	--	--	--	19,888	--	--	--	--	--	--	--	--	26,469	--	--	--	--	--	--	--	--	--	--
19 Paint Coating	120,915	--	138,246	--	--	--	--	--	--	--	--	--	183,995	--	--	--	--	--	--	--	--	244,883	--	--	--	--	--	--	--	--	--	--
20 Steep Slope Asphalt Shingles	58,993	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	10,000	--	--	4,054,797	--
21 Low Slope Torch on 2-ply	3,189	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	219,216	--
22 Gutters & Downspouts	8,269	--	--	--	--	--	--	--	--	--	--	--	--	--	--	185,072	--	--	--	--	--	--	--	--	--	--	--	--	--	--	284,166	--
23 Below-grade Membrane - Basements	3,071	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	3,065	--	--	15,542	--	--
MECHANICAL																																
24 Domestic Water Pipes	438,900	--	--	--	--	--	--	--	--	752,293	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
25 Gas Pipes	11,360	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	57,488	--	--	--
ELECTRICAL																																
26 Service Distribution	4,620	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	23,379	--	--	--
27 Power Distribution	13,632	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	41,464	--	--	--	--	--	--	--	--	--	--	--	--	--
28 Enterphone System	9,900	--	--	--	--	--	--	--	--	--	--	--	--	--	22,839	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SPECIALTY																																
29 Mailboxes	5,070	--	--	--	--	--	--	--	--	8,691	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
30 Clubhouse	21,588	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	65,662	--	--	--	--	--	--	--	--	--	--	--	--	--
SITE SERVICES																																
31 Softscaping	78,813	--	--	--	--	--	--	--	--	135,089	--	--	--	--	--	--	--	--	10,762	--	--	--	--	--	--	--	--	--	19,064	--	--	--
32 Hardscaping	41,426	--	--	--	--	--	--	--	--	71,006	--	--	--	--	--	--	--	--	2,829	--	--	--	--	--	--	--	--	--	5,010	--	--	--
33 Pond & Fountain	4,886	--	--	--	--	--	--	9,668	--	--	--	--	--	--	--	--	--	--	--	--	--	14,844	--	--	--	--	--	--	--	--	--	--
34 Underground Water Supply & Drainage	10,391	--	--	--	--	--	4,000	--	--	--	--	4,000	--	--	--	--	4,000	--	--	--	4,000	--	--	--	--	--	8,174	--	--	52,580	--	9,430
35 Outdoor Lighting & Electrical	3,869	--	19,800	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	11,769	--	--	--	--	--	--	--	--	--	--	--	--	--	--
36 Retaining Walls	8,341	--	--	--	--	--	--	--	--	14,297	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
37 Wood Fencing/Partition Walls	38,138	--	--	--	--	--	--	--	--	65,370	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
38 Metal Fencing	14,586	--	--	--	--	--	--	--	--	--	--	--	--	--	33,650	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
39 Gates	11,550	--	--	2,000	--	--	--	--	--	--	--	23,058	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
40 Footbridge	1,925	--	--	--	--	--	--	--	--	3,300	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
RESERVE FUND PLANNING																																
Certified Reserve Fund Consultant	-	--	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000
TOTAL EXPENDITURES		**0**	**172,988**	**7,000**	**5,000**	**74,460**	**186,616**	**14,668**	**0**	**5,164,412**	**5,000**	**27,058**	**203,882**	**68,923**	**56,489**	**185,072**	**14,000**	**0**	**0**	**137,486**	**0**	**4,000**	**291,196**	**0**	**0**	**5,000**	**21,968**	**10,000**	**196,610**	**271,252**	**4,558,178**	**367,179**
CLOSING BALANCE		**640,872**	**821,221**	**1,179,424**	**1,553,561**	**1,872,631**	**2,093,699**	**2,500,206**	**2,937,052**	**0**	**364,568**	**721,441**	**916,087**	**1,258,986**	**1,629,427**	**1,887,004**	**2,330,593**	**2,805,341**	**3,297,928**	**3,671,427**	**4,200,009**	**4,744,140**	**5,021,195**	**5,607,320**	**6,214,848**	**6,839,443**	**7,469,772**	**8,135,305**	**8,638,309**	**9,089,629**	**5,276,986**	**5,636,201**
RESERVE REQUIREMENTS	**3,532,409**	**3,532,409**	**3,812,720**	**4,261,823**	**4,717,417**	**5,108,106**	**5,390,547**	**5,847,760**	**6,324,214**	**1,641,019**	**2,070,405**	**2,482,026**	**2,720,940**	**3,097,202**	**3,489,661**	**3,757,461**	**4,199,011**	**4,658,977**	**5,123,542**	**5,455,267**	**5,927,795**	**6,401,049**	**6,591,839**	**7,075,733**	**7,564,466**	**8,053,086**	**8,529,625**	**9,022,897**	**9,334,492**	**9,574,560**	**5,530,103**	**5,636,201**
ACCUMULATED RESERVE FUND BALANCE		**-2,891,537**	**-2,991,499**	**-3,082,399**	**-3,163,856**	**-3,235,475**	**-3,296,848**	**-3,347,555**	**-3,387,162**	**-1,641,019**	**-1,705,837**	**-1,760,585**	**-1,804,853**	**-1,838,215**	**-1,860,234**	**-1,870,457**	**-1,868,418**	**-1,853,636**	**-1,825,614**	**-1,783,840**	**-1,727,787**	**-1,656,909**	**-1,570,644**	**-1,468,413**	**-1,349,618**	**-1,213,644**	**-1,059,853**	**-887,591**	**-696,183**	**-484,931**	**-253,117**	**0**

OPTION 3 (GRADUATED HYBRID)

This model shows annual contributions that increase until 2016. These increases can be revised during the 3 year updates based on a number of factors: actual CRF contributions, recent upgrades, anticipated short term expenditures, as well as current interest and inflation factors. This model generally indicates that eventually (3 years) the CRF contribution level achieves 50% of the fully funded contribution level ($417,513) and is likely the most prudent option that the general Ownership would be willing to accept. The owners can ultimately revise the percent of annual increases and time it takes to get to this value.



PENINSULA VILLAGE		YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR
SAMPLE 30-YEAR PROJECTION		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	2043
OPENING BALANCE (CRF)		**486,606**	**640,872**	**653,572**	**850,316**	**1,060,888**	**1,210,110**	**1,254,847**	**1,478,339**	**1,725,276**	**0**	**240,814**	**469,106**	**530,192**	**734,397**	**960,845**	**1,068,966**	**1,357,464**	**1,671,310**	**1,997,002**	**2,197,426**	**2,546,560**	**2,904,673**	**2,988,933**	**3,375,279**	**3,775,825**	**4,186,013**	**4,594,281**	**5,029,862**	**5,294,779**	**5,499,629**	**1,431,872**
Reserve Fund Contributions	2.90%	149,400	179,280	197,208	207,068	213,073	219,253	225,611	232,154	238,886	245,814	252,942	260,278	267,826	275,593	283,585	291,809	300,271	308,979	317,939	327,160	336,647	346,410	356,456	366,793	377,430	388,376	399,639	411,228	423,154	435,425	448,053
Special Assessment										3,182,998																						
Reserve Fund Interest Income	1.00%	4,866	6,409	6,536	8,503	10,609	12,101	12,548	14,783	17,253	0	2,408	4,691	5,302	7,344	9,608	10,690	13,575	16,713	19,970	21,974	25,466	29,047	29,889	33,753	37,758	41,860	45,943	50,299	52,948	54,996	14,319
TOTAL CASH RESOURCES		**640,872**	**826,561**	**857,316**	**1,065,888**	**1,284,570**	**1,441,463**	**1,493,007**	**1,725,276**	**5,164,413**	**245,814**	**496,164**	**734,075**	**803,320**	**1,017,334**	**1,254,038**	**1,371,464**	**1,671,310**	**1,997,002**	**2,334,912**	**2,546,560**	**2,908,673**	**3,280,129**	**3,375,279**	**3,775,825**	**4,191,013**	**4,616,249**	**5,039,862**	**5,491,389**	**5,770,881**	**5,990,050**	**1,894,243**
RESERVE FUND EXPENDITURES																																
BUILDING ENVELOPE AND STRUCTURE																																
1 New Balcony Assembley	6,720	--	--	--	--	--	--	--	--	--	--	--	--	36,527	--	--	--	--	--	--	--	--	--	--	--	--	--	--	145,407	--	--	--
2 Original Balcony Assembly	43,680	--	--	--	--	56,506	--	--	--	--	--	--	--	27,396	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
3 New Balcony Guardrail	2,135	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	46,203	--	--	--
4 Original Balcony Guardrail	13,879	--	--	--	--	17,955	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
5 Exterior Stairways	1,559	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	511	--	--	7,890	--	--
6 Exterior Walls - Cedar Cladding	1,158,326	--	--	--	--	--	10,000	--	--	1,985,421	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
7 Exterior Walls - Brick	12,569	--	--	--	--	--	--	--	--	21,545	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
8 Exterior Walls - Stone Veneer	1,257	--	--	--	--	--	--	--	--	2,154	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
9 Exterior Walls - Wood Trim	426,026	--	--	--	--	--	--	--	--	730,226	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
10 Window Assemblies	699,160	--	--	--	--	--	--	--	--	1,198,390	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
11 Glass Block Window	7,357	--	--	--	--	--	--	--	--	12,611	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
12 Sliding Doors	81,524	--	--	--	--	--	--	--	--	139,735	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
13 Swing Doors	1,001	--	--	--	--	--	--	--	--	1,716	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
14 Entances - Clubhouse	13,167	--	--	--	--	--	--	--	--	22,569	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
15 Entry Doors	16,459	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	83,287	--	--	--
16 Service Doors	1,386	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	7,014	--	--	--
17 Garage Doors	119,700	--	--	5,000	--	--	172,616	--	--	--	--	--	--	--	--	--	5,000	--	--	--	--	--	--	--	--	--	10,218	--	--	--	352,749
18 Sealant	13,069	--	14,943	--	--	--	--	--	--	--	--	--	19,888	--	--	--	--	--	--	--	--	--	26,469	--	--	--	--	--	--	--	--	--
19 Paint Coating	120,915	--	138,246	--	--	--	--	--	--	--	--	--	183,995	--	--	--	--	--	--	--	--	--	244,883	--	--	--	--	--	--	--	--	--
20 Steep Slope Asphalt Shingles	58,993	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	10,000	--	--	4,054,797	--
21 Low Slope Torch on 2-ply	3,189	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	219,216	--
22 Gutters & Downspouts	8,269	--	--	--	--	--	--	--	--	--	--	--	--	--	--	185,072	--	--	--	--	--	--	--	--	--	--	--	--	--	284,166	--	--
23 Below-grade Membrane - Basements	3,071	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	3,065	--	--	15,542	--	--
MECHANICAL																																
24 Domestic Water Pipes	438,900	--	--	--	--	--	--	--	--	752,293	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
25 Gas Pipes	11,360	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	57,488	--	--	--
ELECTRICAL																																
26 Service Distribution	4,620	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	23,379	--	--	--
27 Power Distribution	13,632	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	41,464	--	--	--	--	--	--	--	--	--	--	--	--	--
28 Enterphone System	9,900	--	--	--	--	--	--	--	--	--	--	--	--	--	22,839	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SPECIALTY																																
29 Mailboxes	5,070	--	--	--	--	--	--	--	--	8,691	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
30 Clubhouse	21,588	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	65,662	--	--	--	--	--	--	--	--	--	--	--	--	--
SITE SERVICES																																
31 Softscaping	78,813	--	--	--	--	--	--	--	--	135,089	--	--	--	--	--	--	--	--	10,762	--	--	--	--	--	--	--	--	--	19,064	--	--	--
32 Hardscaping	41,426	--	--	--	--	--	--	--	--	71,006	--	--	--	--	--	--	--	--	2,829	--	--	--	--	--	--	--	--	--	5,010	--	--	--
33 Pond & Fountain	4,886	--	--	--	--	--	--	9,668	--	--	--	--	--	--	--	--	--	--	--	--	--	--	14,844	--	--	--	--	--	--	--	--	--
34 Underground Water Supply & Drainage	10,391	--	--	--	--	--	4,000	--	--	--	--	4,000	--	--	--	--	4,000	--	--	--	--	4,000	--	--	--	--	8,174	--	--	52,580	--	9,430
35 Outdoor Lighting & Electrical	3,869	--	19,800	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	11,769	--	--	--	--	--	--	--	--	--	--	--	--	--	--
36 Retaining Walls	8,341	--	--	--	--	--	--	--	--	14,297	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
37 Wood Fencing/Partition Walls	38,138	--	--	--	--	--	--	--	--	65,370	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
38 Metal Fencing	14,586	--	--	--	--	--	--	--	--	--	--	--	--	--	33,650	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
39 Gates	11,550	--	--	2,000	--	--	--	--	--	--	--	23,058	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
40 Footbridge	1,925	--	--	--	--	--	--	--	--	3,300	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
RESERVE FUND PLANNING																																
Certified Reserve Fund Consultant	-	--	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000
TOTAL EXPENDITURES		**0**	**172,988**	**7,000**	**5,000**	**74,460**	**186,616**	**14,668**	**0**	**5,164,412**	**5,000**	**27,058**	**203,882**	**68,923**	**56,489**	**185,072**	**14,000**	**0**	**0**	**137,486**	**0**	**4,000**	**291,196**	**0**	**0**	**5,000**	**21,968**	**10,000**	**196,610**	**271,252**	**4,558,178**	**367,179**
CLOSING BALANCE		**640,872**	**653,572**	**850,316**	**1,060,888**	**1,210,110**	**1,254,847**	**1,478,339**	**1,725,276**	**0**	**240,814**	**469,106**	**530,192**	**734,397**	**960,845**	**1,068,966**	**1,357,464**	**1,671,310**	**1,997,002**	**2,197,426**	**2,546,560**	**2,904,673**	**2,988,933**	**3,375,279**	**3,775,825**	**4,186,013**	**4,594,281**	**5,029,862**	**5,294,779**	**5,499,629**	**1,431,872**	**1,527,064**
RESERVE REQUIREMENTS	**3,532,409**	**3,532,409**	**3,812,720**	**4,261,823**	**4,717,417**	**5,108,106**	**5,390,547**	**5,847,760**	**6,324,214**	**1,641,019**	**2,070,405**	**2,482,026**	**2,720,940**	**3,097,202**	**3,489,661**	**3,757,461**	**4,199,011**	**4,658,977**	**5,123,542**	**5,455,267**	**5,927,795**	**6,401,049**	**6,591,839**	**7,075,733**	**7,564,466**	**8,053,086**	**8,529,625**	**9,022,897**	**9,334,492**	**9,574,560**	**5,530,103**	**5,636,201**
ACCUMULATED RESERVE FUND BALANCE		**-2,891,537**	**-3,159,148**	**-3,411,507**	**-3,656,529**	**-3,897,997**	**-4,135,700**	**-4,369,422**	**-4,598,938**	**-1,641,019**	**-1,829,591**	**-2,012,920**	**-2,190,747**	**-2,362,805**	**-2,528,816**	**-2,688,495**	**-2,841,547**	**-2,987,667**	**-3,126,540**	**-3,257,842**	**-3,381,236**	**-3,496,377**	**-3,602,906**	**-3,700,454**	**-3,788,641**	**-3,867,073**	**-3,935,344**	**-3,993,034**	**-4,039,712**	**-4,074,931**	**-4,098,231**	**-4,109,136**

Appendix D

Cash Flow Table

RESERVE FUND – CASH FLOW TABLE

The Cash Flow Table presented below is for JRS' recommended Graduated Hybrid Funding Model. It demonstrates estimated cash flow over a 30-year period as the funding model is applied, including opening balance, of reserve fund contributions and expenditures as major components are expected to be replaced.

YEAR	OPENING BALANCE	RECOMMENDED ANNUAL CONTRIBUTION	SPECIAL ASSESSMENT	ESTIMATED INFLATION-ADJUSTED EXPENDITURES	ESTIMATED INTEREST EARNED 1.0%	% INCREASE IN RECOMMENDED ANNUAL CONTRIBUTIONS	CLOSING BALANCE
2013	486,606	149,400	0	0	4,866	--	640,872
2014	640,872	179,280	0	172,988	6,409	20.00%	653,572
2015	653,572	197,208	0	7,000	6,536	10.00%	850,316
2016	850,316	207,068	0	5,000	8,503	5.00%	1,060,888
2017	1,060,888	213,073	0	74,460	10,609	2.90%	1,210,110
2018	1,210,110	219,253	0	186,616	12,101	2.90%	1,254,847
2019	1,254,847	225,611	0	14,668	12,548	2.90%	1,478,339
2020	1,478,339	232,154	0	0	14,783	2.90%	1,725,276
2021	1,725,276	238,886	3,182,998	5,164,412	17,253	2.90%	0
2022	0	245,814	0	5,000	0	2.90%	240,814
2023	240,814	252,942	0	27,058	2,408	2.90%	469,106
2024	469,106	260,278	0	203,882	4,691	2.90%	530,192
2025	530,192	267,826	0	68,923	5,302	2.90%	734,397
2026	734,397	275,593	0	56,489	7,344	2.90%	960,845
2027	960,845	283,585	0	185,072	9,608	2.90%	1,068,966
2028	1,068,966	291,809	0	14,000	10,690	2.90%	1,357,464
2029	1,357,464	300,271	0	0	13,575	2.90%	1,671,310
2030	1,671,310	308,979	0	0	16,713	2.90%	1,997,002
2031	1,997,002	317,939	0	137,486	19,970	2.90%	2,197,426
2032	2,197,426	327,160	0	0	21,974	2.90%	2,546,560
2033	2,546,560	336,647	0	4,000	25,466	2.90%	2,904,673
2034	2,904,673	346,410	0	291,196	29,047	2.90%	2,988,933
2035	2,988,933	356,456	0	0	29,889	2.90%	3,375,279
2036	3,375,279	366,793	0	0	33,753	2.90%	3,775,825
2037	3,775,825	377,430	0	5,000	37,758	2.90%	4,186,013
2038	4,186,013	388,376	0	21,968	41,860	2.90%	4,594,281
2039	4,594,281	399,639	0	10,000	45,943	2.90%	5,029,862
2040	5,029,862	411,228	0	196,610	50,299	2.90%	5,294,779
2041	5,294,779	423,154	0	271,252	52,948	2.90%	5,499,629
2042	5,499,629	435,425	0	4,558,178	54,996	2.90%	1,431,872
2043	1,431,872	448,053	0	367,179	14,319	2.90%	1,527,064

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