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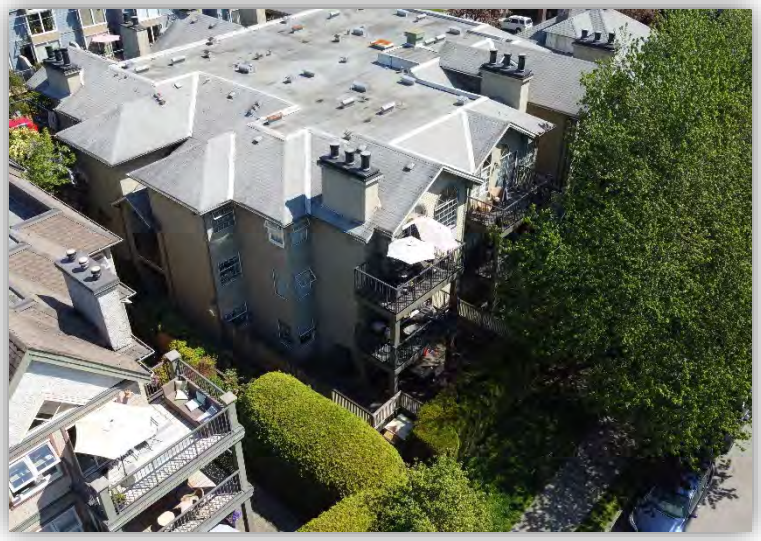

DEPRECIATION REPORT

VR 2131—"The Emperor"
925 West 15th Avenue
Vancouver, BC
2023

July 19, 2023

VR 2131—"The Emperor"

c/o Narod Properties Corporation
#204 - 636 W Broadway
Vancouver, BC
V5Z 1G2

Dear Sir/Madam:

Depreciation Report for
VR 2131—"The Emperor"
925 West 15th Avenue, Vancouver, BC

This depreciation report lists and describes the major reserve fund items. It provides current and future reserve expenditure estimates and recommends reserve fund actions. The depreciation report has been completed to the legislated requirements of the BC Strata Property Act as amended to date. This depreciation report is a complex document and should be reviewed in detail.

We recommend that a Reserve Fund plan be adopted with contributions adjusted to $15,000 for the Jul 2024–Jun 2025 fiscal year, and further increased as per the recommendations in Section 5.3. The legislation does not require the strata owners to follow any specific funding recommendation within this report. The Strata owners can choose their own funding plan, provided it meets the minimum legislated requirements. This recommended Reserve Fund Plan was created in consultation with strata representatives and does not necessarily reflect the consultant's opinion as to the best course of action; the recommended plan outlines a funding path that is actionable and leads to improved outcomes for current and future owners.

NLD Consulting – Reserve Fund Advisors would be pleased to provide you with depreciation report updating services as required. The strata must waive the requirement or obtain a new report within three years as per Section 94 (2) (b) of the BC Strata Property Act and Section 6.2 (7) (a) of the BC Strata Property Regulation. We appreciate the opportunity to perform this report for you. If you have any questions, please do not hesitate to contact the undersigned.

Respectfully submitted,

Terry Dowle, AACI, P.App., RI, CRP
NLD Consulting – Reserve Fund Advisors

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Executive Summary of Facts and Conclusions

This executive summary has been prepared as a quick reference of pertinent information and conclusions of this Depreciation Report. It is provided for convenience only. Readers are advised to refer to the full text of this report for complete information.

Client **c/o Narod Properties Corporation**
#204 - 636 W Broadway
Vancouver, BC, V5Z 1G2

Date of Study July 19, 2023 (Inspection Date: May 15, 2023)

Property VR 2131—"The Emperor"
925 West 15th Avenue
Vancouver, BC, V5Z 1S1
Constructed in 1988

FORECASTED RATES—see section 4

CPI Inflation 1.6%
Cost Inflation 3.4%
Interest Rate 2.3%

Deficiency/Contribution Quotient
Jul 2023–Jun 2024
DCQ = 153.2
See Section 5.4 for details

CURRENT FISCAL YEAR INFORMATION

Current Fiscal Year Jul 2023–Jun 2024
Opening Balance $58,049
Reserve Contributions $5,500
Ideal Closing Balance* $1,098,560
Funding Adequacy The contributions are adequate if increased per our recommendations
Reserve Expenditures See Section 5.2

Five Year Plan	Current Year	Recommendations†				
	Jul 2023–Jun 2024	Jul 2024–Jun 2025	Jul 2025–Jun 2026	Jul 2026–Jun 2027	Jul 2027–Jun 2028	Jul 2028–Jun 2029
Contingency Reserve Fund Contributions	$ 5,500	$ 15,000	$ 22,200	$ 29,400	$ 35,400	$ 41,400
Average Monthly Contribution per Owner‡	$ 23	$ 63	$ 93	$ 123	$ 148	$ 173

* Caution: The ideal balance of the reserve fund is the amount recommended for each year of the depreciation report to pay for major repairs and replacements. It is based on estimates of when the work will be needed. If there is not enough money in the reserve fund to pay for major repairs and replacements, the unit owners may have to pay for those costs through a special assessment. When comparing the actual balance with the ideal balance, be aware that some work may be done earlier or later than expected or may be paid for from an account other than the reserve fund. When this happens, the comparison may no longer show whether the amount of money in the reserve fund is adequate.

† The strata council is not legally required to follow the recommended plan. These recommendations come from the Adequate Funding Model in Section 5. For other models please refer to Appendix J.

‡ Defined as Reserve Fund Contributions divided by 12, divided by the number of strata units. The amount that any given owner will pay to the Reserve Fund depends on their relative unit entitlement.

Certification

I certify to the best of my knowledge and belief that:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions;
- I have no present interest in the issue that is the subject of this report and no personal interest with respect to the parties involved;
- I have no bias with respect to the issue that is the subject matter of this report or to the parties involved with this assignment;
- My compensation is not contingent on an action or an event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
- I have the knowledge and experience to complete the assignment competently, and hereby certify that I am a qualified person empowered to conduct reserve fund studies;
- As of the date of this report I have fulfilled the requirements of the Appraisal Institute of Canada Continuing Professional Development Program for members. I am a member in good standing with the Appraisal Institute of Canada and carry current errors and omission insurance through Trisura Guarantee Insurance Company.
- I have personally inspected the property described within, and I have personally examined the building plans and/or documents as identified herein. To the best of my knowledge and belief, the information and data used herein are true and correct.
- I have not been provided significant professional assistance in the completion of this report.
- The Depreciation Report was prepared in conformity with the requirements of the Strata Property Act as amended to date, as well as the Reserve Fund Study Standards, published by the Real Estate Institute of Canada, and the Consulting Standard of the Appraisal Institute of Canada.
- I am a member in good standing of the Real Estate Institute of Canada, holding the Certified Reserve Planner designation. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice.

_____

Terry Dowle, AACI, P.App., RI, CRP

July 19, 2023

Qualifications listed in Appendix A

1. Report Overview

1.1 Purpose of the Report

Description

This depreciation report is a study of the existing development components that have shared responsibility, which will require replacement or major repairs less often than once per year. It is a financial document that estimates expenditures from the Reserve Fund in the long term and recommends funding actions.

This report is subject to the assumptions and limiting conditions described in Appendix B.

Purpose

The purpose of a depreciation report is to help current owners determine how much money to save in their reserve fund. The report forecasts a 30-year period but the purpose of this report is specifically to provide information to help current owners determine reserve contributions for the next three years. This report also satisfies the requirements of the BC Strata Property Amendment Act, 2009, Part 6 Division 1 as amended to date (Appendix C).

Disclaimer

This report should not be considered a detailed review of any specific component; nor does it contain exhaustive property maintenance instructions. The replacement dates and component costs are predictions of what will happen, rather than specific recommendations. We are not recommending when to repair or replace each component or how much it will cost; we are recommending funding plans based on our forecasts of what reserve expenditures we believe the strata council will make.

We rely heavily on information provided to us by those for whom we are working, sometimes including strata council members, other property owners, property managers, contractors, and on-site staff. We assume no responsibility for the accuracy of the information they provide to us. As this report is intended to be a budgeting tool for the strata, we sometimes defer to their interpretation of financial statements, component costs and lifespans, and specific bylaw interpretations (within reason). We include a notice to the reader where these interpretations could cause confusion or misunderstanding.

The information contained in this report is not intended to be an independent review of the facts applicable to this property. This is a collaborative document between the report provider and those who live in and work on behalf of the property.

1.2 Methodology

This is a summary of the work we have done for this report. For more details, please refer to the full report, including appendices.

Property Information (Section 2)
The subject property was visually inspected on May 15, 2023. The consultant reviewed building plans, financial documents, AGM minutes, governing documents, and consulted with the client to identify undocumented repair work, learn about latent defects that are causing problems, assess risk tolerance, and determine the client's short-term intentions regarding reserve fund work.

Component Details (Section 3)
The consultant counted, estimated, or measured quantities for all the reserve components, determined their lifespans and effective ages, and forecasted a schedule of major repair and replacement work. The consultant estimated the current cost to repair or replace each component.

Economic Forecasting (Section 4)
An appropriate construction inflation rate was calculated and applied to the current component costs to create a reserve fund budget for 30 years. An achievable interest rate was calculated, applying it to the current balance and future contributions. Finally, a Consumer Price Index (CPI) inflation rate was calculated to aid in recommending fair contributions.

Funding Models (Section 5)
The consultant created an equitable payment schedule such that each owner pays their share towards each component's next replacement, called a Benchmark Analysis. This is a hypothetical scenario because it assumes that there is no reserve fund deficiency. Then the consultant created three funding models (two of them in Appendix J) based on how much money the reserve fund currently has, and compared it to the benchmark to assess fund performance and risk.

2. Property Information

2.1 Property Description Summary

VR 2131—"The Emperor"
925 West 15th Avenue
Vancouver, BC, V5Z 1S1

This development is located on the north side of West 15th Avenue between Laurel Street to the east and Oak Street to the west. It was constructed in 1988 and registered as a strata corporation on April 27, 1988. The property consists of a three-storey low-rise apartment building with a total of 20 units. The building is constructed of wood frame material overtop a concrete parkade and foundation.

The overall construction, materials, and workmanship are of average quality. The project is assumed to have been constructed in accordance with applicable building codes, fire codes, city by-laws, and construction practices.

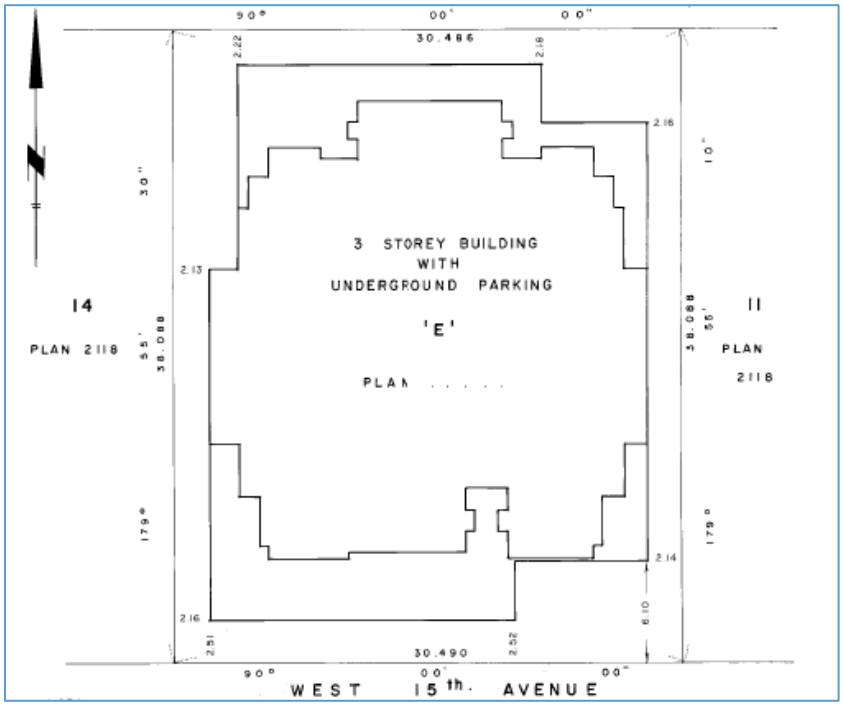
Narod Properties Corporation, a firm experienced in residential property management, manages the property.

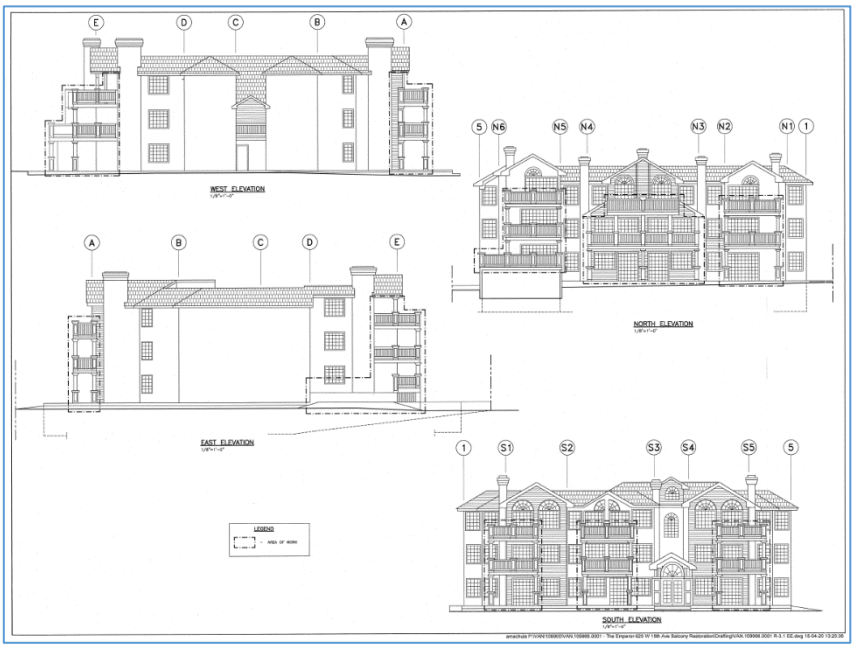
The property was inspected for the purposes of preparing this report on May 15, 2023, by Terry Dowle, AACI, P.App., RI, CRP. The inspection included a visual on-site inspection of the reserve components, where practical, as per the requirements of the Act.

2.2 Building Plans

The architectural plans and strata plan were used for quantifying the components and other improvements. There were complete architectural drawings (electronic documents) for the development and the available drawings were in good condition. Some quantities were estimated on site or measured off the plans and are considered estimates.

Building Plans Example





2.3 Property Data

The following data have been calculated using dimensions taken from the available plans and observed during the inspection of the buildings and improvements. The estimates below are for reference purposes only.

Site Area	12,475 square feet
Building Coverage	8,532 square feet
Building Height	30 feet (three storeys)
Gross Floor Area	17,991 square feet
Occupancy	20 units

2.4 Sections

The subject strata corporation has one distinct governing body with one set of financials. It has not been organized into legally distinct sections. Therefore, one set of funding models has been created, pertaining to the entire strata corporation. For more information about sections please see Appendix D.

2.5 Development End of Life

A development can reach the end of its economic life long before it physically deteriorates to an unusable condition. The end of its economic life occurs when the property's redevelopment value exceeds its existing value.

No repairs or replacements should be made or accounted for after the end of the development's economic life. Therefore, the strata's reserve fund contributions will decrease until the contributions become zero by the end of the development's life.

An End of Life date more than 50 years away does not often make a significant difference to the 30-year projections. Even an End of Life date in 30 years, though it drastically changes the 30-year projections, tends to make no significant difference to our recommendation for the annual contributions in the next three years, which are the purpose of this report.

In determining whether to set an End of Life date for the subject property, the consultant has relied upon standard age/life averages, CHOA information bulletins, and personal experience in building analysis. When appropriate, the strata council and management will be consulted to determine whether it is helpful to set an End of Life date.

End of Life date: no date set

2.6 Bylaws and Governing Documents Review

The consultant has reviewed the bylaws and governing documents as amended to date. The review has found them to be typical with the following important notes:

Repair and Maintenance
The bylaws are typical in terms of which items are the strata corporation's responsibilities to repair and maintain. The bylaws are the basis for determining which items to consider as reserve components.

We have assumed the subject has the standard Strata Property Act Bylaws. The subject bylaws describe the responsibilities of the owners and of the strata corporation with regards to funding reserve components under Part 10 – Repair and Maintenance of property by Strata Corporation. The reserve components are described further in Appendix E.

The non-reserve components (items not accounted for in this report) forming part of the common and/or limited common property, as per the bylaws and our discussions with the property's representatives, are as follows:

- None noted

For further details, please refer to the original governing documents as amended to date.

2.7 Previous Depreciation Reports

The strata corporation had a Depreciation Report prepared in December 2018 by Normac. A copy of that document was provided in conjunction with preparing this report. We have not interviewed the writers of that document, and only reviewed it for continuity in preparation of our Depreciation Report.

2.8 Historical Financial Analysis

The consultant has examined financial statements for the strata corporation for its operations from Jul 2022–Jun 2024. The budget was provided by Narod Properties Corporation .

The reserve fund balance as of July 1st, 2023 was $58,049. The strata corporation has budgeted regular contributions of $5,500 for this fiscal year, which is an average per unit per month of $23. Please note that the average monthly contribution is calculated based on the number of strata lots; actual fees and levies will be based on relative unit entitlement.

We recommend that separate General Ledger codes are used for each component to facilitate the reserve fund update process. We also recommend that all reserve expenditures be taken from reserve accounts.

Historical Financial Analysis

The Emperor

	Jul 2022–Jun 2023	Jul 2023–Jun 2024
Opening Balance	**52,549**	**58,049**
Reserve Fund Income		
Reserve Fund Contributions	5,500	5,500
Special Assessment		
Transfer to (from) the Reserve Fund		
Other Income		
Interest Income		1,267
Total Cash Resources	**58,049**	**64,816**
Reserve Fund Expenditures		
	Building - Structural and Architectural	
1	Substructure and Underground Garage	
2	Wall Assemblies - Stucco Siding	
3	Wall Assemblies - Composite Siding	
4	Window Assemblies - Aluminum Frame	
5	Overhead Parkade Gate	
6	Exterior Door Assemblies - Metal	
7	Exterior Door Assemblies - Metal and Glass	
8	Exterior Door Assemblies - Sliding	
9	Interior Door Assemblies - Wood	
10	Interior Door Assemblies - Metal	
11	Fascia Board and Trim - Wood	
12	Caulking	
13	Stairs - Exterior Wood	
14	Balcony Construction - Wood	
15	Balcony Railings	
16	Soffits	
17	Gutters and Downspouts	
18	Roof Assembly - Asphalt / Fiberglass Shingle	
19	Roof Assembly - Two Ply Membrane	
20	Roof Access Hatch	2,960
	Building - Finishes and Decoration	
21	Exterior Finishes - Paint	
22	Interior Finishes - Paint	
23	Balcony Waterproofing	
24	Interior Flooring - Carpet	
25	Lobby Renovation	
26	Elevator Cab Renovation	

	Building - Mechanical Systems		
27	HVAC - Rooftop Unit		
28	HVAC - Fan Exhaust System		
29	HVAC Distribution - Ductwork for RTU		
30	Domestic Water Distribution - Building		
31	Domestic Water Distribution - Subsurface		
32	Sprinkler System - Dry		
33	Elevator Modernization - Hydraulic		
	Building - Electrical Systems		
34	Electrical Service and Distribution		
35	Fire Detection System		
36	Access Entry System		
37	Lighting - Interior		
38	Lighting - Parkade		
39	Lighting - Exterior		
	Building - Amenities		
40	Mailboxes		
41	Bicycle Storage		
42	Storage Lockers		
	Common Site Improvements		
43	Landscaping		
44	Pavers		
45	Walkways - Concrete		
46	Roadway - Asphalt		
47	Retaining Walls - Wood		
48	Retaining Walls - Concrete		
49	Fencing - Wood		
50	Depreciation Report		
	Miscellaneous		
	Total Expenditures		**2,960**
	Closing Balance	**58,049**	**61,855**

All values in $CAD

3. Component Details

3.1 Component Descriptions

This report includes each existing building and site component that has shared responsibility and will require replacement or major repairs less often than once per year.

Component Descriptions may be found in Appendix E. Each component analysis typically includes the following information:

- Pictures
- Component Description
- Condition Analysis
- Reserve Fund Expenditure History
- Life Cycle Analysis
- Potential Deterioration
- Funding Analysis (including Current Repair or Replacement Costs)
- Suggested Maintenance

3.2 Life Cycle Analysis

Each component's next replacement date occurs at the end of its Remaining Life, which is defined as the difference between its Effective Age and its Lifespan. Subsequent replacements are made assuming the component lasts its full lifespan again.

The **Effective Age** is a subjective, observed age for each reserve component. It differs from the component's actual age when it is performing better or worse than expected. The Effective Age is subject to change due to numerous factors and will not necessarily increase proportional to its actual age. It is chosen considering the following factors:

- Actual age of component
- Observed performance compared to expectations
- Reported problems
- Maintenance history
- Repair and replacement history
- Client's intentions
- Functional obsolescence
- Coordination and practicality of replacement scheduling

The **Lifespan** is an average life expectancy for each reserve component. It is chosen considering the following factors:

- Type of component
- Material
- Utilization
- Workmanship
- Quality
- Manufacturer's recommendation
- CMHC Capital Replacement Planning Manual: Life Expectancy Guidelines
- Contractors' experience
- Functional obsolescence
- Required standards
- Environmental factors
- Regular maintenance
- Preventive maintenance
- Observed condition
- Client's risk tolerance

3.3 Current Cost Estimates

The cost to replace any component is variable. It depends on the scope of work, the quality of construction, the construction market, personal contacts, client risk-tolerance, and many other factors. While we must choose an exact cost for our funding models, we recognize that the actual cost paid can differ greatly from that amount, depending on how those factors are addressed.

Cost estimates are typically calculated using the current year RSMeans Commercial Renovation Cost Data, modified as to time, location and quality of construction. They are based on our investigation, observation, analysis, and extensive experience performing depreciation reports. All costs are estimates and should be regarded as a prediction rather than a recommendation.

Here is how some of the major factors in estimating the Repair and Replacement Costs are addressed:

Scope of Work
Cost estimates are based on a like-for-like replacement (when it makes sense), including demolition and disposal, major repair or replacement of the component (labour, materials, and

equipment), special construction requirements, safety installations, limited access, reuse of salvageable materials, clean-up costs, contingencies, and contractor profit and overhead.

Quality of construction

Cost estimates are based on quality materials as required under current building code regulations, using contractors' prices, union labour, and current construction techniques. When possible and desirable, the replacement quality is matched to the original quality of construction.

Replacement Cost Factors

The costs of repairs and replacements of many reserve components are higher than original building costs. When constructing a new building, contractors have considerable latitude in planning their work and can utilize economies of scale to keep costs within construction budgets. In contrast, repair work must frequently be performed in an expedient manner with removal costs, additional safety precautions, and care for existing occupants.

Tax

All cost estimates include the 5% Goods and Services Tax (GST).

Contingency

All cost estimates include an individual contingency allowance to reflect uncertainties in the final costing and timing of work. This number typically varies from 5% to 25% depending on the overall expense of the component, the potential for latent defects, and the potential for additional costs.

Budget Provisions

It is frequently infeasible to forecast the scope of repairs or replacements of various reserve components, particularly major components such as the foundation and substructure, domestic water plumbing, and electrical systems. A percentage of the total cost is budgeted for components that we do not expect to require a complete replacement in any single year, called a Budget Percentage. This percentage reflects our interpretation of cost on the balance of probabilities (the average). Please not that this may differ from the most likely cost given several scenarios (the mode).

4. Economic Forecasting

This depreciation report relies heavily on our long-term economic predictions of inflation and interest rates. While actual economic conditions will certainly be different than our forecasts, we are confident that our estimates are reasonable and valuable.

Inflation and interest rates may vary year-to-year and must be periodically reviewed to ensure their relevance and accuracy. We conduct our economic analysis based on long-term conditions to eliminate short-term volatility.

Construction Costs

Construction costs increase over time at a different rate than standard Consumer Price Index (CPI) inflation. We have modified all our estimated costs by applying a localized construction cost inflation rate in line with their replacement dates.

We use a construction inflation rate of 3.4%. Please see Appendix F for a detailed explanation of our construction inflation analysis.

Interest Rates

Interest earned on money in the reserve fund can significantly lower reserve contributions. We have applied interest each year to the closing balances in our funding models.

We use an interest rate of 2.3%. Please see Appendix G for a detailed explanation of our interest rate analysis.

CPI Inflation

Owners save money to replace components that have not yet failed. The amount they contribute toward any given component should stay the same year-to-year, in terms of purchasing power. To achieve this, we increase annual contributions by a localized CPI inflation rate.

We use a CPI inflation rate of 1.6%. Please see Appendix H for a detailed explanation of our CPI inflation analysis.

5. Funding Models

5.1 Benchmark Analysis

The Benchmark Analysis shows the ideal opening balance and the ideal annual reserve fund contribution for this fiscal year. These hypothetical numbers are generated by equitably dividing the cost to replace a component over its lifespan, taking inflation and interest into account. For a detailed explanation of how this is calculated, please refer to Appendix I.

The Benchmark Analysis is used to evaluate the reserve fund's performance and recommend equitable funding plans.

Please note the following definitions associated with the table on the next page.

Estimated Current Cost

The estimated cost to repair or replace each component today, after the Budget Percentage has been applied.

Projected Next Cost

The forecasted cost to repair or replace each component when it needs to be replaced.

Ideal Closing Balance

The accumulated balance that would be saved for each component given ideal annual contributions.

Ideal Annual Contribution

The annual contribution that splits the cost of each component equally across its lifespan, taking interest and inflation into account.

Relative Contribution Weight

The proportion of each component's Ideal Annual Contributions to the total.

Benchmark Analysis

The Emperor
For Jul 2023 to Jun 2024

Construction Inflation Rate	3.4%
Long-Term Interest Rate	2.3%
Inflation Rate (CPI)	1.6%

	Reserve Components	Expected Lifespan (yrs)	Effective Age (yrs)	Next Budgeted Replacement	Estimated Current Cost	Projected Next Cost	Ideal Closing Balance	Ideal Annual Contribution	Relative Contribution Weight
	Building - Structural and Architectural								
1	Substructure and Underground Garage	50	35	2039	$ 58,685	$ 96,903	$ 53,120	$ 1,305	3%
2	Wall Assemblies - Stucco Siding	40	35	2029	$ 184,060	$ 217,552	$ 181,137	$ 4,451	9%
3	Wall Assemblies - Composite Siding	50	35	2039	$ 11,246	$ 18,569	$ 10,179	$ 250	0%
4	Window Assemblies - Aluminum Frame	35	30	2029	$ 105,122	$ 124,250	$ 101,819	$ 2,957	6%
5	Overhead Parkade Gate	22	7	2039	$ 11,722	$ 19,355	$ 5,367	$ 655	1%
6	Exterior Door Assemblies - Metal	40	25	2039	$ 2,735	$ 4,516	$ 2,236	$ 79	0%
7	Exterior Door Assemblies - Metal and Glass	30	25	2029	$ 3,191	$ 3,772	$ 3,024	$ 107	0%
8	Exterior Door Assemblies - Sliding	30	25	2029	$ 52,232	$ 61,736	$ 49,506	$ 1,745	3%
9	Interior Door Assemblies - Wood	35	25	2034	$ 5,164	$ 7,214	$ 4,500	$ 159	0%
10	Interior Door Assemblies - Metal	40	25	2039	$ 1,849	$ 3,053	$ 1,512	$ 53	0%
11	Fascia Board and Trim - Wood	25	20	2029	$ 14,618	$ 17,277	$ 13,430	$ 597	1%
12	Caulking	18	17	2025	$ 6,928	$ 7,164	$ 7,164	$ 375	1%
13	Stairs - Exterior Wood	35	10	2049	$ 7,153	$ 16,501	$ 3,256	$ 286	1%
14	Balcony Construction - Wood	30	8	2046	$ 100,670	$ 210,064	$ 41,947	$ 4,534	9%
15	Balcony Railings	35	8	2051	$ 33,800	$ 83,362	$ 12,947	$ 1,399	3%
16	Soffits	40	20	2044	$ 1,357	$ 2,648	$ 961	$ 43	0%
17	Gutters and Downspouts	35	20	2039	$ 7,609	$ 12,564	$ 5,744	$ 255	0%
18	Roof Assembly - Asphalt / Fiberglass Shingle	22	21	2025	$ 106,681	$ 110,308	$ 110,308	$ 4,661	9%
19	Roof Assembly - Two Ply Membrane	22	20	2026	$ 83,049	$ 88,793	$ 83,129	$ 3,693	7%
20	Roof Access Hatch	35	35	2024	$ 2,960	$ 2,960	$ 141	$ 141	0%
	Building - Finishes and Decoration								
21	Exterior Finishes - Paint	18	17	2025	$ 25,634	$ 26,506	$ 26,506	$ 1,388	3%
22	Interior Finishes - Paint	20	3	2041	$ 10,820	$ 19,102	$ 2,803	$ 694	1%
23	Balcony Waterproofing	18	8	2034	$ 13,598	$ 18,997	$ 7,980	$ 862	2%
24	Interior Flooring - Carpet	20	18	2026	$ 10,970	$ 11,728	$ 10,928	$ 540	1%
25	Lobby Renovation	25	6	2043	$ 4,427	$ 8,356	$ 1,651	$ 231	0%
26	Elevator Cab Renovation	22	6	2040	$ 9,421	$ 16,085	$ 3,828	$ 536	1%
	Building - Mechanical Systems								
27	HVAC - Rooftop Unit	30	20	2034	$ 7,875	$ 11,001	$ 6,467	$ 287	1%
28	HVAC - Fan Exhaust System	35	30	2029	$ 1,249	$ 1,476	$ 1,209	$ 35	0%
29	HVAC Distribution - Ductwork for RTU	50	30	2044	$ 3,221	$ 6,287	$ 2,693	$ 78	0%
30	Domestic Water Distribution - Building	35	32	2027	$ 57,820	$ 63,920	$ 57,969	$ 1,571	3%
31	Domestic Water Distribution - Subsurface	40	32	2032	$ 4,536	$ 5,926	$ 4,267	$ 116	0%
32	Sprinkler System - Dry	35	32	2027	$ 22,412	$ 24,776	$ 22,470	$ 609	1%
33	Elevator Modernization - Hydraulic	25	20	2029	$ 124,523	$ 147,181	$ 114,403	$ 5,082	10%
	Building - Electrical Systems								
34	Electrical Service and Distribution	35	25	2034	$ 13,531	$ 18,903	$ 11,790	$ 416	1%
35	Fire Detection System	15	14	2025	$ 24,080	$ 24,899	$ 24,899	$ 1,581	3%
36	Access Entry System	15	14	2025	$ 16,144	$ 16,693	$ 16,693	$ 1,060	2%
37	Lighting - Interior	25	9	2040	$ 11,715	$ 20,003	$ 5,983	$ 580	1%
38	Lighting - Parkade	20	15	2029	$ 6,276	$ 7,418	$ 5,492	$ 326	1%
39	Lighting - Exterior	20	4	2040	$ 943	$ 1,610	$ 301	$ 59	0%
	Building - Amenities								
40	Mailboxes	45	20	2049	$ 4,729	$ 10,909	$ 3,193	$ 142	0%
41	Bicycle Storage	40	10	2054	$ 2,583	$ 7,042	$ 1,103	$ 97	0%
42	Storage Lockers	40	30	2034	$ 2,583	$ 3,608	$ 2,347	$ 68	0%
	Common Site Improvements								
43	Landscaping	25	15	2034	$ 2,825	$ 3,946	$ 2,121	$ 126	0%
44	Pavers	35	20	2039	$ 22,439	$ 37,052	$ 16,940	$ 752	1%
45	Walkways - Concrete	35	20	2039	$ 3,320	$ 5,482	$ 2,506	$ 111	0%
46	Roadway - Asphalt	22	18	2028	$ 15,589	$ 17,819	$ 14,520	$ 718	1%
47	Retaining Walls - Wood	30	3	2051	$ 20,713	$ 51,087	$ 4,116	$ 1,018	2%
48	Retaining Walls - Concrete	40	20	2044	$ 29,453	$ 57,483	$ 20,864	$ 927	2%
49	Fencing - Wood	25	4	2045	$ 33,004	$ 66,603	$ 9,043	$ 1,784	3%
50	Depreciation Report	3	0	2027	$ 5,775	$ 6,384	$ 2,047	$ 2,047	4%
	TOTAL RESERVES				**$ 1,313,038**	**$ 1,826,847**	**$ 1,098,560**	**$ 51,586**	**100%**

All costs in $CAD

5.2 Reserve Fund Expenditures

This section contains 30 years of forecasted expenditures from the reserve fund, broken down by component. This includes regular expenditures and may also include one-time expenditures. Regular expenditures are calculated by increasing the estimated current cost with a construction inflation factor. One-time expenditures are more short-term and subjective; they are based on the results of our investigation and do not repeat after they occur.

Please note that these expenditures are forecasts, intended to be more predictive than prescriptive. These expenditures are used primarily to help set a reasonable reserve fund contribution schedule. Actual expenditures should occur as they are deemed necessary and no effort should be made to match this schedule.

Projected Expenditures

The Emperor

Construction Inflation Rate 3.4%

	Reserve Components	Lifespan (yrs)	Effective Age (yrs)	Current Cost	Section Responsibility	Jul 2023–Jun 2024	Jul 2024–Jun 2025	Jul 2025–Jun 2026	Jul 2026–Jun 2027	Jul 2027–Jun 2028	Jul 2028–Jun 2029	Jul 2029–Jun 2030	Jul 2030–Jun 2031	Jul 2031–Jun 2032	Jul 2032–Jun 2033	Jul 2033–Jun 2034	Jul 2034–Jun 2035	Jul 2035–Jun 2036	Jul 2036–Jun 2037	Jul 2037–Jun 2038	Jul 2038–Jun 2039
1	Substructure and Underground Garage	50	35	58,685	100%																96,900
2	Wall Assemblies - Stucco Siding	40	35	184,060	100%						217,600										
3	Wall Assemblies - Composite Siding	50	35	11,246	100%																18,600
4	Window Assemblies - Aluminum Frame	35	30	105,122	100%						124,300										
5	Overhead Parkade Gate	22	7	11,722	100%																19,400
6	Exterior Door Assemblies - Metal	40	25	2,735	100%																4,500
7	Exterior Door Assemblies - Metal and Glass	30	25	3,191	100%						3,800										
8	Exterior Door Assemblies - Sliding	30	25	52,232	100%						61,700										
9	Interior Door Assemblies - Wood	35	25	5,164	100%											7,200					
10	Interior Door Assemblies - Metal	40	25	1,849	100%																3,100
11	Fascia Board and Trim - Wood	25	20	14,618	100%						17,300										
12	Caulking	18	17	6,928	100%		7,200														
13	Stairs - Exterior Wood	35	10	7,153	100%																
14	Balcony Construction - Wood	30	8	100,670	100%																
15	Balcony Railings	35	8	33,800	100%																
16	Soffits	40	20	1,357	100%																
17	Gutters and Downspouts	35	20	7,609	100%																12,600
18	Roof Assembly - Asphalt / Fiberglass Shingle	22	21	106,681	100%		110,300														
19	Roof Assembly - Two Ply Membrane	22	20	83,049	100%			88,800													
20	Roof Access Hatch	35	35	2,960	100%	3,000															
21	Exterior Finishes - Paint	18	17	25,634	100%		26,500														
22	Interior Finishes - Paint	20	3	10,820	100%																
23	Balcony Waterproofing	18	8	13,598	100%											19,000					
24	Interior Flooring - Carpet	20	18	10,970	100%			11,700													
25	Lobby Renovation	25	6	4,427	100%																
26	Elevator Cab Renovation	22	6	9,421	100%																
27	HVAC - Rooftop Unit	30	20	7,875	100%											11,000					
28	HVAC - Fan Exhaust System	35	30	1,249	100%						1,500										
29	HVAC Distribution - Ductwork for RTU	50	30	3,221	100%																
30	Domestic Water Distribution - Building	35	32	57,820	100%				63,900												
31	Domestic Water Distribution - Subsurface	40	32	4,536	100%									5,900							
32	Sprinkler System - Dry	35	32	22,412	100%				24,800												
33	Elevator Modernization - Hydraulic	25	20	124,523	100%						147,200										
34	Electrical Service and Distribution	35	25	13,531	100%											18,900					
35	Fire Detection System	15	14	24,080	100%		24,900														
36	Access Entry System	15	14	16,144	100%		16,700														
37	Lighting - Interior	25	9	11,715	100%																
38	Lighting - Parkade	20	15	6,276	100%						7,400										
39	Lighting - Exterior	20	4	943	100%																
40	Mailboxes	45	20	4,729	100%																
41	Bicycle Storage	40	10	2,583	100%																
42	Storage Lockers	40	30	2,583	100%											3,600					
43	Landscaping	25	15	2,825	100%											3,900					
44	Pavers	35	20	22,439	100%																37,100
45	Walkways - Concrete	35	20	3,320	100%																5,500
46	Roadway - Asphalt	22	18	15,589	100%					17,800											
47	Retaining Walls - Wood	30	3	20,713	100%																
48	Retaining Walls - Concrete	40	20	29,453	100%																
49	Fencing - Wood	25	4	33,004	100%																
50	Depreciation Report	3	0	5,775	100%				6,400			7,100			7,800			8,600			9,500
	Total Expenditures					**3,000**	**185,600**	**100,500**	**95,100**	**17,800**	**580,700**	**7,100**	**-**	**5,900**	**7,800**	**63,700**	**-**	**8,600**	**-**	**-**	**207,000**

All values in $CAD, rounded to the nearest hundred

Projected Expenditures, Continued

The Emperor

	Reserve Components	Lifespan (yrs)	Effective Age (yrs)	Current Cost	Section Responsibility	Jul 2039–Jun 2040	Jul 2040–Jun 2041	Jul 2041–Jun 2042	Jul 2042–Jun 2043	Jul 2043–Jun 2044	Jul 2044–Jun 2045	Jul 2045–Jun 2046	Jul 2046–Jun 2047	Jul 2047–Jun 2048	Jul 2048–Jun 2049	Jul 2049–Jun 2050	Jul 2050–Jun 2051	Jul 2051–Jun 2052	Jul 2052–Jun 2053	Jul 2053–Jun 2054
1	Substructure and Underground Garage	50	35	58,685	100%															
2	Wall Assemblies - Stucco Siding	40	35	184,060	100%															
3	Wall Assemblies - Composite Siding	50	35	11,246	100%															
4	Window Assemblies - Aluminum Frame	35	30	105,122	100%															
5	Overhead Parkade Gate	22	7	11,722	100%															
6	Exterior Door Assemblies - Metal	40	25	2,735	100%															
7	Exterior Door Assemblies - Metal and Glass	30	25	3,191	100%															
8	Exterior Door Assemblies - Sliding	30	25	52,232	100%															
9	Interior Door Assemblies - Wood	35	25	5,164	100%															
10	Interior Door Assemblies - Metal	40	25	1,849	100%															
11	Fascia Board and Trim - Wood	25	20	14,618	100%															39,900
12	Caulking	18	17	6,928	100%				13,100											
13	Stairs - Exterior Wood	35	10	7,153	100%										16,500					
14	Balcony Construction - Wood	30	8	100,670	100%							210,100								
15	Balcony Railings	35	8	33,800	100%												83,400			
16	Soffits	40	20	1,357	100%					2,600										
17	Gutters and Downspouts	35	20	7,609	100%															
18	Roof Assembly - Asphalt / Fiberglass Shingle	22	21	106,681	100%								230,200							
19	Roof Assembly - Two Ply Membrane	22	20	83,049	100%									185,300						
20	Roof Access Hatch	35	35	2,960	100%															
21	Exterior Finishes - Paint	18	17	25,634	100%				48,400											
22	Interior Finishes - Paint	20	3	10,820	100%		19,100													
23	Balcony Waterproofing	18	8	13,598	100%													34,700		
24	Interior Flooring - Carpet	20	18	10,970	100%							22,900								
25	Lobby Renovation	25	6	4,427	100%				8,400											
26	Elevator Cab Renovation	22	6	9,421	100%	16,100														
27	HVAC - Rooftop Unit	30	20	7,875	100%															
28	HVAC - Fan Exhaust System	35	30	1,249	100%															
29	HVAC Distribution - Ductwork for RTU	50	30	3,221	100%					6,300										
30	Domestic Water Distribution - Building	35	32	57,820	100%															
31	Domestic Water Distribution - Subsurface	40	32	4,536	100%															
32	Sprinkler System - Dry	35	32	22,412	100%															
33	Elevator Modernization - Hydraulic	25	20	124,523	100%															339,500
34	Electrical Service and Distribution	35	25	13,531	100%															
35	Fire Detection System	15	14	24,080	100%	41,100														
36	Access Entry System	15	14	16,144	100%	27,600														
37	Lighting - Interior	25	9	11,715	100%	20,000														
38	Lighting - Parkade	20	15	6,276	100%										14,500					
39	Lighting - Exterior	20	4	943	100%	1,600														
40	Mailboxes	45	20	4,729	100%										10,900					
41	Bicycle Storage	40	10	2,583	100%															7,000
42	Storage Lockers	40	30	2,583	100%															
43	Landscaping	25	15	2,825	100%															
44	Pavers	35	20	22,439	100%															
45	Walkways - Concrete	35	20	3,320	100%															
46	Roadway - Asphalt	22	18	15,589	100%											37,200				
47	Retaining Walls - Wood	30	3	20,713	100%												51,100			
48	Retaining Walls - Concrete	40	20	29,453	100%					57,500										
49	Fencing - Wood	25	4	33,004	100%						66,600									
50	Depreciation Report	3	0	5,775	100%			10,500			11,700			12,900			14,200			15,700
	Total Expenditures					**106,400**	**19,100**	**10,500**	**69,800**	**66,400**	**78,300**	**233,000**	**230,200**	**198,200**	**41,900**	**37,200**	**148,700**	**34,700**	**-**	**402,200**

All values in $CAD, rounded to the nearest hundred

5.3 30-Year Reserve Fund Projection

The 30-Year Reserve Fund Projection recommends a funding plan and shows forecasted cash flows in detail. It contains an abridged Benchmark Analysis for each year, comparing it to the recommended plan to analyze deficiency of the fund. Please note the following definitions.

Opening Balance

The reserve fund position at the beginning of each fiscal year. This includes any monetary resources marked for reserve purposes and may include multiple accounts, including accounts that are inaccessible due to investing strategies.

Recommended Annual Contribution

The total recommended annual reserve fund contribution each year, excluding interest.

Special Assessment

The amount required each year to maintain the reserve fund's Minimum Balance (set at $0 in this model for the current fiscal year). A Special Assessment is a one-time, unique contribution to the reserve fund.

Interest Income

Expected interest from all reserve fund investments (assumes that all expenditures of the given year occur before any interest is earned).

Closing Balance

The reserve fund position at the end of each fiscal year, carried forward to the next year.

Ideal Annual Contribution

The annual contribution that splits the cost of each component equally across its lifespan, taking interest and inflation into account. The first year's value matches the Benchmark Analysis' Ideal Annual Contribution.

Ideal Closing Balance

The accumulated balance that would be saved for each component given ideal annual contributions. The first year's value matches the Benchmark Analysis' Ideal Closing Balance.

Reserve Fund Deficiency (Surplus)

The difference between the Closing Balance and the Ideal Closing Balance.

DCQ Score

The Deficiency/Contribution Quotient, a stable measure of reserve fund performance. See section 5.4 for details.

Reserve Fund Projection—Adequate Funding Model

The Emperor

Construction Inflation Rate	3.4%
Long-Term Interest Rate	2.3%
Inflation Rate (CPI)	1.6%

Cashflow	Jul 2023–Jun 2024	Jul 2024–Jun 2025	Jul 2025–Jun 2026	Jul 2026–Jun 2027	Jul 2027–Jun 2028	Jul 2028–Jun 2029	Jul 2029–Jun 2030	Jul 2030–Jun 2031	Jul 2031–Jun 2032	Jul 2032–Jun 2033	Jul 2033–Jun 2034	Jul 2034–Jun 2035	Jul 2035–Jun 2036	Jul 2036–Jun 2037	Jul 2037–Jun 2038	Jul 2038–Jun 2039
Opening Balance	**58,000**	**61,900**	**-**	**-**	**-**	**17,600**	**-**	**39,100**	**91,000**	**142,900**	**198,800**	**203,600**	**277,300**	**347,500**	**431,600**	**520,400**
Reserve Fund Income																
Recommended Annual Contribution	5,500	15,000	22,200	29,400	35,400	41,400	46,200	51,000	55,800	60,600	65,400	69,000	72,600	76,200	78,800	81,500
Special Assessment		**108,700**	**78,300**	**65,700**		**521,700**										
Transfers to (from) the Reserve Fund																
Other Income																
Interest Income	1,300							900	2,000	3,100	3,100	4,700	6,200	8,000	9,900	7,200
Total Cash Resources	**64,800**	**185,600**	**100,500**	**95,100**	**35,400**	**580,700**	**46,200**	**91,000**	**148,800**	**206,600**	**267,300**	**277,300**	**356,100**	**431,600**	**520,400**	**609,000**
Reserve Fund Expenditures																
Total Expenditures	**3,000**	**185,600**	**100,500**	**95,100**	**17,800**	**580,700**	**7,100**	**-**	**5,900**	**7,800**	**63,700**	**-**	**8,600**	**-**	**-**	**207,000**
Closing Balance	**61,900**	**-**	**-**	**-**	**17,600**	**-**	**39,100**	**91,000**	**142,900**	**198,800**	**203,600**	**277,300**	**347,500**	**431,600**	**520,400**	**402,000**
Deficiency Analysis																
Ideal Annual Contribution	51,600	56,100	59,000	62,100	63,400	77,000	78,400	79,600	81,000	82,500	85,100	86,500	88,000	89,400	90,900	97,000
Ideal Closing Balance	1,098,600	990,100	969,100	956,200	1,023,300	529,900	613,200	706,900	798,100	891,000	931,500	1,039,400	1,142,500	1,258,200	1,378,000	1,295,000
Reserve Fund Deficiency (Surplus)	**1,036,700**	**990,100**	**969,100**	**956,200**	**1,005,800**	**529,900**	**574,100**	**615,900**	**655,300**	**692,200**	**727,900**	**762,100**	**795,000**	**826,600**	**857,700**	**893,000**
Actual/Ideal Contributions	**11%**	**27%**	**38%**	**47%**	**56%**	**54%**	**59%**	**64%**	**69%**	**73%**	**77%**	**80%**	**82%**	**85%**	**87%**	**84%**
DCQ Score	**153.2**	**8.0**	**9.6**	**10.1**	**28.4**	**0.9**	**12.4**	**11.9**	**11.3**	**10.9**	**10.6**	**10.3**	**10.1**	**9.8**	**9.7**	**10.1**

All values in $CAD, rounded to the nearest hundred

Adequate Funding Model, Continued

The Emperor

Cashflow	Jul 2039–Jun 2040	Jul 2040–Jun 2041	Jul 2041–Jun 2042	Jul 2042–Jun 2043	Jul 2043–Jun 2044	Jul 2044–Jun 2045	Jul 2045–Jun 2046	Jul 2046–Jun 2047	Jul 2047–Jun 2048	Jul 2048–Jun 2049	Jul 2049–Jun 2050	Jul 2050–Jun 2051	Jul 2051–Jun 2052	Jul 2052–Jun 2053	Jul 2053–Jun 2054
Opening Balance	**402,000**	**386,700**	**463,100**	**553,100**	**587,500**	**629,300**	**663,300**	**543,200**	**426,700**	**343,900**	**422,700**	**512,100**	**493,500**	**595,200**	**739,000**
Reserve Fund Income															
Recommended Annual Contribution	84,200	87,100	90,100	93,100	96,300	99,600	103,000	106,500	110,100	113,800	117,700	121,700	125,800	130,100	134,500
Special Assessment															
Transfers to (from) the Reserve Fund															
Other Income															
Interest Income	6,800	8,500	10,400	11,100	12,000	12,700	9,900	7,200	5,300	6,900	8,900	8,400	10,600	13,700	7,700
Total Cash Resources	**493,000**	**482,200**	**563,600**	**657,300**	**695,800**	**741,600**	**776,200**	**656,900**	**542,000**	**464,600**	**549,300**	**642,200**	**629,800**	**739,000**	**881,200**
Reserve Fund Expenditures															
Total Expenditures	**106,400**	**19,100**	**10,500**	**69,800**	**66,400**	**78,300**	**233,000**	**230,200**	**198,200**	**41,900**	**37,200**	**148,700**	**34,700**	**-**	**402,200**
Closing Balance	**386,700**	**463,100**	**553,100**	**587,500**	**629,300**	**663,300**	**543,200**	**426,700**	**343,900**	**422,700**	**512,100**	**493,500**	**595,200**	**739,000**	**479,100**

Deficiency Analysis															
Ideal Annual Contribution	100,700	102,700	104,500	107,600	110,800	114,200	120,900	127,500	133,500	136,600	139,500	144,900	147,900	150,300	161,000
Ideal Closing Balance	1,316,600	1,430,100	1,556,700	1,628,700	1,709,000	1,782,400	1,706,000	1,637,300	1,605,800	1,736,400	1,877,900	1,913,900	2,070,300	2,268,200	2,070,000
Reserve Fund Deficiency (Surplus)	**930,000**	**966,900**	**1,003,600**	**1,041,200**	**1,079,700**	**1,119,100**	**1,162,800**	**1,210,600**	**1,261,900**	**1,313,700**	**1,365,800**	**1,420,400**	**1,475,200**	**1,529,300**	**1,590,900**
Actual/Ideal Contributions	**84%**	**85%**	**86%**	**87%**	**87%**	**87%**	**85%**	**83%**	**82%**	**83%**	**84%**	**84%**	**85%**	**87%**	**84%**
DCQ Score	**10.2**	**10.1**	**10.0**	**10.0**	**10.0**	**10.0**	**10.3**	**10.7**	**10.9**	**10.9**	**10.8**	**10.9**	**10.8**	**10.6**	**11.2**

All values in $CAD, rounded to the nearest hundred

5.4 Cash Flow Analysis

This section includes Cash Flow Table summaries of the recommendations of the 30-Year Reserve Fund Projection and graphs to represent the same information visually. We have included both a nominal (actual dollar) summary and a real dollar (adjusted for CPI inflation) summary.

The **Nominal Table** shows the actual dollar amounts that are forecasted and recommended. This is useful for planning and setting reserve fund contributions. The strata corporation should follow the Nominal Cash Flow Table for setting reserve fund contributions.

The **Real Dollar Table** shows dollar amounts adjusted for inflation. This is useful for understanding the expenditures and contributions in terms of purchasing power. This table is not intended to be followed when setting reserve fund contributions: it is for illustration purposes only.

Please note the following definition.

Average Monthly Contribution per Unit

Each year's recommended contribution divided by twelve and divided by the total number of strata units. This represents an approximate monthly contribution, although actual contributions will vary depending on unit entitlement.

Nominal Cash Flow—Adequate Funding

The Emperor

Construction Inflation Rate	3.4%
Long-Term Interest Rate	2.3%
Inflation Rate (CPI)	1.6%

Fiscal Year End	Opening Balance	Annual Contribution	Avg Monthly Contribution per Unit	Special Assessments	Interest Income	Projected Expenditures	Closing Balance
2024	58,049	5,500	23	-	1,267	2,960	61,855
2025	61,855	15,000	63	108,714	-	185,570	-
2026	-	22,200	93	78,321	-	100,521	-
2027	-	29,400	123	65,681	-	95,081	-
2028	-	35,400	148	-	-	17,819	17,581
2029	17,581	41,400	173	521,682	-	580,663	-
2030	-	46,200	193	-	-	7,058	39,142
2031	39,142	51,000	213	-	900	-	91,042
2032	91,042	55,800	233	-	1,958	5,926	142,874
2033	142,874	60,600	253	-	3,107	7,803	198,778
2034	198,778	65,400	273	-	3,107	63,670	203,615
2035	203,615	69,000	288	-	4,683	-	277,298
2036	277,298	72,600	303	-	6,179	8,626	347,452
2037	347,452	76,200	318	-	7,991	-	431,644
2038	431,644	78,791	328	-	9,928	-	520,362
2039	520,362	81,470	339	-	7,207	207,031	402,007
2040	402,007	84,240	351	-	6,800	106,375	386,671
2041	386,671	87,104	363	-	8,454	19,102	463,128
2042	463,128	90,065	375	-	10,409	10,542	553,060
2043	553,060	93,128	388	-	11,115	69,819	587,483
2044	587,483	96,294	401	-	11,984	66,418	629,343
2045	629,343	99,568	415	-	12,675	78,258	663,328
2046	663,328	102,953	429	-	9,899	232,954	543,226
2047	543,226	106,454	444	-	7,200	230,175	426,705
2048	426,705	110,073	459	-	5,256	198,164	343,870
2049	343,870	113,816	474	-	6,946	41,887	422,744
2050	422,744	117,685	490	-	8,868	37,183	512,115
2051	512,115	121,687	507	-	8,359	148,692	493,468
2052	493,468	125,824	524	-	10,552	34,677	595,166
2053	595,166	130,102	542	-	13,689	-	738,957
2054	738,957	134,525	561	-	7,746	402,164	479,065

All values in $CAD

Real Dollar Cash Flow—Adequate Funding

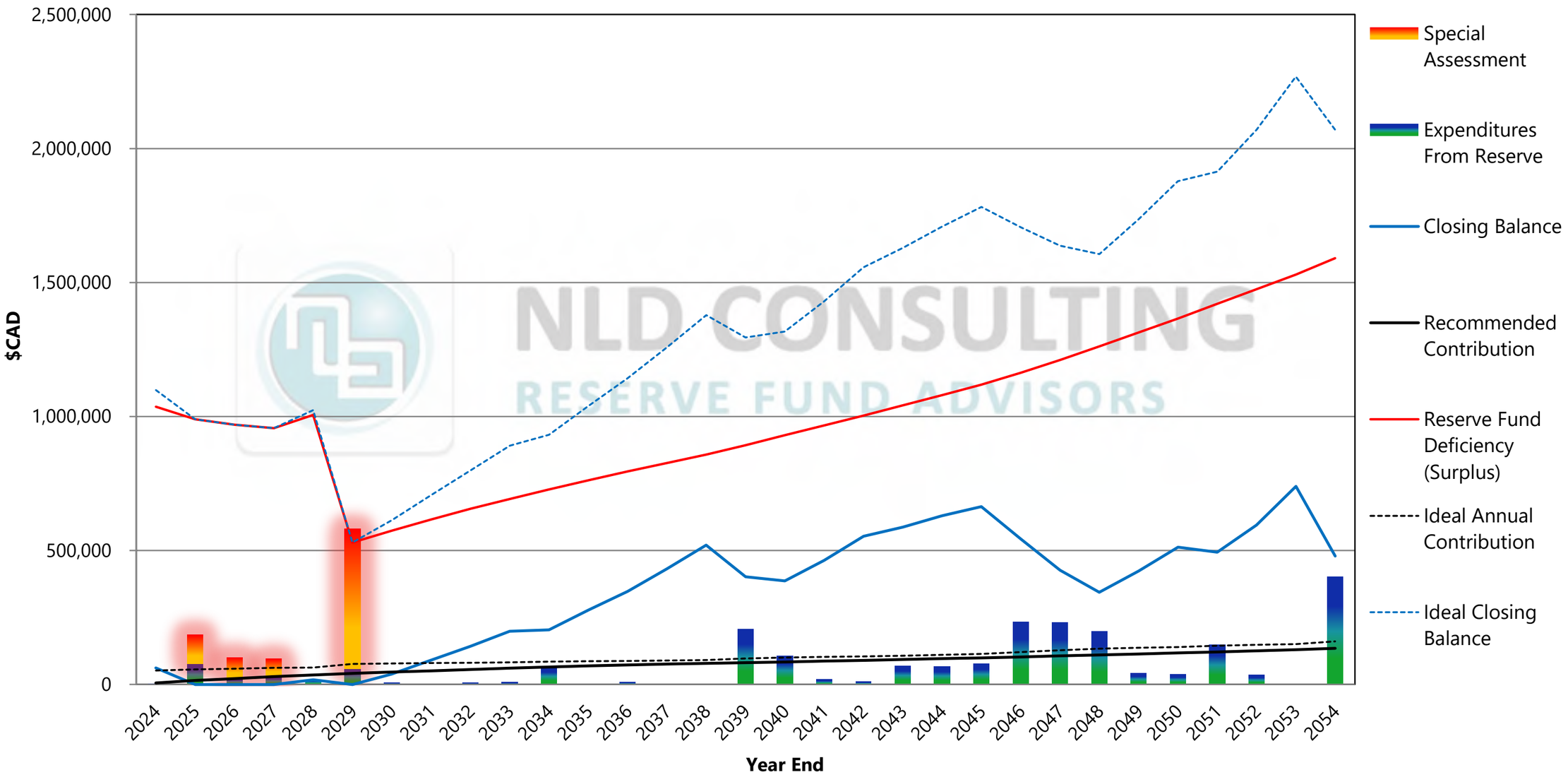
The Emperor

Construction Inflation Rate	3.4%
Long-Term Interest Rate	2.3%
Inflation Rate (CPI)	1.6%

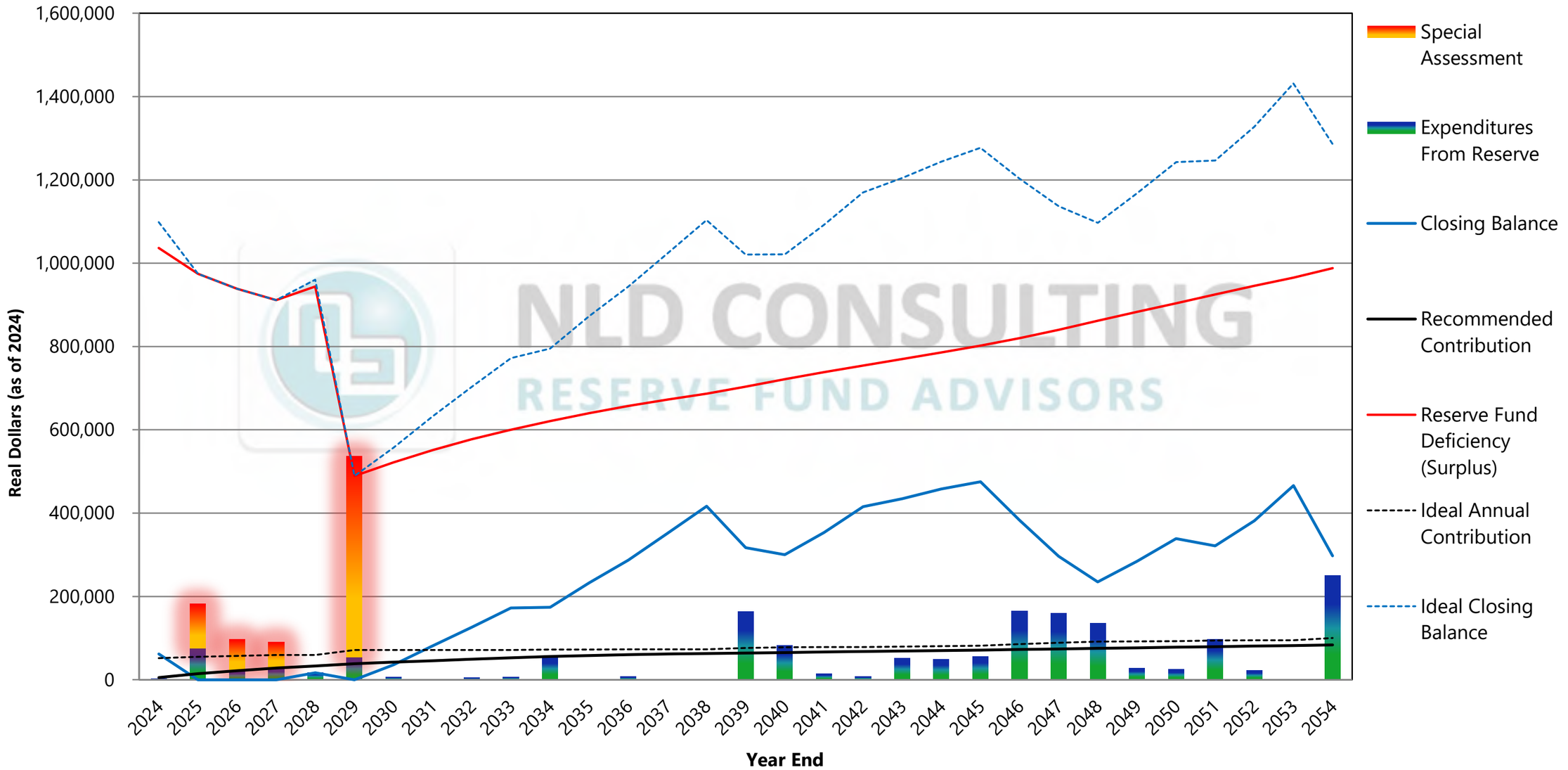
Fiscal Year End	Opening Balance	Annual Contribution	Avg Monthly Contribution per Unit	Special Assessments	Interest Income	Projected Expenditures	Closing Balance
2024	58,049	5,500	23	-	1,267	2,960	61,855
2025	60,881	14,764	62	107,002	-	182,647	-
2026	-	21,506	90	75,874	-	97,380	-
2027	-	28,033	117	62,626	-	90,659	-
2028	-	33,222	138	-	-	16,723	16,499
2029	16,239	38,241	159	481,878	-	536,359	-
2030	-	42,003	175	-	-	6,417	35,586
2031	35,026	45,637	190	-	806	-	81,468
2032	80,185	49,146	205	-	1,724	5,220	125,835
2033	123,854	52,533	219	-	2,693	6,764	172,315
2034	169,602	55,801	233	-	2,651	54,325	173,729
2035	170,994	57,945	241	-	3,933	-	232,872
2036	229,204	60,008	250	-	5,108	7,130	287,191
2037	282,668	61,992	258	-	6,501	-	351,162
2038	345,632	63,090	263	-	7,950	-	416,672
2039	410,110	64,208	268	-	5,680	163,166	316,831
2040	311,842	65,346	272	-	5,274	82,516	299,946
2041	295,222	66,503	277	-	6,455	14,584	353,596
2042	348,028	67,682	282	-	7,822	7,922	415,610
2043	409,065	68,881	287	-	8,221	51,641	434,525
2044	427,682	70,101	292	-	8,725	48,352	458,156
2045	450,941	71,343	297	-	9,082	56,074	475,292
2046	467,807	72,607	303	-	6,981	164,289	383,106
2047	377,073	73,893	308	-	4,998	159,773	296,191
2048	291,527	75,202	313	-	3,591	135,387	234,934
2049	231,234	76,535	319	-	4,671	28,166	284,273
2050	279,796	77,891	325	-	5,869	24,610	338,946
2051	333,608	79,271	330	-	5,445	96,863	321,461
2052	316,399	80,675	336	-	6,766	22,234	381,605
2053	375,596	82,104	342	-	8,639	-	466,339
2054	458,995	83,559	348	-	4,811	249,799	297,566

All values in $CAD, adjusted for CPI inflation

Adequate Funding Schedule



Adequate Funding Schedule (Real Dollars)



5.5 Deficiency Analysis

The Deficiency Analysis focuses on the current fiscal year. It is a comparison between the actual reserve fund balance and the Benchmark Analysis.

The Benchmark Analysis indicates how much money would be in the reserve fund if the strata corporation had contributed the same amount each year (taking interest and inflation into account), leaving the strata on pace to fully fund each component. Thus, the deficiency is the amount of money the strata corporation will raise before the end of the building's economic life.

It is important to realize that most strata corporations in British Columbia will show a benchmark deficiency in their funding to varying degrees. This is typical of reserve fund balances. The deficiency can be resolved through special assessments, higher contributions than the ideal annual contributions, and/or getting longer lifespans on the components than predicted. The contributions for each component go into one fund, so the strata corporation can often maintain a deficiency without special assessments indefinitely by "borrowing" money from newer components to pay for the replacement of older ones.

Please note the following definitions associated with the table on the next page:

Budgeted Reserve Fund Contribution

The approved annual contribution to the reserve fund.

Special Assessments

An estimation of the amount collected and to be collected on top of the Current Budgeted Reserve Fund Contribution, as a one-time fee.

Estimated Expenditures

Costs incurred and expected to be incurred on reserve fund components.

Estimated Reserve Fund Deficiency

The difference between the reserve fund's closing balance and the Benchmark's Closing Balance

Deficiency/Contribution Quotient

A stable measure of reserve fund performance. See below for details.

Deficiency Analysis

The Emperor
For the current fiscal year, Jul 2023–Jun 2024

Deficiency Calculation

Opening Balance	**$**	**58,049**
Budgeted Reserve Fund Contribution	$	5,500
Special Assessments	$	-
Transfers to (from) the Reserve Fund	$	-
Other Income	$	-
Interest Income	$	1,267
Less: Estimated Expenditures	$	2,960
Projected Closing Balance	**$**	**61,855**
Less: Ideal Closing Balance	$	1,098,560
Estimated Reserve Fund Deficiency	**$**	**1,036,704**

DCQ Calculation

1,036,704 / (5,500+1,267)	
Deficiency / Contribution Quotient	**153.2**

Deficiency/Contribution Quotient (DCQ)

The DCQ is a funding score for a given year. It is a stable measurement of the relative size of your contributions compared to your reserve fund deficiency. A strata corporation that is prioritizing reserve fund contributions will see a decreasing DCQ, though their deficiency may be increasing. A strata corporation with no deficiency has a DCQ of zero. Essentially, the DCQ measures how much effort is being made to save for future reserve fund expenditures.

This formula is simply a given year's closing balance Deficiency including Outstanding Loan Balance, if any (D), divided by the same year's contributions, including interest (C), or D/C.

Here is a rough guide to discerning what this DCQ means for your reserve fund.

DCQ greater than 40

Indicative of a strata corporation that has not prioritized reserve fund contributions—though it is still possible that they proactively maintain their building through different funding methods.

DCQ between 15 and 40

Normal for strata corporations that have begun to prioritize their reserve fund contributions within the last handful of years. It is also normal for corporations that have not had much time to accumulate a deficiency.

DCQ between 0 and 15

Relatively stable and unlikely to need emergency funding, though it is still possible to incur a special assessment with a low DCQ.

DCQ equals 0

The reserve is fully funded at its ideal Benchmark balance. This is also the development's position at the exact beginning and end of its economic life.

DCQ less than 0

The reserve fund is overfunded and, while very stable, should move towards a DCQ of zero to place greater emphasis on the equity of reserve contributions year-to-year.

The DCQ is not affected by location, time, or building type, and is useful for comparing buildings with themselves over time and with other buildings. However, most reserve consultants use differing methodology, assumptions, and algorithms when developing their funding plans, particularly when calculating deficiency. Thus, the DCQ should only be used to compare different strata corporations when their depreciation report has been conducted by the same firm using the same methodology.

6. Recommendations

NLD Consulting – Reserve Fund Advisors' recommendations, set out below and detailed in this report, will assist the corporation to achieve and maintain an adequate reserve fund.

1. The strata corporation is under no obligation to follow the recommendations in this report.
2. The strata corporation should prepare and implement a long-term reserve fund strategy.
3. Major repairs and replacements should be recorded in, and funded from, a reserve fund account. Reserve expenditures should be recorded in the general ledger using individual ledger codes for each component.
4. The reserve fund contribution should be increased to $15,000 per annum in the year Jul 2024–Jun 2025, and thereafter by the recommendations in section 5.2 each subsequent year.
5. The reserve fund should be fully invested in guaranteed long-term securities per the strata property act, at the maximum available rate.
6. The strata corporation should make such expenditures as necessary to maintain the property in optimum condition.
7. The strata corporation should review this report every year to ensure that the underlying assumptions are still valid and that the estimates remain current.
8. The strata corporation should update the depreciation report at least every three years, as per the regulations of the strata property act, unless future regulation requires an alternate schedule of updates.

Appendix A—Qualifications

Terry Dowle, AACI, P.App., RI, CRP

NLD Consulting – Reserve Fund Advisors

Education

Langara Community College
- Realty Appraisal Program 1989
- Real Estate Management 1989
- Real Estate Sales and Marketing 1991
- Business Communications 1995

University of British Columbia, Faculty of Commerce – Real Estate Division
- Advanced Real Estate Management 1997
- Real Estate Agent (9.15) 1997

University of British Columbia, Sauder School of Business
- BUSI – Foundations of Real Estate Appraisal 2005

Real Estate Institute of Canada
- Certified Reserve Planner Program 2011
- Ethics and Business Practice Curriculum 2011

Designations and Certificates

- Certified Reserve Planner – Real Estate Institute of Canada 2011
- RI - Real Estate Institute of British Columbia 1998
- Agent 9.15 – Real Estate Council of British Columbia 1998
- AACI – Accredited Appraiser of the Canadian Institute 1995
- P.App. – Professional Appraiser 1995
- Sales Agent – Real Estate Council of British Columbia 1994

Professional Experience

Royal LePage – Commercial Appraisal Division 1989 – 1991
- Real Estate Consulting and Appraisal of IC&I properties

Campbell & Pound (1961) Ltd. 1991 – 1996
- Real Estate Consulting and Appraisal of IC&I properties

Niemi LaPorte & Dowle Appraisals Ltd. 1996 – Present
- Real Estate Consulting and Appraisal of IC&I properties
- Management of Staff
- Development of Business

Niemi LaPorte & Dowle Whistler Appraisal Group Ltd. 1999 – Present
- Real Estate Consulting and Appraisal of IC&I properties
- Management of Staff
- Development of Business

Niemi LaPorte & Dowle Appraisals Victoria 2011 – Present
Real Estate Consulting and Appraisal of IC&I properties
Management of Staff
Development of Business

NLD Consulting – Reserve Fund Advisors 2011 – Present
Depreciation Report Consulting
Management of Staff
Development of Business

Publications & Volunteer Services

AIC – National 2021 – Current
AIC-BC Representative
Admissions and Accreditation Committee

Appraisal Institute of Canada – BC Board 2013 – 2021
Past President & Governance Chair (2020-2021)
Past – President (2019-2020)
Past - Provincial Representative – Recruitment & Retention Chair
Past - Provincial Representative – Professional Development Chair
Past - 1st Vice President & Finance Chair

Vancouver Chapter Executive – AIC-BC 2001 – 2021
Past as Chair for 3 years
Past Secretary for 10 years
Provincial Representative

Seminar Presenter – Langara Community College 2002
Valuation of Leaky Condo's

Provincial Board of Examiners - BCAIC 2003 – Present
Designated interviewer – BDI/STARS

Real Estate Institute of Canada – REIC 2013 - 2016
CRP Steering committee
Education and Experience Chair

Real Estate Board of Greater Vancouver
Author and Instructor
Understanding Depreciation Reports for REALTORS 2016 – Current

Market Valuation and Adjustments for REALTORS	2018 – Current

Memberships

Professional Association of Managing Agents	2010 – Present
Condominium Home Owners Association	2010 – Present
Strata Property Agents of BC	2010 – Present
Expropriation Association of BC.	2010 – Present
Real Estate Institute of Canada	2010 – Present
Mortgage Investment Brokers Association of BC.	2008 – Present
Real Estate Institute of BC	1998 – Present
Mortgage Brokers Association of BC.	1998 – Present
Appraisal Institute of Canada	1989 – Present

Court Experience

Supreme Court of British Columbia
Assessment Appeal Board of BC
Court of Revision

Depreciation Report/Reserve Fund Study Clients

24/7 Strata Management
Ascent Management Real Estate Corp.
AWM Alliance Real Estate Group Ltd.
Bayside Property Services Ltd.
Baywest Management Corp.
BC Housing
Bradshaw Strata Management Ltd.
Brydges Property Management
C & C Property Group Ltd.
Citybase Management Ltd.
Colyvan Pacific Real Estate Management Services Ltd.
Crossroads Management Ltd.
Dodwell Realty and Strata Management Ltd.
Dorset Realty Group Canada Ltd.
Fairfax Management
FirstService Residential
Globe Property Management
Homelife Peninsula Property Management
Hutton Condominium Services Ltd.
I.J.M. Properties Ltd.
Imperial Properties Corp.
iStrata Property
Leonis Management & Consultants Ltd.
Maple Leaf 1st Realty Ltd.
Martello Property Services Inc.
Northwest Strata Management
Ocean Bay Management Ltd.
Pacific Quorum Properties Inc.
Pacifica First Management Ltd.
Paragon Realty Corp.
Peterson Group
Polygon Ltd.
Profile Properties Ltd.
R. Jang & Associates Ltd.
Rancho Management Services (BC) Ltd.
Re/Max Property Management Services
Richmond Caring House (Non-profit)
Self-Managed Condominiums/Stratas
Stevenson Management Services Ltd.
The Wynford Group
Trilogy Management Services Ltd.
Winnipeg Rentals Inc.
WRM Strata Management & Real Estate Services Ltd.

Appendix B—Assumptions and Limiting Conditions

The legal and survey descriptions of the property as stated herein are those which are recorded by the Registrar of the requisite Land Titles Office and are assumed to be correct. Further, the strata bylaws and architectural plan provided must be assumed to be correct and complete, as must any financial statements, AGM and/or SGM minutes, and budgets.

The architectural, structural, mechanical, electrical and other plans and specifications of the building or buildings and improvements were provided in whole or in part (as available) for this study. Furthermore, all buildings and improvements are deemed to have been constructed and finished in accordance with such plans and specifications, unless otherwise noted.

Sketches, drawings, diagrams, photographs, if any, presented in this report are included for the sole purpose of illustration. No legal survey, soil tests, engineering investigations, detailed quantity survey compilations, nor exhaustive physical examinations have been made. Accordingly, no responsibility is assumed concerning these matters or other technical and engineering techniques, which would be required to discover any inherent or hidden condition of the property.

The reserve components were assessed visually. No intrusive or destructive testing, specialized imaging, or aerial inspections of elevated areas has been undertaken. The consultant(s) accept no liability for conditions not visible at the time of the building and site review. If further investigation of specific components is required by the client, the services of an expert specializing in the particular building system/component is recommended.

Measurements and quantities are taken either on-site during inspection as approximations or directly from plans where available. Where electronic plans/drawings are made available, quantity take-offs are completed using Planswift professional plan management software. The consultant(s) accept no liability for the use of dimensions taken from the above sources for the purposes of quantifying reserve components.

In order to arrive at supportable replacement cost estimates, it was found necessary to utilize both documented and other cost data. Current cost estimates are primarily based on the current year RSMeans Commercial Renovation Cost Data. This data is modified using percentage factors to reflect perceived local and site specific conditions and may also include a contingency factor based on the overall confidence in the costs relative to the specific component. Applicable taxes are included in these costs. The intent of these cost estimates is to generate a realistic planning guideline, and it is likely that actual costs will vary from this number based on several factors. These include the supply/demand of contractors at the time replacements occur as well as the potential for changes in construction methods and materials over time.

Reserve fund estimates are subjective, and they are based on an understanding of the life cycle of reserve components and our experience gained from observing buildings, with projections

made over a 30-year period. It must be appreciated that reserve fund budgeting and projections are not exact sciences. They are, at best, prudent provisions for all possible contingencies, if and when they arise. Reserve fund requirements are subject to change and must be reviewed and modified over time, at least every three years.

A concerted effort has been put forth to verify the accuracy of the information contained herein. Accordingly, the information is believed to be reliable and correct, and it has been gathered to standard professional procedures, but no guarantee as to the accuracy of the data is implied.

The consultant is not qualified to design specific repair, replacement or maintenance plans. Recommendations regarding repairs, replacements and maintenance are general in nature and are intended to provide guidance for long-range financial planning only. In all cases of major repairs or replacements, qualified design professionals should be retained to provide a specific design. In all cases, the maintenance directions provided by the manufacturer or installer of any specific component should be followed.

The estimates herein must not be extracted or used in conjunction with any other depreciation report and may be invalid if so used. Additionally, the BC Strata Property Act requires the strata to include a copy of the depreciation report, where applicable. The user is cautioned to request any copies of this report directly from the author to ensure the report is complete, current, and authentic. Electronic copies should include a digital signature of the author.

NLD Consulting uses Notarius™ Digital Signatures which are ISO 27001:2005 certified. No responsibility is accepted where a claim arises from a copy of this report which has either been distributed by a 3rd party, or is not originally or digitally signed.

The client to whom this report is addressed may use it in deliberations affecting the subject strata corporation only, and in so doing, the report must not be abstracted; it must be used in its entirety. Possession of this report or any copy thereof does not carry with it the right of publication nor may it be used for any purpose by anyone but the client without the written consent of the author, and in any event, only with the proper qualifications.

The consultant(s) are not liable for the failure of any sale to close, nor for any owner(s) failure to obtain financing, mortgage insurance, nor structure/contents insurance as a result of information contained in this report. The consultant(s) have no authority to compel any action on the part of the Strata Corporation and can accept no responsibility for the corporation's actions or failures to act.

All personal information supplied for the purposes of preparation of this report will remain within our organization and will not be shared with any external entity unless prior permission is given. Your personal information will not be sold, distributed or published in any manner whatsoever.

NLD Consulting – Reserve Fund Advisors takes privacy very seriously. We collect personal information to better serve our customers, for security reasons, and to provide customers and potential customers with information about our services. We would like to have a lifelong relationship of good service with our customers, and for that reason we may retain personal information provided for as long as necessary to provide our services and respect our obligations to governmental agencies and other third parties. The information will remain confidential to NLD Consulting, to businesses working for us, and to any organization that acquires part or all of our business, provided that they agree to comply with our privacy policy. By accepting our report, you are agreeing to maintain the confidentiality and privacy of any personal information contained herein and to comply in all material respects with the contents of our Privacy Policy.

The Personal Information Protection Act (PIPA) of British Columbia sets out requirements for how organizations may collect, use, disclose and secure personal information. The preparation of each report and/or retention of records is subject to the requirements of PIPA. Written authorization in advance must be requested to reproduce or use the report in any form by and means, graphic, electronic or mechanical, including photocopying, recording, typing or information storage and retrieval, which must be done in conformity with PIPA and the Privacy Policy. For further information on the Act, contact the office of the Information & Privacy Commissioner for British Columbia, or access the Act through the website: http://www.oipc.bc.ca/

The consultant(s) maintain a reasonable level of insurance relative to industry standards to cover errors and omissions with per-claim and per-year limits. The consultant(s) liability related to this report is limited to the maximum per-claim value available at the time a potential claim is made.

The agreed compensation for services rendered in preparing this report does not include fees for consultations and/or arbitrations, if any. Should personal appearances be required in connection with this report, additional fees will have to be negotiated. Unless otherwise noted, all estimates are expressed in Canadian currency.

Appendix C—Strata Property Act & Regulation Excerpt

Strata Property Act [SBC 1998] Chapter 43, Part 6, Division 1, Section 94: Depreciation Report

(1) In this section, "**qualified person**" has the meaning set out in the regulations.
(2) Subject to subsection (3), a strata corporation must obtain from a qualified person, on or before the following dates, a depreciation report estimating the repair and replacement cost for major items in the strata corporation and the expected life of those items:
    (a) For the first time,
        (i) December 14, 2013, in the case of a strata corporation that existed on December 14, 2011, or
        (ii) the prescribed date, in all other cases;
    (b) if the strata corporation has, before or after the coming into force of this section, obtained a depreciation report that complies with the requirements of this section, the date that is the prescribed period after the date on which that report was obtained;
    (c) if the strata corporation has, under subsection (3) (a), waived the requirement under this subsection to obtain a depreciation report, the date that is the prescribed period after the date on which the resolution waiving the requirement was passed.
(3) A strata corporation need not comply with the requirement under subsection (2) to obtain a depreciation report on or before a certain date if
    (a) The strata corporation, by a resolution passed by a 3/4 vote at an annual or special general meeting within the prescribed period, waives that requirement, or
    (b) The strata corporation is a member of a prescribed class of strata corporations.
(4) A depreciation report referred to in subsection (2) must contain the information set out in the regulations.

Strata Property Regulation [amended up to B.C. Reg. 68/2014, July 16, 2014] Part 6.2: Depreciation Report

(1) For the purposes of section 94 of the Act, a depreciation report must include all of the following:
    (a) a physical component inventory and evaluation that complies with subsection (2);
    (b) a summary of repairs and maintenance work for common expenses respecting the items listed in subsection (2) (b) that usually occur less often than once a year or that do not usually occur;
    (c) a financial forecasting section that complies with subsection (3);
    (d) the name of the person from whom the depreciation report was obtained and a description of
        (i) that person's qualifications,

(ii) the error and omission insurance, if any, carried by that person, and

(iii) the relationship between that person and the strata corporation;

(e) the date of the report;

(f) any other information or analysis that the strata corporation or the person providing the depreciation report considers appropriate.

(2) For the purposes of subsection (1) (a) and (b) of this section, the physical component inventory and evaluation must

(a) be based on an on-site visual inspection of the site and, where practicable, of the items listed in paragraph (b) conducted by the person preparing the depreciation report,

(b) include a description and estimated service life over 30 years of those items that comprise the common property, the common assets and those parts of a strata lot or limited common property, or both, that the strata corporation is responsible to maintain or repair under the Act, the strata corporation's bylaws or an agreement with an owner, including, but not limited to, the following items:

(i) the building's structure;

(ii) the building's exterior, including roofs, roof decks, doors, windows and skylights;

(iii) the building's systems, including the electrical, heating, plumbing, fire protection and security systems;

(iv) common amenities and facilities;

(v) parking facilities and roadways;

(vi) utilities, including water and sewage;

(vii) landscaping, including paths, sidewalks, fencing and irrigation;

(viii) interior finishes, including floor covering and furnishings;

(ix) green building components;

(x) balconies and patios, and

(c) identify common property and limited common property that the strata lot owner, and not the strata corporation, is responsible to maintain and repair.

(3) For the purposes of subsection (1) (c), the financial forecasting section must include

(a) the anticipated maintenance, repair and replacement costs for common expenses that usually occur less often than once a year or that do not usually occur, projected over 30 years, beginning with the current or previous fiscal year of the strata corporation, of the items listed in subsection (2) (b),

(b) a description of the factors and assumptions, including interest rates and rates of inflation, used to calculate the costs referred to in paragraph (a),

(c) a description of how the contingency reserve fund is currently being funded,

(d) the current balance of the contingency reserve fund minus any expenditures that have been approved but not yet taken from the fund, and

(e) at least 3 cash-flow funding models for the contingency reserve fund relating to the maintenance, repair and replacement over 30 years, beginning with the current or previous fiscal year of the strata corporation, of the items listed in subsection (2) (b).

(4) For the purposes of subsection (3) (e), the cash flow funding models may include any one or more of the following:

(a) balances of, contributions to and withdrawals from the contingency reserve fund;

(b) special levies;

(c) borrowings.

(5) If a strata corporation contributes to the contingency reserve fund based on a depreciation report, the contributions in respect of an item become part of the contingency reserve fund and may be spent for any purpose permitted under section 96 of the Act.

(6) For the purposes of section 94 (1) of the Act, **"qualified person"** means any person who has the knowledge and expertise to understand the individual components, scope and complexity of the strata corporation's common property, common assets and those parts of a strata lot or limited common property, or both, that the strata corporation is responsible to maintain or repair under the Act, the strata corporation's bylaws or an agreement with an owner and to prepare a depreciation report that complies with subsections (1) to (4).

(7) The following periods are prescribed:

(a) for the purposes of section 94 (2) (b) of the Act, 3 years;

(b) for the purposes of section 94 (2) (c) of the Act, 18 months;

(c) for the purposes of section 94 (3) (a) of the Act, the one year period immediately preceding the date on or before which the depreciation report is required to be obtained.

A strata corporation is prescribed for the purposes of section 94 (3) (b) of the Act if and for so long as there are fewer than 5 strata lots in the strata plan.

Appendix D—Sections

Sections

In some jurisdictions, strata corporations can be split into legally distinct sections with each section representing the interests of its respective members. A section operates independent of other sections in matters that relate solely to the section. Each section can elect a council while the strata council administers functions which relate to the operations of the entire strata corporation.

Only specific and distinct types of lots can form sections, such as residential and non-residential lots comprising a single corporation, or non-residential lots of a single corporation that are used for significantly different purposes. Residential lots may only divide into apartments, townhouses, and detached houses.

If a strata corporation is operating under several sections, this report prepares a unique forecast and budget for each section, as well as one for any combination of sections that have shared responsibility for the components described within this report. This helps each section budget independently of the others as they see fit. If the strata corporation could benefit from operating under separate sections we will recommend that to the client, but we will prepare our report in conjunction with current practices so that it is practical to implement.

With respect to matters relating solely to one section, the section is a corporation and has the same powers as the strata corporation to:

- Establish its own operating fund and reserve fund for common expenses of the section, including expenses relating to limited common property designated for the exclusive use of all the lots in that section.
- Prepare a section budget and require section owners to pay fees and special levies for expenditures authorized by the section.
- Enter contracts in the name of the section.
- Sue or arbitrate in the name of the section.
- Acquire and dispose of land and other property in the name of or on behalf of the section.
- Enforce bylaws, regulations, and rules.

Separate sections within a strata corporation may establish their own operating fund and reserve fund for common expenses that relate exclusively to that section.

Appendix E—Reserve Component Descriptions and Analyses

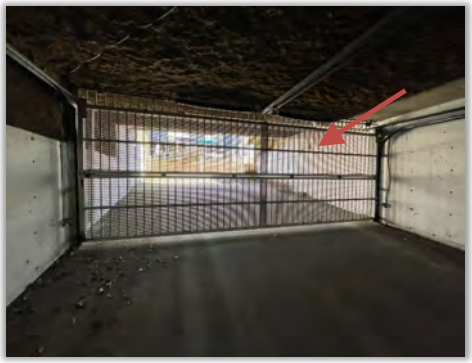
Component Page Index

Component 1		Substructure and Underground Garage
		
Description	This component accounts for major repairs to the below-grade portions of the property. This includes the foundation walls and parkade: the footings, basement floors, walls, parkade ceilings, columns, and courtyard membrane.	
	Quantity	1 Allowance
	Current Job Cost	$58,685
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	Strata reports additional support columns were installed in 1999.
	Dollars Spent	$77,000
Life Cycle Analysis	**Expected Lifespan**	50 years (Budget Provision)
	Effective Age	35 years
	Remaining Lifespan	15 years
Funding Analysis	**Work**	Non-structural cracks can sometimes be injected with a sealant. We have budgeted for periodic structural stabilization work, spot replacement of damaged concrete, underdrain repairs, waterproofing, and membrane replacement. This includes excavation and compacted backfilling.
	Budget	A budget equal to 10% of the estimated total cost is provided for significant expenditures every 50 years.
Potential Deterioration	One of the most common problems with the substructure is cracking. Water and road salt can penetrate the surface of the concrete to the rebar. Hydraulic pressure caused by poor drainage and shifting could also cause concrete cracking. The membrane can be damaged by cracked concrete, wear and tear, and material breakdown due to age.	
Suggested Maintenance	Regular visual inspection of the walls, columns, and slab edges for signs of cracking, damage, spalling, efflorescence, debris collection, and grading that slopes towards the foundation walls. Regular application of waterproof membranes, chloride extraction, re-alkalisation, and crack repair may extend the substructure's life.	

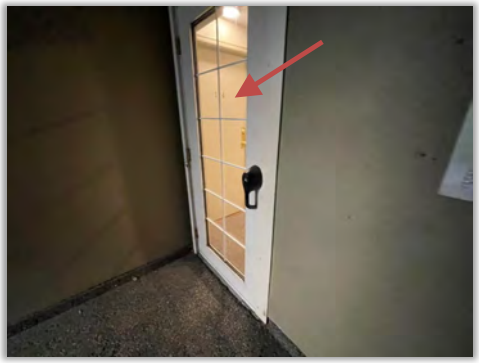
Component 2		Wall Assemblies - Stucco Siding
		
Description	This component accounts for the stucco siding envelope system. This system includes the building frame, sheathing, building paper, insulation, and stucco siding.	
	Quantity	1 Allowance
	Current Job Cost	$184,060
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	The East side of the building was reclad in 1999 with a rainscreen solution.
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	40 years (Budget Provision)
	Effective Age	35 years
	Remaining Lifespan	5 years
Funding Analysis	**Work**	Remove and dispose of all or damaged stucco. Repair damaged building frame and sheathing. Replace building paper and insulation as needed. Install new stucco system, work-site clean up, and any special safety preparation and precautions as required.
	Budget	A budget equal to 50% of the estimated total cost is provided for significant expenditures every 40 years.
Potential Deterioration	Includes cracking, splitting, and water ingress caused by environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure. Contributing factors include physical damage, debris accumulation, moss, algae, and mold.	
Suggested Maintenance	Regular visual inspection of siding for impact damage, cracking, water ingress, debris build up, and environmental damages. Patch work, paint, clean, and caulk as required.	

Component 3		Wall Assemblies - Composite Siding
		
Description	This component accounts for the composite siding system. This system includes the building frame, sheathing, building paper, insulation, and the composite siding.	
	Quantity	1 Allowance
	Current Job Cost	$11,246
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	50 years (Budget Provision)
	Effective Age	35 years
	Remaining Lifespan	15 years
Funding Analysis	**Work**	Remove and dispose of all or damaged composite siding. Repair damaged building frame and sheathing. Replace building paper and insulation as needed. Install new composite system, work-site clean up, and any special safety preparation and precautions as required.
	Budget	A budget equal to 50% of the estimated total cost is provided for significant expenditures every 50 years.
Potential Deterioration	Includes cracking, chipping, peeling paint, and water ingress caused by environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure. Contributing factors include physical damage, debris accumulation, mold, and mildew.	
Suggested Maintenance	Regular visual inspection of siding for impact damage, cracking, chipping, peeling paint, water ingress, debris build up, and environmental damage. Clean, caulk, and repair as required.	

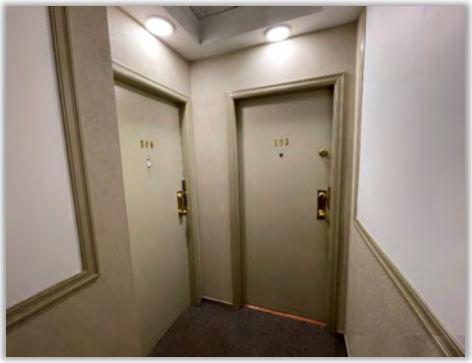
Component 4		Window Assemblies - Aluminum Frame
		
Description	This component accounts for the exterior aluminum-frame windows. This includes the frame, hardware, casing, and aluminum windows.	
	Quantity	1 Allowance
	Current Job Cost	$105,122
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	A number of window flashings were replaced and repair in 2015/2016 and 2017.
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	35 years (Budget Provision)
	Effective Age	30 years
	Remaining Lifespan	5 years
Funding Analysis	**Work**	Remove and dispose of damaged window assemblies, repairs to or replacement of the frame, casing, and hardware as required, and installation of new windows. Appropriate safety preparation and precautions as required.
	Budget	A budget equal to 50% of the estimated total cost is provided for significant expenditures every 35 years.
Potential Deterioration	Includes impact damage, failure or deterioration of the seals, failure of the opening mechanism, and wear-and-tear. Contributing factors include physical damage, seal deterioration, failed caulking, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure. Failure of the seals can cause fogging and moisture on the inner panes of the window.	
Suggested Maintenance	Regular visual inspection of the windows for signs of seal failure, water penetration, and impact damage. Clean, seal, caulk, and lubricate the tracks and hinges as required.	

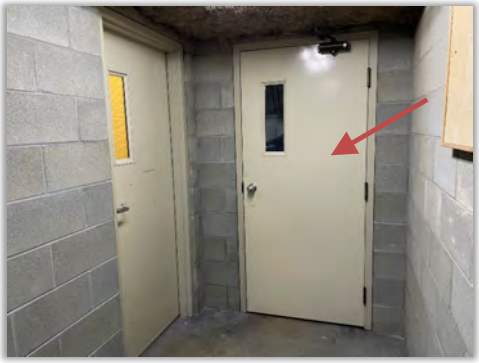
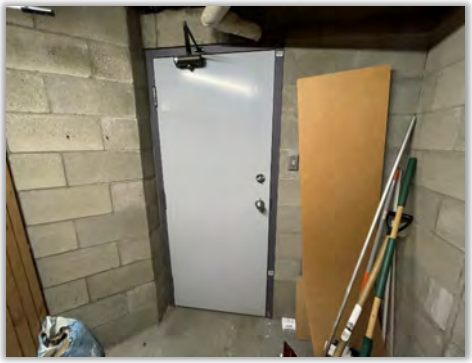
Component 5		Overhead Parkade Gate
		
Description	This component accounts for the parkade's entrance gate. This excludes the remote openers but includes the gate, operating mechanism, tracks, rollers, and associated hardware.	
	Quantity	1 Allowance
	Current Job Cost	$11,722
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	2016
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	22 years
	Effective Age	7 years
	Remaining Lifespan	15 years
Funding Analysis	**Work**	Remove and replace damaged or failed door components as required.
	Budget	We have allowed for a full replacement of this component every 22 years.
Potential Deterioration	Includes impact damage, wear-and-tear, electronic failure, mechanical failure, and water damage. Contributing factors include physical damage, debris accumulation, subsurface shifting, and damage from environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection of the door and tracks/rollers. Lubricate and clean as required.	

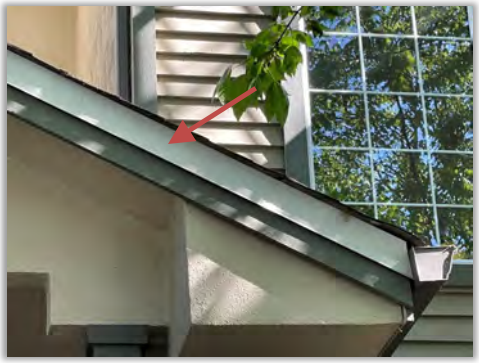
Component 6		Exterior Door Assemblies - Metal
		
Description	This component accounts for the common-element exterior metal doors. This includes the doors and all associated hardware.	
	Quantity	1 Allowance
	Current Job Cost	$2,735
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	40 years (Budget Provision)
	Effective Age	25 years
	Remaining Lifespan	15 years
Funding Analysis	**Work**	Remove and replace damaged door system components as required or desired.
	Budget	A budget equal to 25% of the estimated total cost is provided for significant expenditures every 40 years.
Potential Deterioration	Includes impact damage, misalignment, failure to latch, corrosion, fading, warping, and other aesthetic degradation. Contributing factors include excessive force, wear-and-tear, physical damage, subsurface shifting, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection of the door and hardware. Clean and paint as required.	

Component 7		Exterior Door Assemblies - Metal and Glass
		
Description	This component accounts for the common-element exterior metal-and-glass doors. This includes the doors, glass lites, frames, and all associated hardware.	
	Quantity	1 Allowance
	Current Job Cost	$3,191
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	30 years
	Effective Age	25 years
	Remaining Lifespan	5 years
Funding Analysis	**Work**	Remove and replace damaged door system components as required or desired.
	Budget	We have allowed for a full replacement of this component every 30 years.
Potential Deterioration	Includes impact damage, glass breakage, seal failure, misalignment, failure to latch, corrosion, fading, warping, and other aesthetic degradation. Contributing factors include wear-and-tear, physical damage, excessive force, subsurface shifting, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection of the door and hardware. Clean and seal/paint as required.	

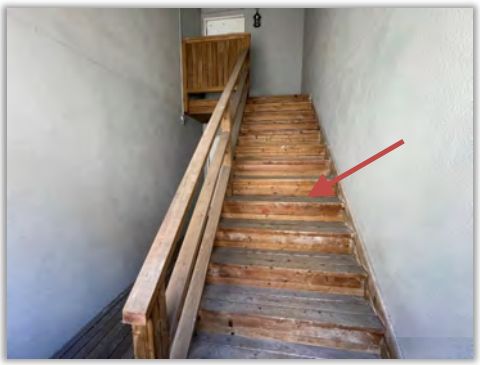
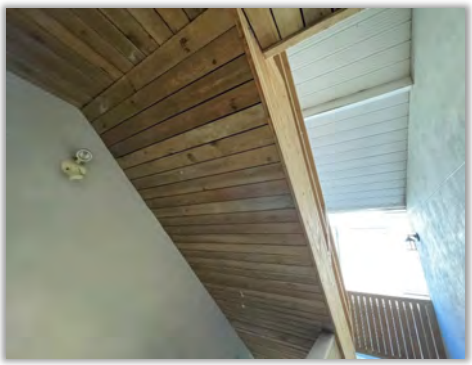
Component 8		Exterior Door Assemblies - Sliding
		
Description	This component accounts for the common-element sliding glass doors. This includes the doors, glass, and all associated hardware. Each sliding door system is counted as one opening for the purposes of this report.	
	Quantity	1 Allowance
	Current Job Cost	$52,232
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	30 years
	Effective Age	25 years
	Remaining Lifespan	5 years
Funding Analysis	**Work**	Remove and replace damaged door system components as required or desired.
	Budget	We have allowed for a full replacement of this component every 30 years.
Potential Deterioration	Includes impact damage, glass breakage, seal failure, misalignment, roller failure, denting, and other aesthetic degradation. Contributing factors include wear-and-tear, physical damage, excessive force, subsurface shifting, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection of the door and hardware. Clean, lubricate, and seal/paint as required.	

Component 9		Interior Door Assemblies - Wood
		
Description	This component accounts for the common-element interior wooden doors. This includes the doors, frames, and all associated hardware.	
	Quantity	1 Allowance
	Current Job Cost	$5,164
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	35 years (Budget Provision)
	Effective Age	25 years
	Remaining Lifespan	10 years
Funding Analysis	**Work**	Remove and replace damaged door system components as required or desired.
	Budget	A budget equal to 25% of the estimated total cost is provided for significant expenditures every 35 years.
Potential Deterioration	Includes impact damage, misalignment, failure to latch, and aesthetic degradation. Contributing factors include wear-and-tear, physical damage, excessive force, and subsurface shifting.	
Suggested Maintenance	Regular visual inspection of the door and hardware. Clean and paint as required.	

Component 10		Interior Door Assemblies - Metal
		
Description	This component accounts for the common-element interior metal doors. This includes the doors, frames, and all associated hardware.	
	Quantity	1 Allowance
	Current Job Cost	$1,849
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	40 years (Budget Provision)
	Effective Age	25 years
	Remaining Lifespan	15 years
Funding Analysis	**Work**	Remove and replace damaged door system components as required or desired.
	Budget	A budget equal to 25% of the estimated total cost is provided for significant expenditures every 40 years.
Potential Deterioration	Includes impact damage, misalignment, failure to latch, and aesthetic degradation. Contributing factors include wear-and-tear, physical damage, excessive force, and subsurface shifting.	
Suggested Maintenance	Regular visual inspection of the door and hardware. Clean and paint as required.	

Component 11		Fascia Board and Trim - Wood
		
Description	This component accounts for the common-element wooden fascia board and trim.	
	Quantity	1 Allowance
	Current Job Cost	$14,618
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	25 years (Budget Provision)
	Effective Age	20 years
	Remaining Lifespan	5 years
Funding Analysis	**Work**	Remove and replace damaged elements as required or desired. Appropriate safety preparation and precautions as required.
	Budget	A budget equal to 50% of the estimated total cost is provided for significant expenditures every 25 years.
Potential Deterioration	Includes impact damage, water damage, and deterioration. Contributing factors include physical damage, insufficient paint and caulking, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection. Clean, paint, and caulk as required.	

Component 12		Caulking
		
Description	This component accounts for the common-element caulking found around the windows, exterior doors, and some trim.	
	Quantity	1 Allowance
	Current Job Cost	$6,928
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	2006
	Work Completed	Caulking undertaken as part of the remedial siding work in 2006.
	Dollars Spent	$46,500 including painting
Life Cycle Analysis	**Expected Lifespan**	18 years (Budget Provision)
	Effective Age	17 years
	Remaining Lifespan	1 year
Funding Analysis	**Work**	Remove and replace failed caulking as required. Appropriate safety preparation and precautions as required.
	Budget	A budget equal to 50% of the estimated total cost is provided for significant expenditures every 18 years.
Potential Deterioration	Includes hardening, cracking, shrinking, and powdering of the caulking surface. Contributing factors include environmental factors such as temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual and tactile inspection of the exterior caulking. Replace as required.	

Component 13		Stairs - Exterior Wood
		
Description	This component accounts for the exterior stair system. This includes the support posts, stringers, tread, landings, railing system, and associated hardware.	
	Quantity	1 Allowance
	Current Job Cost	$7,153
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	35 years (Budget Provision)
	Effective Age	10 years
	Remaining Lifespan	25 years
Funding Analysis	**Work**	Replace or repair damaged stair components as required.
	Budget	A budget equal to 40% of the estimated total cost is provided for significant expenditures every 35 years.
Potential Deterioration	Includes impact damage, cracking, splitting, warping, water damage, infestation, and wear-and-tear. Contributing factors include physical damage, subsurface shifting, debris accumulation, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection of stairs for sinking, rot, cracks, shuddering, loose railings, water damage, and infestation. Clean, seal/paint, and repair as required.	

Component 14		Balcony Construction - Wood
		
Description	This component accounts for typical repairs to the common-element balcony structure. This includes repairs to the beams and girders, framing joists, beam-to-girder saddles, subfloor, and associated hardware.	
	Quantity	1 Allowance
	Current Job Cost	$100,670
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	2015
	Work Completed	Council reports the balconies were remediated in 2015 at a cost of $396,000.
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	30 years
	Effective Age	8 years
	Remaining Lifespan	22 years
Funding Analysis	**Work**	Remove and replace failed structural elements as required. Appropriate safety preparation and precautions as required.
	Budget	We have allowed for a full replacement of this component every 30 years.
Potential Deterioration	Includes impact damage, water damage, and infestation. Contributing factors include physical damage, failed caulking or seals, failed balcony membrane, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection of balcony for debris build-up, water damage, and infestation. Seal, clean, caulk, and repair the membrane and flashing as required.	

Component 15		Balcony Railings
		
Description	This component accounts for the common-element balcony railing systems, including all associated fasteners and hardware.	
	Quantity	1 Allowance
	Current Job Cost	$33,800
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	2015
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	35 years (Budget Provision)
	Effective Age	8 years
	Remaining Lifespan	27 years
Funding Analysis	**Work**	Remove and replace failed balcony railings. Appropriate safety preparation and precautions as required.
	Budget	A budget equal to 50% of the estimated total cost is provided for significant expenditures every 35 years.
Potential Deterioration	Includes breakage, water damage, loosening of fasteners, wear-and-tear, and aesthetic degradation. Contributing factors include physical damage, debris accumulation, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular inspection of railings for debris build-up, impact damage, water damage, and loose fasteners. Clean, seal, and repair as required.	

Component 16		Soffits
		
Description	This component accounts for the soffits, also known as the eaves.	
	Quantity	1 Allowance
	Current Job Cost	$1,357
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	40 years (Budget Provision)
	Effective Age	20 years
	Remaining Lifespan	20 years
Funding Analysis	**Work**	Remove and replace damaged soffits. Appropriate safety preparation and precautions as required.
	Budget	A budget equal to 15% of the estimated total cost is provided for significant expenditures every 40 years.
Potential Deterioration	Includes impact damage, heat damage, water damage, fading, warping, and cracking. Contributing factors include physical damage and environmental factors such as extreme temperature changes, rain, snow, and wind exposure.	
Suggested Maintenance	Regular visual inspection for damage and missing sections. Clean and repair as required.	

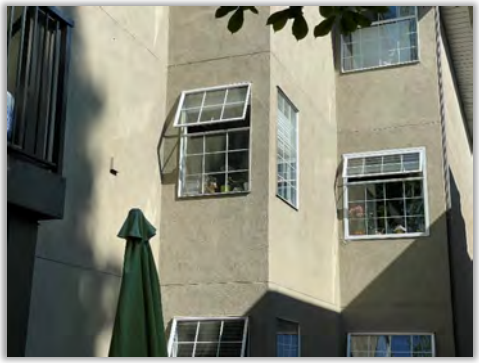
Component 17		Gutters and Downspouts
		
Description	This component accounts for the gutters (also referred to as "eavestroughs") and the downspouts.	
	Quantity	1 Allowance
	Current Job Cost	$7,609
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	35 years
	Effective Age	20 years
	Remaining Lifespan	15 years
Funding Analysis	**Work**	Remove and replace damaged gutters and downspouts as required. Appropriate safety preparation and precautions as required.
	Budget	We have allowed for a full replacement of this component every 35 years.
Potential Deterioration	Includes impact damage, seal failure, warping, and deterioration. Contributing factors include physical damage and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection. Clean, seal, and caulk as required.	

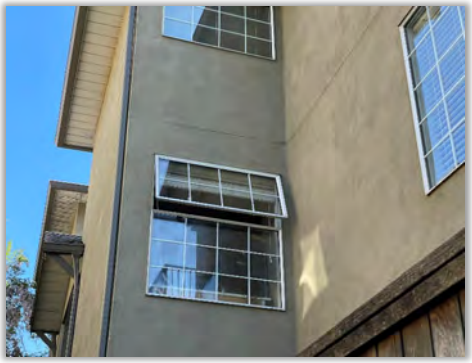
Component 18		Roof Assembly - Asphalt / Fiberglass Shingle
		
Description	This component accounts for the asphalt/fiberglass shingle roofing system. This includes the shingles, underlayment, flashing, and an allowance for replacement of damaged sheathing and roof-openings such as vents.	
	Quantity	1 Allowance
	Current Job Cost	$106,681
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	2002
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	22 years
	Effective Age	21 years
	Remaining Lifespan	1 year
Funding Analysis	**Work**	Remove and replace existing roofing assembly. Appropriate safety preparation and precautions as required.
	Budget	We have allowed for a full replacement of this component every 22 years.
Potential Deterioration	Includes curling, lifting, cracking, granule-loss, water damage, and wear-and-tear. Contributing factors include physical damage, debris accumulation, algae accumulation, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection of roof for water damage, debris accumulation, and shingle deterioration. Clean and repair as required.	

Component 19		Roof Assembly - Two Ply Membrane
		
Description	This component accounts for the two-ply membrane roofing system. This includes the membrane, insulation, flashing, and an allowance for replacement of roof-openings such as vents.	
	Quantity	1 Allowance
	Current Job Cost	$83,049
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	22 years
	Effective Age	20 years
	Remaining Lifespan	2 years
Funding Analysis	**Work**	Remove and replace existing roofing assembly. Appropriate safety preparation and precautions as required.
	Budget	We have allowed for a full replacement of this component every 22 years.
Potential Deterioration	Includes punctures, impact damage, water damage, cracking, bubbling, and wear-and-tear. Contributing factors include physical damage, debris accumulation, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection of roof for leaks, cracking, bubbling, and debris accumulation. Clean and repair as required. Keep foot traffic to a minimum.	

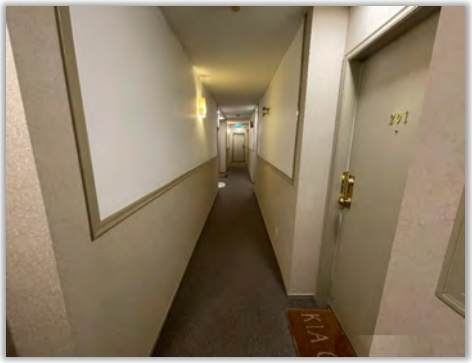
Component 20		Roof Access Hatch
		
Description	This component accounts for the roof access hatch. This includes the cover, hatch, curb, and insulation.	
	Quantity	1 Allowance
	Current Job Cost	$2,960
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	35 years
	Effective Age	35 years
	Remaining Lifespan	0 years
Funding Analysis	**Work**	Remove and replace existing hatch assembly. Appropriate safety preparation and precautions as required.
	Budget	We have allowed for a full replacement of this component every 35 years.
Potential Deterioration	Includes impact damage, corrosion, seal/curb deterioration, hinge/spring deterioration, opening-mechanism failure, and water damage. Contributing factors include physical damage, wear-and-tear, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection for leaks, corrosion, and mechanism deterioration. Clean, tighten, lubricate, and repair as required.	

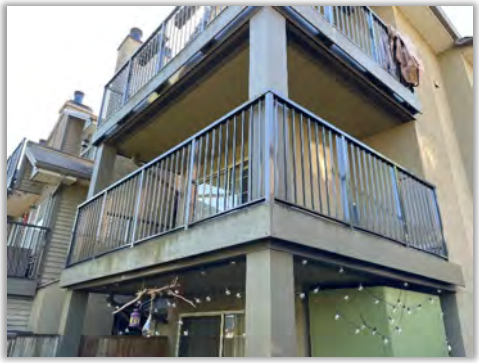
Component 21		Exterior Finishes - Paint

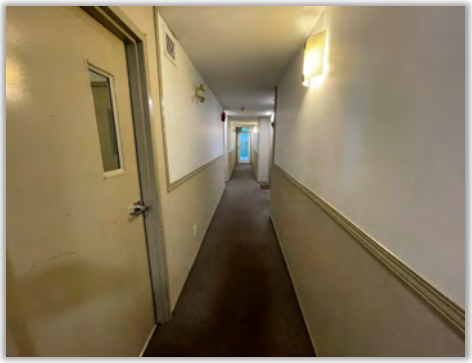


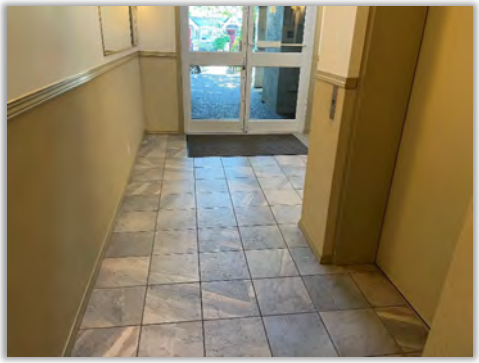
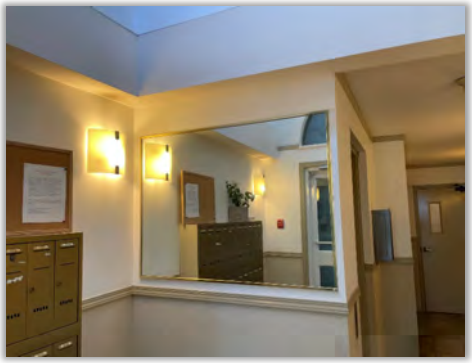


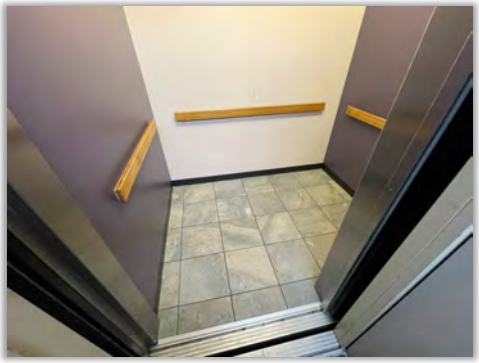
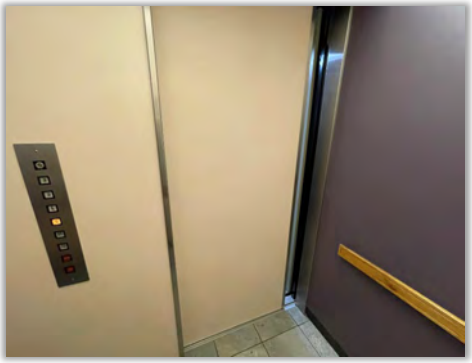
Description	This component accounts for the exterior paint finish. No caulking is accounted for in this component.	
	Quantity	1 Allowance
	Current Job Cost	$25,634
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	2006
	Work Completed	Painting undertaken as part of the remedial siding work in 2006.
	Dollars Spent	$46,500 including caulking
Life Cycle Analysis	**Expected Lifespan**	18 years
	Effective Age	17 years
	Remaining Lifespan	1 year
Funding Analysis	**Work**	Surface preparation, painting, and clean-up.
	Budget	We have allowed for a full replacement of this component every 18 years.
Potential Deterioration	Includes impact damage, fading, peeling, chipping, and water damage. Contributing factors include physical damage, debris accumulation, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure. Painting may also be done for aesthetic reasons.	
Suggested Maintenance	Regular visual inspection for fading, peeling, chipping, and water damage. Clean, touch-up, and repaint as required or desired.	

Component 22		Interior Finishes - Paint
		
Description	This component accounts for the interior paint finish in common areas.	
	Quantity	1 Allowance
	Current Job Cost	$10,820
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	2020
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	20 years
	Effective Age	3 years
	Remaining Lifespan	17 years
Funding Analysis	**Work**	Surface preparation, painting, and clean-up.
	Budget	We have allowed for a full replacement of this component every 20 years.
Potential Deterioration	Includes impact damage, stains, markings, fading, and water damage. Contributing factors include physical damage, wear-and-tear, and environmental factors such as temperature changes, humidity, and sun exposure. Painting may also be done for aesthetic reasons.	
Suggested Maintenance	Regular visual inspection for aesthetic quality. Clean, touch-up, and repaint as required or desired.	

Component 23		Balcony Waterproofing
		
Description	This component accounts for the balcony waterproofing membrane.	
	Quantity	1 Allowance
	Current Job Cost	$13,598
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	2015
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	18 years
	Effective Age	8 years
	Remaining Lifespan	10 years
Funding Analysis	**Work**	Remove old membrane. Prepare balcony surface. Re-install metal flashing. Install vinyl membrane with liquid adhesive and hot-air welding.
	Budget	We have allowed for a full replacement of this component every 18 years.
Potential Deterioration	Includes impact damage, delamination, fading, cracking, bubbling, wear-and-tear, and water damage. Contributing factors include physical damage, debris accumulation, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection for delamination, fading, cracking, bubbling, and water damage. Clean, patch, and repair as required.	

Component 24		Interior Flooring - Carpet
		
Description	This component accounts for the interior common-area carpet flooring.	
	Quantity	1 Allowance
	Current Job Cost	$10,970
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	20 years
	Effective Age	18 years
	Remaining Lifespan	2 years
Funding Analysis	**Work**	Remove and replace the damaged carpet or the entire carpet, including the carpet pad, depending on the extent and cause of the damage.
	Budget	We have allowed for a full replacement of this component every 20 years.
Potential Deterioration	Includes fading, matting, colour-loss, wear-and-tear, wrinkles, ripples, stains, burns, strong odors, and lack of padding support. Contributing factors include physical damage, water damage, spills, debris accumulation, and damage from environmental factors such as temperature changes, humidity, and sun exposure. Carpet may also be replaced for aesthetic reasons.	
Suggested Maintenance	Regular inspection of the carpet for deterioration and odors. Vacuum, clean, and repair as required.	

Component 25		Lobby Renovation
		
Description	This component accounts for periodic renovations to the common-area lobby. This includes the flooring, lighting, finish, furniture, and décor.	
	Quantity	1 Allowance
	Current Job Cost	$4,427
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	2017
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	25 years (Budget Provision)
	Effective Age	6 years
	Remaining Lifespan	19 years
Funding Analysis	**Work**	Renovate the lobby components as desired.
	Budget	A budget equal to 75% of the estimated total cost is provided for significant expenditures every 25 years.
Potential Deterioration	Includes impact damage, water damage, wear-and-tear, aesthetic degradation, discoloration, stains, and fading. Contributing factors include physical damage, debris accumulation, changing preferences, and damage from environmental factors such as temperature changes, humidity, and sun exposure.	
Suggested Maintenance	Regular inspection for damage and to assess aesthetic quality. Clean and repair as required.	

Component 26		Elevator Cab Renovation
		
Description	This component accounts for periodic renovations to the interior of the elevator cabs. This includes the flooring, wall panels, ceiling, lighting, and railings. This component does not include safety features or mechanical/electrical components within the elevator enclosure.	
	Quantity	1 Cab
	Current Job Cost	$9,421
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	2017
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	22 years
	Effective Age	6 years
	Remaining Lifespan	16 years
Funding Analysis	**Work**	Renovate the elevator cab components as desired.
	Budget	We have allowed for a full replacement of this component every 22 years.
Potential Deterioration	Includes impact damage, water damage, wear-and-tear, and aesthetic degradation. Contributing factors include physical damage (usually from moving items in and out), debris accumulation, changing preferences, and damage from environmental factors such as temperature changes and humidity.	
Suggested Maintenance	Regular inspection for damage and to assess aesthetic quality. Clean and repair as required.	

Component 27		HVAC - Rooftop Unit
		
Description	This component accounts for the Rooftop Unit (RTU). This includes ventilation system all contained in the same rooftop cabinet. This does not include the ductwork system, which is accounted for in the HVAC distribution component.	
	Quantity	1 Unit
	Current Job Cost	$7,875
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	30 years (Budget Provision)
	Effective Age	20 years
	Remaining Lifespan	10 years
Funding Analysis	**Work**	Remove and replace the failing components as required. Increasing repairs are expected towards the end of the unit's life; replacement parts can sometimes become obsolete and repairs can become so frequent and costly that a full replacement becomes necessary.
	Budget	A budget equal to 50% of the estimated total cost is provided for significant expenditures every 30 years.
Potential Deterioration	Includes rising energy costs, corrosion, compressor failure, piping failure, and controls failure. Contributing factors include wear-and-tear, impact damage, debris accumulation, scale accumulation, leaks, overheating, insufficient maintenance, insufficient efficiency, and environmental factors such as temperature changes, humidity, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular inspection by a certified contractor. Be alert to falling efficiency, unusual temperatures, unusual humidity, unpleasant odors, excessive moisture, poor airflow, increasing outages, increasing oil consumption, and increasing system noise. Inspect, test, clean, and repair as required.	

Component 28		HVAC - Fan Exhaust System
		
Description	This component accounts for the parkade exhaust fans.	
	Quantity	1 System
	Current Job Cost	$1,249
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	35 years (Budget Provision)
	Effective Age	30 years
	Remaining Lifespan	5 years
Funding Analysis	**Work**	Remove and replace the failed fan parts as required.
	Budget	A budget equal to 50% of the estimated total cost is provided for significant expenditures every 35 years.
Potential Deterioration	Includes corrosion, high operating costs, air leakage, motor failure, fan failure, and controls failure. Contributing factors include wear-and-tear, physical damage, frequent start-ups, overheating, debris accumulation, and environmental factors such as extreme temperatures and humidity.	
Suggested Maintenance	Regular inspection of the fans for adequate performance. Service and repair as required.	

Component 29		HVAC Distribution - Ductwork for RTU
		
Description	This component accounts for the HVAC distribution system. This includes the plenum, ductwork, duct connections, GRDs (grilles, registers, and diffusers), and thermostats.	
	Quantity	1 System
	Current Job Cost	$3,221
Condition Analysis	We were not able to visually inspect this component. No major deficiencies were reported at the time of inspection, so we assume it to be in average condition for its age.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	50 years (Budget Provision)
	Effective Age	30 years
	Remaining Lifespan	20 years
Funding Analysis	**Work**	Remove and replace ductwork, GRDs, and thermostats as required.
	Budget	A budget equal to 20% of the estimated total cost is provided for significant expenditures every 50 years.
Potential Deterioration	Includes failed seams, corrosion, noisy operation, and debris accumulation. Contributing factors include wear-and-tear, vibration, condensation, blockages, thermal stress, insufficient maintenance, and environmental factors such as temperature changes and humidity.	
Suggested Maintenance	Regular inspection of accessible ductwork, GRDs, and thermostats for signs of failure. Clean and repair as required.	

Component 30		Domestic Water Distribution - Building
		
Description	This component accounts for the interior common-element domestic water distribution system. This includes risers, pumps, branch lines, valves, and backflow preventers for both the supply and removal of hot and cold water.	
	Quantity	1 System
	Current Job Cost	$57,820
Condition Analysis	We were not able to visually inspect this component. No major deficiencies were reported at the time of inspection, so we assume it to be in average condition for its age.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	35 years (Budget Provision)
	Effective Age	32 years
	Remaining Lifespan	3 years
Funding Analysis	**Work**	Notify residents of work scope, disruption, and timeline. Access relevant areas while causing minimal damage. Replace damaged water supply components (usually with PEX) or, if water damage is frequent and severe, repipe most or all of the property to prevent further damage from occurring. Test system. Repair any damage and clean work areas.
	Budget	A budget equal to 25% of the estimated total cost is provided for significant expenditures every 35 years.
Potential Deterioration	Includes pipe leaks and bursts, connection failure, pump failure, and valve failure. Contributing factors include impact damage, turbulence, the chemical makeup of supplied water (acidic water, hard water, highly chlorinated water, and chemical drain cleaners can sometimes cause deterioration), vibration and stress, and environmental factors such as extreme temperatures.	
Suggested Maintenance	Regular inspection for leaks (unusually high water bill, drips, pools, damp spots, discolouration, stains, dimpling, or flaking), unusual sounds (banging or knocking), water colour (brown or yellow is often a sign of decaying pipes, especially if the pipe has not been used for some time), low or inconsistent water pressure, and odors. Test and repair as required.	

Component 31		Domestic Water Distribution - Subsurface
		
Description	This component accounts for the subsurface common-element domestic water distribution system, both for the supply and removal of domestic water.	
	Quantity	1 System
	Current Job Cost	$4,536
Condition Analysis	We were not able to visually inspect this component. No major deficiencies were reported at the time of inspection, so we assume it to be in average condition for its age.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	40 years (Budget Provision)
	Effective Age	32 years
	Remaining Lifespan	8 years
Funding Analysis	**Work**	Video inspection and internal cleaning, if possible. More significant damage will need the following: surface removal, excavation, damaged-pipe section removal, pipe bedding installation, pipe installation, backfill and compaction, and surface restoration.
	Budget	A budget equal to 25% of the estimated total cost is provided for significant expenditures every 40 years.
Potential Deterioration	Includes leaks, cracks, clogs, and connection failure. Contributing factors include impact damage, vibration and stress, debris accumulation, tree root damage, and environmental factors such as extreme temperatures.	
Suggested Maintenance	Regular inspection for leaks (unusually high water bill, pools, damp spots, low spots, dead grass/plants), low or inconsistent water pressure, and odors. Scope, flush, and repair as required.	

Component 32		Sprinkler System - Dry
		
Description	This component accounts for the dry sprinkler system. This includes piping, pipe tees, valves, alarms, sprinkler heads, connections, air compression, and associated components.	
	Quantity	1 System
	Current Job Cost	$22,412
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	35 years (Budget Provision)
	Effective Age	32 years
	Remaining Lifespan	3 years
Funding Analysis	**Work**	Inspect and test system regularly to comply with local regulations. Do all work as required or recommended by the inspector. Remove and replace failing components.
	Budget	A budget equal to 25% of the estimated total cost is provided for significant expenditures every 35 years.
Potential Deterioration	Includes corrosion, pipe leaks and bursts, connection failure, and mechanical failure. Contributing factors include impact damage, wear-and-tear, the presence of oxygen and water in the pipes, and environmental factors such as extreme temperatures.	
Suggested Maintenance	Regular inspection as required or recommended by the inspector. Test, purge water from the lines, monitor corrosion, and repair as required. In some cases, filling the system with nitrogen instead of oxygen can increase the life expectancy of the pipes threefold.	

Component 33		Elevator Modernization - Hydraulic
		
Description	This component accounts for major elevator modernization projects. The scope of work will depend in part on technological improvements over the life of the elevator.	
	Quantity	1 Elevator
	Current Job Cost	$124,523
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	25 years (Budget Provision)
	Effective Age	20 years
	Remaining Lifespan	5 years
Funding Analysis	**Work**	Consult with certified elevator repair technicians. Repair and update the various elevator components according to the recommendations of the technicians.
	Budget	A budget equal to 75% of the estimated total cost is provided for significant expenditures every 25 years.
Potential Deterioration	Includes hydraulic leaks, motor failure, controller failure, electrical failure (relays, contractors, windings, computer processors, and buttons), and mechanical breakdown (bearings, gears, valves, pumps, and door operators). Contributing factors include wear-and-tear, debris accumulation, corrosion, obsoletion, and environmental factors such as extreme temperatures and humidity.	
Suggested Maintenance	Regular inspection as required by law or recommended by technicians. Maintain and repair the elevator as recommended.	

Component 34		Electrical Service and Distribution
		
Description	This component accounts for the common-element electrical service and distribution system. This includes wiring, service panels, breakers, switches, receptacles, and various electrical accessories.	
	Quantity	1 System
	Current Job Cost	$13,531
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	35 years (Budget Provision)
	Effective Age	25 years
	Remaining Lifespan	10 years
Funding Analysis	**Work**	Remove and replace the various electrical components as required or desired.
	Budget	A budget equal to 15% of the estimated total cost is provided for significant expenditures every 35 years.
Potential Deterioration	Includes component failure, wire degradation, wire insulation failure, loosening of connections, and insufficient power. Contributing factors include wear-and-tear, usage, load demand, debris accumulation, corrosion, increased power demands, and environmental factors such as extreme temperatures, humidity, and ventilation.	
Suggested Maintenance	Regular inspection of electrical equipment and systems to determine maintenance requirements and priorities. Inspect, test, service, and repair as required.	

Component 35		Fire Detection System
		
Description	This component accounts for the fire detection and notification system. This includes initiating devices, relays, conduits, wiring, panels, and fire equipment.	
	Quantity	1 System
	Current Job Cost	$24,080
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	15 years
	Effective Age	14 years
	Remaining Lifespan	1 year
Funding Analysis	**Work**	Repair or replace the various components as required or recommended by qualified fire inspectors.
	Budget	We have allowed for a full replacement of this component every 15 years.
Potential Deterioration	Includes component failure, wire degradation, electrical failure, impact damage, and functional obsolescence. Contributing factors include wear-and-tear, usage, debris accumulation, corrosion, physical damage, technological improvements, building code changes, and environmental factors such as extreme temperatures, humidity, and ventilation.	
Suggested Maintenance	Regular inspection and testing of the fire alarm system as required or recommended. Service and repair as required or recommended.	

Component 36		Access Entry System
		
Description	This component accounts for the common-element access entry system. This includes the intercom terminal and door-release system.	
	Quantity	1 Allowance
	Current Job Cost	$16,144
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	15 years
	Effective Age	14 years
	Remaining Lifespan	1 year
Funding Analysis	**Work**	Remove and replace failing access control systems as required or replace as desired for upgraded security. Integrate the new system with the connected components where possible.
	Budget	We have allowed for a full replacement of this component every 15 years.
Potential Deterioration	Includes impact damage, electrical failure, component degradation, and functional obsolescence. Contributing factors include wear-and-tear, physical damage, technological improvements, and environmental factors such as extreme temperatures and humidity.	
Suggested Maintenance	Regular inspection of the system for vandalism. Be alert to complaints of system failures. Inspect and repair as required.	

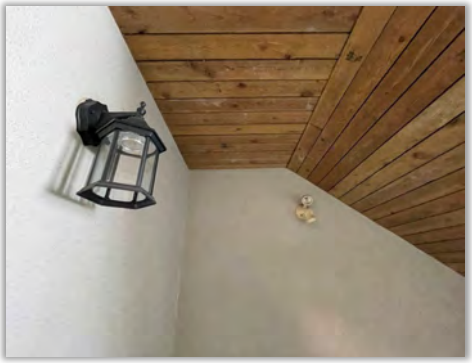
Component 37		Lighting - Interior

Description	This component accounts for the interior common-area lighting. This includes the fixtures and a small allowance for box and wiring costs.	
	Quantity	1 Allowance
	Current Job Cost	$11,715
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	2014
	Work Completed	The fixtures are of newer design and installation.
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	25 years (Budget Provision)
	Effective Age	9 years
	Remaining Lifespan	16 years
Funding Analysis	**Work**	Remove and replace failed lighting components as required or desired.
	Budget	A budget equal to 60% of the estimated total cost is provided for significant expenditures every 25 years.
Potential Deterioration	Includes impact damage, electrical component failure, and water damage. Contributing factors include physical damage, power surges, usage, and damage from environmental factors such as temperature changes and humidity. Fixtures may also be replaced due to functional obsolescence or for aesthetic reasons.	
Suggested Maintenance	Regular visual inspection of the fixtures for damage. Regular replacement of bulbs as required. Limit on/off cycles.	

Component 38		Lighting - Parkade

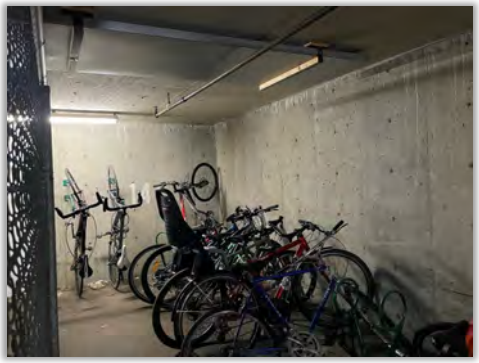
Description	This component accounts for the lighting in the underground parking area. This includes the fixtures and a small allowance for box and wiring costs.	
	Quantity	1 Allowance
	Current Job Cost	$6,276
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	20 years (Budget Provision)
	Effective Age	15 years
	Remaining Lifespan	5 years
Funding Analysis	**Work**	Remove and replace failed lighting components as required or desired.
	Budget	A budget equal to 50% of the estimated total cost is provided for significant expenditures every 20 years.
Potential Deterioration	Includes impact damage, electrical component failure, and water damage. Contributing factors include physical damage, power surges, usage, and damage from environmental factors such as temperature changes and humidity. Fixtures may also be replaced due to functional obsolescence or for aesthetic reasons.	
Suggested Maintenance	Regular visual inspection of the fixtures for damage. Regular replacement of bulbs as required. Limit on/off cycles.	

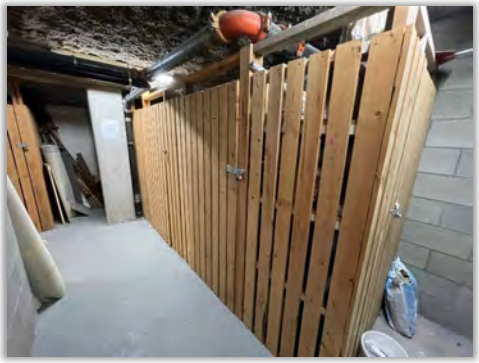
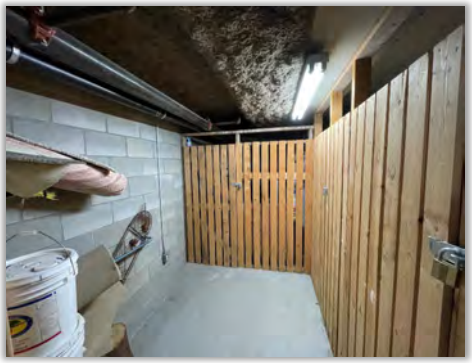
Component 39		Lighting - Exterior



Description	This component accounts for the common-element exterior lighting. This includes the fixtures and a small allowance for box and wiring costs.	
	Quantity	1 Allowance
	Current Job Cost	$943
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	2019
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	20 years (Budget Provision)
	Effective Age	4 years
	Remaining Lifespan	16 years
Funding Analysis	**Work**	Remove and replace failed lighting components as required or desired.
	Budget	A budget equal to 15% of the estimated total cost is provided for significant expenditures every 20 years.
Potential Deterioration	Includes impact damage, electrical component failure, and water damage. Contributing factors include physical damage, power surges, usage, and damage from environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure. Fixtures may also be replaced due to functional obsolescence or for aesthetic reasons.	
Suggested Maintenance	Regular visual inspection of the fixtures for damage. Regular replacement of bulbs as required. Limit on/off cycles.	

Component 40		Mailboxes
		
Description	This component accounts for the mailboxes.	
	Quantity	1 Allowance
	Current Job Cost	$4,729
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	45 years
	Effective Age	20 years
	Remaining Lifespan	25 years
Funding Analysis	**Work**	Remove and replace the failed mailboxes.
	Budget	We have allowed for a full replacement of this component every 45 years.
Potential Deterioration	Includes impact damage and corrosion. Contributing factors include physical damage, wear-and-tear, and environmental factors such as temperature changes and humidity.	
Suggested Maintenance	Regular inspection of the mailboxes for deterioration and vandalism. Clean and repair as required.	

Component 41		Bicycle Storage
		
Description	This component accounts for the bicycle racks.	
	Quantity	1 Allowance
	Current Job Cost	$2,583
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	40 years (Budget Provision)
	Effective Age	10 years
	Remaining Lifespan	30 years
Funding Analysis	**Work**	Remove and replace the failing bicycle racks.
	Budget	A budget equal to 50% of the estimated total cost is provided for significant expenditures every 40 years.
Potential Deterioration	Includes impact damage, loosening of fasteners, and corrosion. Contributing factors include physical damage, wear-and-tear, and environmental factors such as temperature changes and humidity.	
Suggested Maintenance	Regular inspection of the bicycle racks for deterioration. Tighten fasteners, clean, and repair as required.	

Component 42		Storage Lockers
		
Description	This component accounts for the wooden storage lockers.	
	Quantity	1 Allowance
	Current Job Cost	$2,583
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	40 years (Budget Provision)
	Effective Age	30 years
	Remaining Lifespan	10 years
Funding Analysis	**Work**	Remove and replace the failing locker system.
	Budget	A budget equal to 25% of the estimated total cost is provided for significant expenditures every 40 years.
Potential Deterioration	Includes impact damage, loosening of fasteners, and corrosion. Contributing factors include physical damage, wear-and-tear, and environmental factors such as temperature changes and humidity.	
Suggested Maintenance	Regular inspection of the locker system for deterioration. Tighten fasteners, clean, and repair as required.	

Component 43		Landscaping

Description	This component accounts for the common-element landscaping. This excludes any routine maintenance that is covered by the operating fund.	
	Quantity	1 Allowance
	Current Job Cost	$2,825
Condition Analysis	Based on a partial visual inspection, this component appears to be in good condition. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	25 years (Budget Provision)
	Effective Age	15 years
	Remaining Lifespan	10 years
Funding Analysis	**Work**	Regrade as necessary. Replace or repair dead and damaged vegetation. Top up beds. Change landscaping for aesthetic purposes.
	Budget	A budget equal to 10% of the estimated total cost is provided for significant expenditures every 25 years.
Potential Deterioration	Includes poor grading, impact damage, and wear-and-tear. Contributing factors include physical damage, subsurface shifting, debris accumulation, lack of maintenance, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection of landscaping for deterioration and poor grading. Regular landscaping maintenance as required.	

Component 44		Pavers
		
Description	This component accounts for the common-element paving stones.	
	Quantity	1 Allowance
	Current Job Cost	$22,439
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	35 years (Budget Provision)
	Effective Age	20 years
	Remaining Lifespan	15 years
Funding Analysis	**Work**	Remove failing sections and store paving stones nearby. Repair the subgrade and base course as required. Replace pavers: use old pavers where possible.
	Budget	A budget equal to 25% of the estimated total cost is provided for significant expenditures every 35 years.
Potential Deterioration	Includes cracking, crumbling, impact damage, and poor grading. Contributing factors include physical damage, wear-and-tear, debris accumulation, chemical damage (particularly from de-icing chemicals), subsurface shifting, and environmental factors such as temperature changes, rain, snow, and wind.	
Suggested Maintenance	Regular inspection of the pavers for deterioration and grading issues. Inspect, clean, replace damaged pavers, and repair as required.	

Component 45		Walkways - Concrete
		
Description	This component accounts for the concrete walkways.	
	Quantity	1 Allowance
	Current Job Cost	$3,320
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	35 years (Budget Provision)
	Effective Age	20 years
	Remaining Lifespan	15 years
Funding Analysis	**Work**	Break and remove concrete slabs. Repair the subgrade and base course as required. Form and pour concrete with relief joints.
	Budget	A budget equal to 25% of the estimated total cost is provided for significant expenditures every 35 years.
Potential Deterioration	Includes holes, cracking, spalling, delamination, poor grading, ponding water, and expansion joint failure. Contributing factors include impact damage, wear-and-tear, debris accumulation, subsurface shifting, and environmental factors such as temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular inspection of the walkway for deterioration and shifting. Inspect, clean, and repair as required.	

Component 46		Roadway - Asphalt
		
Description	This component accounts for the asphalt roadway.	
	Quantity	1 Allowance
	Current Job Cost	$15,589
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	22 years
	Effective Age	18 years
	Remaining Lifespan	4 years
Funding Analysis	**Work**	Remove damaged asphalt layers: scrape wearing course and repair the binder and base courses as required. Prepare binder course, apply tack coat, and install wearing course.
	Budget	We have allowed for a full replacement of this component every 22 years.
Potential Deterioration	Includes impact damage, wear-and-tear, wearing course deterioration, and structural deterioration. Contributing factors include traffic, salt damage, debris accumulation, and environmental factors such as temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular inspection of the roadway for deterioration. Inspect, seal, clean, and repair as required.	

Component 47		Retaining Walls - Wood
		
Description	This component accounts for the common-element wooden retaining wall system.	
	Quantity	1 Allowance
	Current Job Cost	$20,713
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	2020
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	30 years
	Effective Age	3 years
	Remaining Lifespan	27 years
Funding Analysis	**Work**	Remove damaged sections. Install new retaining wall system with proper drainage.
	Budget	We have allowed for a full replacement of this component every 30 years.
Potential Deterioration	Includes impact damage, cracking, splitting, buckling, leaning, water damage, and infestation. Contributing factors include physical damage, subsurface shifting, debris accumulation, improper installation, poor drainage, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection of the retaining wall for wall movement and wood deterioration. Inspect, slope the ground around the retaining wall for drainage, and repair as required.	

Component 48		Retaining Walls - Concrete
		
Description	This component accounts for the common-element concrete retaining wall system.	
	Quantity	1 Allowance
	Current Job Cost	$29,453
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1988
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	40 years (Budget Provision)
	Effective Age	20 years
	Remaining Lifespan	20 years
Funding Analysis	**Work**	Remove damaged sections. Install new retaining wall system with proper drainage.
	Budget	A budget equal to 30% of the estimated total cost is provided for significant expenditures every 40 years.
Potential Deterioration	Includes impact damage, cracking, spalling, water damage, buckling, and leaning. Contributing factors include physical damage, subsurface shifting, debris accumulation, improper installation, poor drainage, and environmental factors such as temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection of the retaining wall for wall movement and concrete deterioration. Inspect, slope the ground around the retaining wall for drainage, and repair as required.	

Component 49		Fencing - Wood

Description	This component accounts for the common-element wood fencing.	
	Quantity	1 Allowance
	Current Job Cost	$33,004
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	2019
	Work Completed	Some fencing has been replaced, other sections appear to be older.
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	25 years
	Effective Age	4 years
	Remaining Lifespan	21 years
Funding Analysis	**Work**	Remove and replace fencing as required or desired.
	Budget	We have allowed for a full replacement of this component every 25 years.
Potential Deterioration	Includes impact damage, cracking, splitting, warping, water damage, infestation, wear-and-tear, and leaning. Contributing factors include physical damage, subsurface shifting, debris accumulation, lack of maintenance, proximity to organic material, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection of fence for leaning, rot, cracks, damaged or missing boards, water damage, and infestation. Clean, seal/paint, and repair as required.	

Component 50		Depreciation Report
		
Description	This component accounts for the cost of this report, increased each year with construction inflation. Please note that the future costs of this component are not considered a quote, but rather a statistical estimation of the cost with no prediction as to the provider of the report.	
	Quantity	1 Report
	Current Job Cost	$5,775
Condition Analysis	This report should be updated every 3 years as prescribed by the Act and Regulations.	
Reserve History	**Year of Acquisition**	2023
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	3 years
	Effective Age	0 years
	Remaining Lifespan	3 years
Funding Analysis	**Work**	Inspect the building, review documents, quantify and budget components, and build a long-term funding and expenditures plan, leading to an implementable Reserve Fund budget.
	Budget	We have allowed for a full replacement of this component every 3 years.
Potential Deterioration	As this is an economic forecast for budgeting purposes, the property should commission a new report as prescribed by the Act and Regulations, or after a major and unexpected Reserve Fund event that leads to confusion regarding the amount of money to contribute to the contingency reserve fund.	
Suggested Maintenance	The report can be completed faster and more accurately by keeping good records and by tracking how much money is spent on each separate reserve component during each year.	

Appendix F—Construction Cost Inflation

We use a Construction Cost Inflation rate to forecast future replacement costs for the subject property. This rate is developed using a blended rate from Statistics Canada and Marshall & Swift / Boeckh (MSB) data. The Statistics Canada data predict a localized rate based on the building's usage, while the MSB data predicts a localized rate based on the materials used to construct the building. We use the average of the two in our funding models.

Statistics Canada

These data come from two tables: The Price Indexes of Apartment and Non-Residential Building Construction Table (PIANRBC) and The Building Construction Price Indexes Table (BCPI). The former was discontinued in 2017 and replaced with the latter; the new BCPI tracks more cities and more building types.

The BCPI divides its residential data into high-rise apartment buildings, low-rise apartment buildings, single-detached houses, and townhouses. The only residential data that PIANRBC has is lumped into one category called Apartments.

The BCPI divides its non-residential data into Commercial (Office Buildings; Warehouses; Shopping Centres), Industrial (Factories; Bus Depots with Maintenance and Repair Facilities), and Institutional (Schools). PIANRBC has data for all those except the Bus Depots.

The indexes relate to both general and trade contractors' work and exclude the cost of land, land assembly, design, development, and real estate fees.

Ideally, we would have enough data to use the BCPI on its own; however, when that data is not available, we must the PIANRBC data to fill in the missing data from 1992 to 2017. Data prior to 1992 were not used due to the significant change in inflation policy in 1992, as outlined in Appendix H.

We obtained data on the price indexes of Low-Rises construction in Vancouver from 2017 to 2022. We calculated the average annual increase in construction inflation since 1992 and use this as our long-term construction inflation rate in this report.

The average expected annual rate of Low-Rises Construction Cost Inflation in Vancouver for the next 30 years is 3.82%.

Marshall & Swift / Boeckh (MSB)

These data come from quarterly Time-Location Multipliers for principal Canadian cities. These multipliers express how the construction costs of specific types of buildings have changed over time in specific cities.

Each building has its own unique combination of basic costs. MSB uses 83 basic types of costs necessary to build workable weighted schedules, comprising 19 building trades and 64 material types.

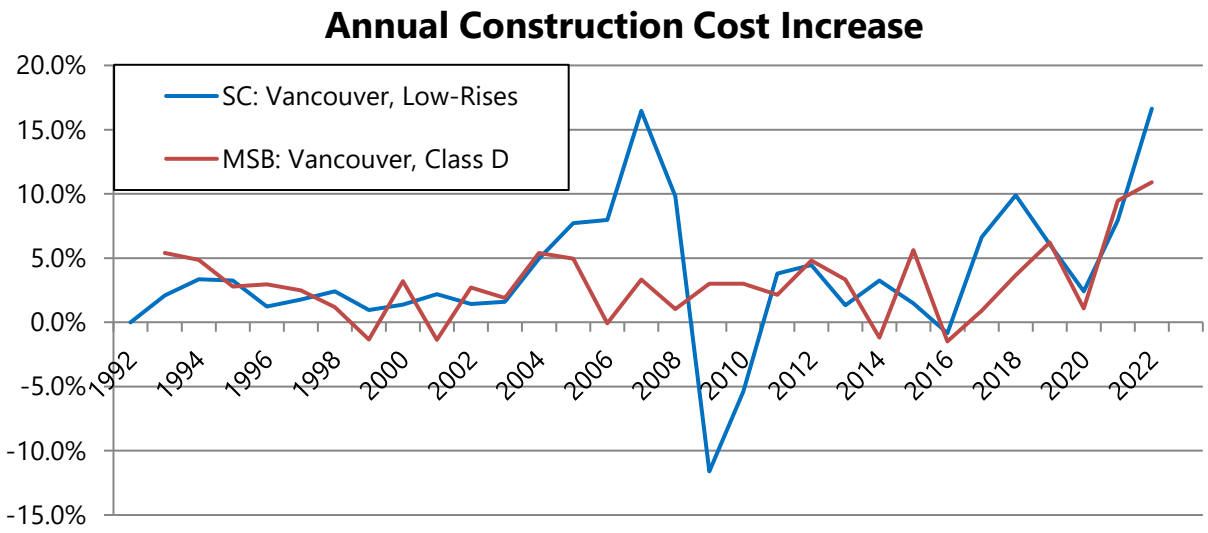
The subject property is classified as a Class D building. We obtained comparative cost multipliers for those buildings in Vancouver from 1992 to 2022. The following table describes Class D buildings.

Class	Frame	Floor	Roof	Walls
D	Wood or steel studs in bearing wall, full or partial open wood or steel frame, primarily combustible construction.	Wood or steel floor joists or concrete slab on grade.	Wood or steel joists with wood or steel deck. Concrete plank.	Almost any material except bearing or curtain walls of solid masonry or concrete. Generally combustible construction.

The average expected annual rate of Construction Cost Inflation for Class D buildings in Vancouver, BC for the next 30 years is 3.03%.

Conclusion

The following graph illustrates the annual construction cost change from both the Statistics Canada and MSB data.



The following table summarizes our adjusted values for average annual construction cost increases for the next 30 years.

Predicted Long-Term Construction Inflation	
Statistics Canada	3.82%
MSB	3.03%
Average	**3.4%**

We have rounded this average to the nearest 0.1% to highlight the uncertainty in long-term economic forecasting. We have adopted a rate of 3.4% for annual construction inflation in calculating the future replacement costs.

Appendix G—Interest Rates

We are not financial planners and cannot advise you how to best invest your money; it is strongly recommended that you consult an investment professional. Long-term economic forecasting is imprecise at best.

Reserve fund investments must be directly or indirectly guaranteed by governments; strata corporations must invest in qualified low-risk investments. We have focused our study on Guaranteed Investment Certificates (GICs), specifically looking at flexible (or cashable) GICs, which allow the investor to withdraw some or all their funds before the maturity date at no penalty. These typically offer modest returns and maximum flexibility and leads to a conservative interest rate forecast. We have conducted a historical study of a sample of cashable GICs with the goal of projecting their average expected return over the next 30 years.

The ideal method of determining a likely rate of return on a strata corporation's investments is to review at least thirty years of performance of the corporation's investments, provided that the investments have been prudently invested. In the likely absence of such data, the reserve fund planner must select a rate which can take into consideration factors such as management policies, historical investment returns, current market trends, and long-term expected rates.

We obtained historical Bank of Canada GIC interest rates with 1-, 3-, and 5-year terms from 1983 to 2022. These GICs are presumably "fixed-rate," meaning that you cannot withdraw your money until the end of the investment term, without the loss of the accrued interest. The Bank of Canada has since discontinued the publication of these rates.

We also obtained historical interest rates on three various one-year flexible GICs: these have been available to consumers, and they allow for early withdrawal without incurring penalties. Ideally, we would like to have looked at more GICs than this; however, these were the only rates we could find in Canada that have existed and have kept records prior to the year 2000. For example, TD Bank's one-year cashable GIC only has data going to mid-2011 but seems to track closely with RBC's rates. Tangerine has data for a one-year non-flexible GIC going back to 2007, and to further underscore the conservative nature of this analysis we will note that Tangerine has consistently offered the highest rates of any major Canadian bank that we have data for (with the exception of 2015 when Coast Capital Savings offered 1.45% and Tangerine offered 1.35%).

The flexible GICs that we use are listed below. All have a $1,000 minimum investment.

- Coast Capital Savings (CCS) 1-year redeemable GIC
  - Redeemable any time with full accrued interest after 30 days
- Royal Bank of Canada (RBC) 1-year cashable GIC
  - Redeemable anytime with full interest after 30 days
- Royal Bank of Canada (RBC) 1-year redeemable GIC
  - Reduced rate if redeemed before maturity

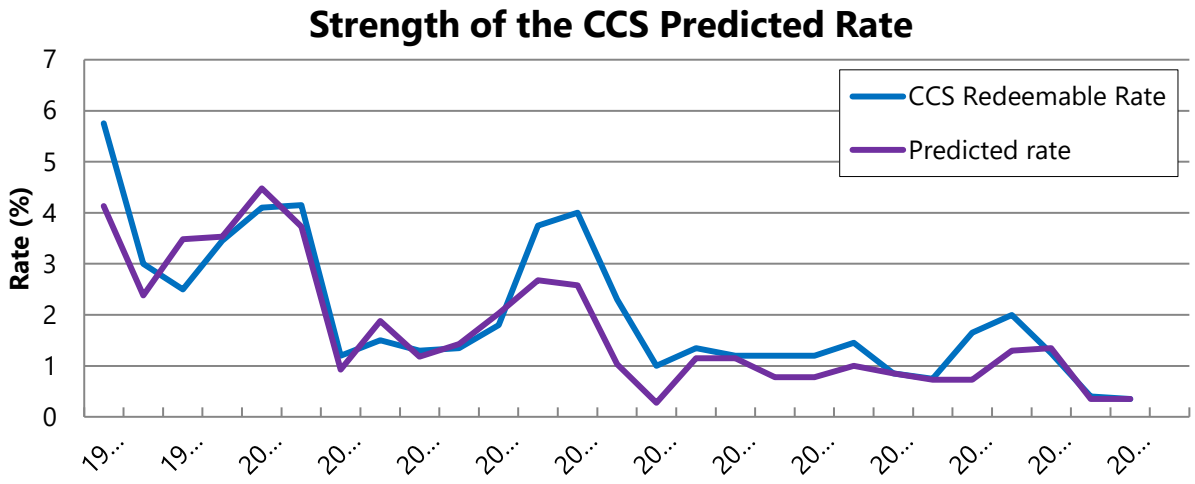
Ideally, we would like to start our dataset from 1992 when predicting future interest rates because that was the year that Canada focused on keeping inflation around 2%, as outlined in Appendix H. That would also keep our data internally consistent. While data on the Bank of Canada's fixed-rate GICs are available that far back, data on the flexible GICs are not, so we use the Bank of Canada's rates to estimate what the flexible rates would have been had they existed since 1992.

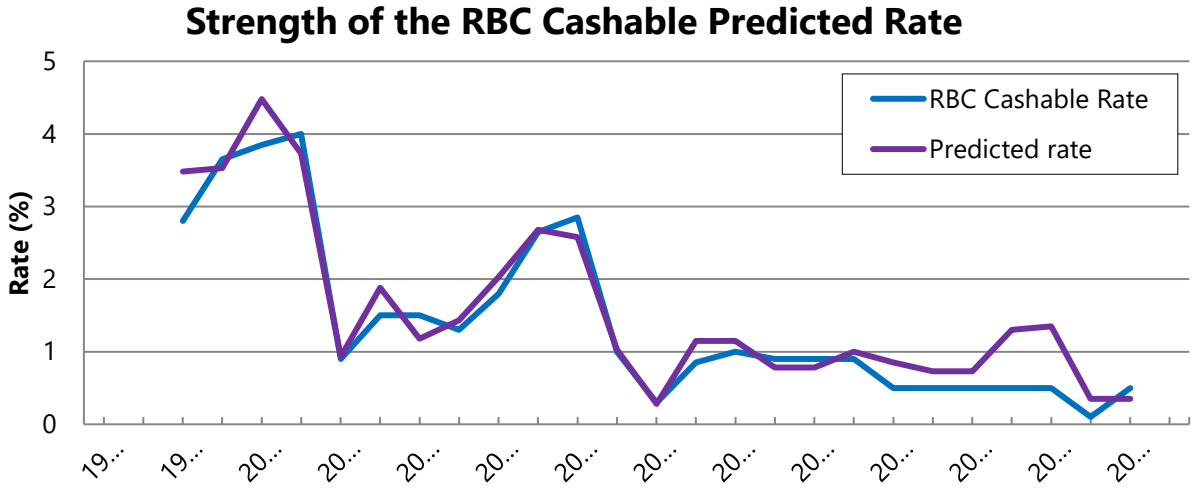
We compare each of the three flexible rates to the Bank of Canada rates to create three algorithms that use the Bank of Canada rates to predict each of the three flexible rates.

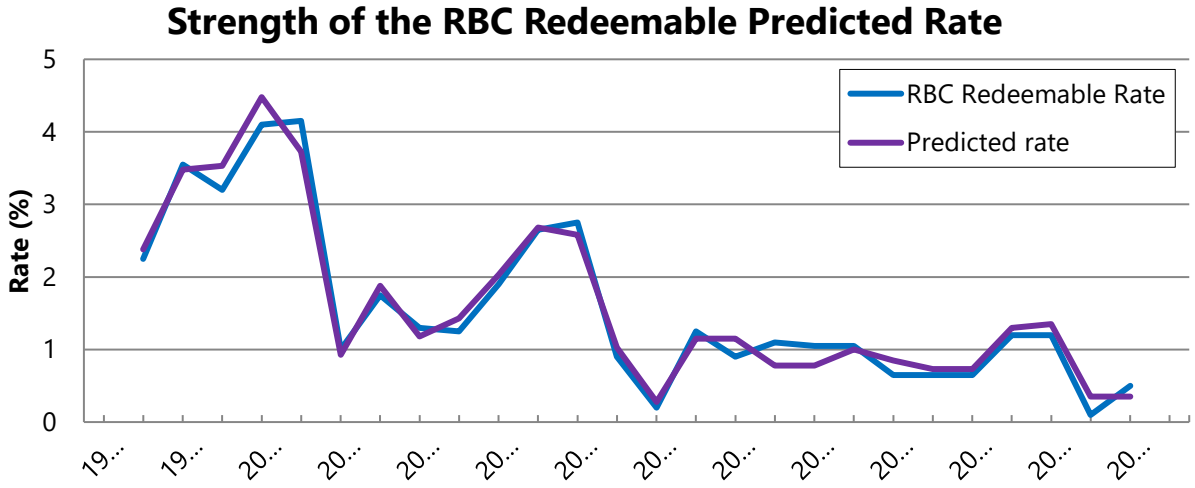
The formula for each predicted rate is determined as follows: the Bank of Canada's three rates are multiplied by weighted factors for each year with available flexible GIC rate data and added to a constant. The weighted factors are all greater than zero and sum to one. The constant and weighted factors are determined such that the average deviation is minimized.

Note that while this predictive formula uses multi-year fixed-rate GIC rates, it is only predictive of the flexible one-year GIC that it is matching.

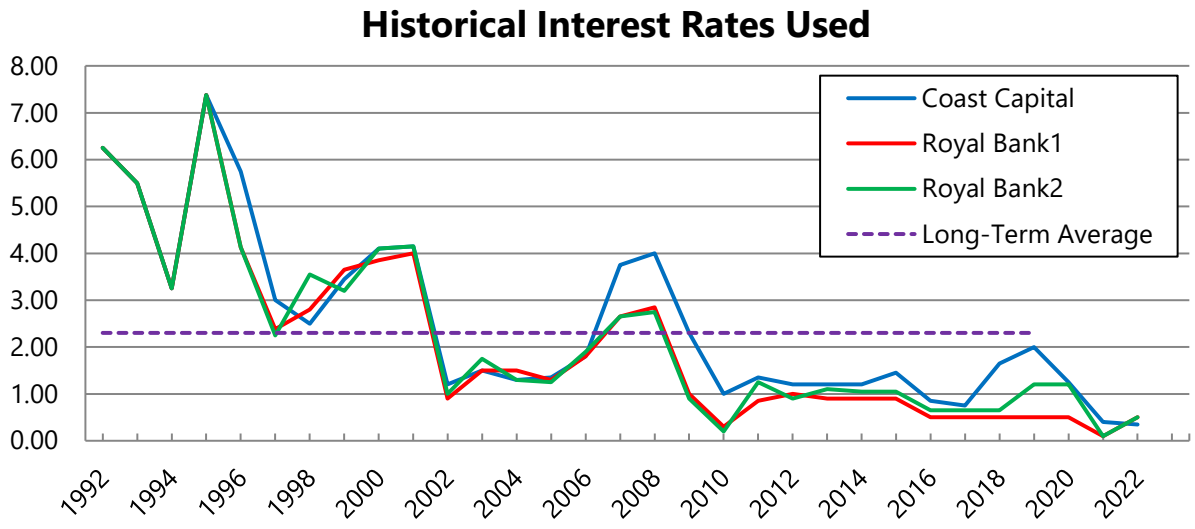
The following charts illustrate the strength of the predicted rate for each flexible GIC; this predictive formula is later applied to the Bank of Canada's posted rates to fill in the missing data back to 1992.


Strength of the CCS Predicted Rate
Rate (%)
CCS Redeemable Rate
Predicted rate


Strength of the RBC Cashable Predicted Rate
Rate (%)
RBC Cashable Rate
Predicted rate


Strength of the RBC Redeemable Predicted Rate
Rate (%)
RBC Redeemable Rate
Predicted rate

The following graph illustrates each of the flexible GICs together. Predictive data are used where there are no actual data. The chart also shows the long-term average rate, using all three rates in the calculation.



These rates are clearly volatile. While any predicted rate will almost certainly be wrong from year to year, our long-term average rate has value. It represents our best guess at long-term flexible GIC rates; in other words, we find it as likely that the actual average flexible GIC rate over the next 30 years will be lower than this rate as it will be higher.

The following chart numerically illustrates our calculated Long-Term Average Flexible GIC rate.

Predicted Long-Term Flexible GIC Rates	
CCS	2.49%
RBC Cashable	2.09%
RBC Redeemable	2.19%
Average	**2.3%**

We have selected a **conservative 2.3%** interest rate in calculating the future investment performance of the strata corporation's reserve fund. This rate has been rounded and is intentionally nonspecific to highlight the uncertainty in long-term economic forecasting. It is conservative because it assumes that strata councils need extremely high levels of flexibility in their investments, it averages the rates from available banks rather than choosing the highest, and it ignores Tangerine completely.

The entire balance of the reserve fund does not need to always be available. Therefore, it is likely that the interest rates the reserve fund planner can obtain will be higher than the one-year cashable GIC rates. Prudent reserve fund investing requires that investments are reasonably

matched with anticipated reserve fund expenditures, ensuring reserve fund liquidity. Therefore, funds should often be invested in a laddered portfolio which ensures that reserve funds are available when needed.

Some management companies direct all their business to one financial institution to negotiate favourable interest rates for all their clients. This approach may benefit smaller corporations and is an important consideration when selecting an appropriate interest rate.

The benchmark calculations and the reserve fund projections assume that reserve fund contributions are constantly and continuously invested. However, it also assumes that all expenditures occur at the beginning of the year and reserve fund deposits occur at the end of the year. This contributes to the conservative nature of the calculated interest rate.

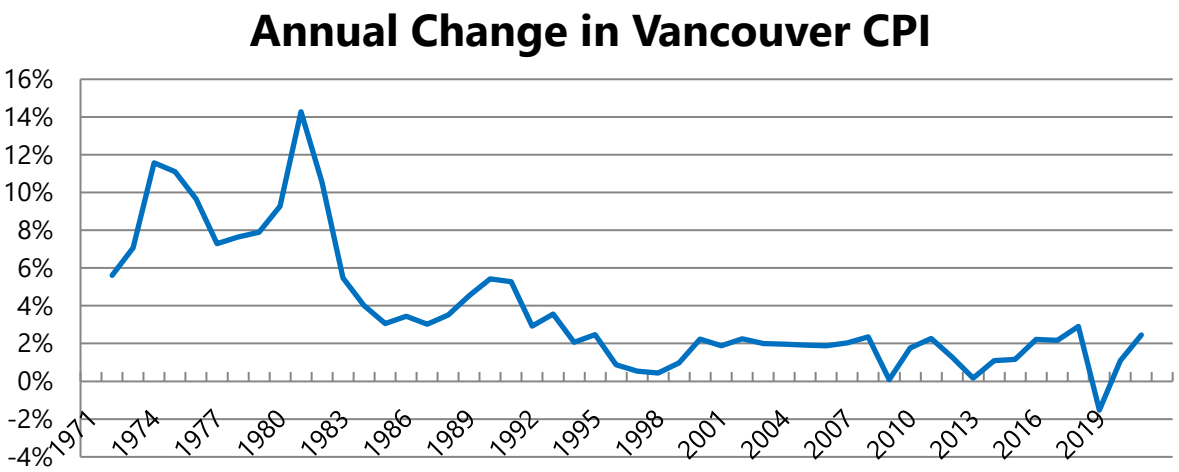
NOTE: We suggest a review of the long-term interest rate on every update.

Appendix H—Consumer Price Index (CPI) Inflation

We use a Consumer Price Index (CPI) Inflation rate to aid in recommending fair contributions. For a detailed explanation of its use in this report please refer to Appendix I.

We have selected data from Statistics Canada for Vancouver, which is the most fitting region that has available localized inflation data. Data are available from 1971 to 2021; however, inflation data collected prior to 1992 are likely poor predictors of future inflation. In 1991 the Government of Canada and the Bank of Canada set a goal to reduce national inflation from about 5% to 2% by 1995. Although national inflation climbed close to 7% in 1991, it dropped to 1.6% in 1992 because of government intervention. Since then, the goal has been to keep national inflation between 1% and 3% with an average of 2%. To reflect this important change in inflation policy, we have elected to limit our analysis to CPI data since 1992.

The following graph illustrates how inflation in Vancouver has changed since 1971.



The average expected annual rate of CPI increase in Vancouver, BC for the next 30 years is 1.6%.

The rate is rounded to highlight the imprecise nature of economic forecasting.

Appendix I—Funding Future Components

Funding Principles

An appropriate funding model requires a payment schedule that is both equitable and practical. Ideally, everyone would pay for each component as they use it: when you buy into a strata you would pay your share of the cost of the land and the non-reserve components, and then you would constantly pay small amounts towards reserve components every day as you enjoy their benefits. This would lower the price of the property both upon purchase and upon sale. While this is arguably the most equitable solution for owners, the developer is not going to accept a lower price and it is obviously impractical to the point of impossible.

Another equitable solution is to pay for the current value of the reserve components while funding repairs and replacements as they occur: when you buy into a strata you pay your share of the cost of the land, non-reserve components, and all reserve components; when you sell, you get a price that includes the new value of the components. Over time each component's value decreases, although it increases when you fund a new repair or replacement. This is, in its simplest form, what tends to occur without government legislation. It is also impractical because every time a component needs even the most minor repair or replacement it causes a special assessment.

We have conducted this report on the funding principal that current owners must save for future repairs and replacements, because component expenditures must be reserved for before they occur. This means that even though buyers pay for the value of existing components while also saving for future components, they are returned the value of the future components as they use them or when they sell the property. When they buy, they technically also purchase a portion of the reserve fund—the money in that fund will offset the cost of the current reserve components.

Owners do not save for component repairs or replacements that occur after a building's End of Life date; this reduces the strata's annual reserve fund contributions and eventually eliminates the reserve fund balance entirely. While owners are not compensated for the value of future components at the end of a building's life, neither have they paid for those components. This funding model fosters equitable sale prices, incentivizes owners to properly maintain the property, and creates a stable payment schedule.

Given the level of uncertainty in economic forecasting, even reserve funds with ideal balances and ideal contributions will not be perfectly equitable. Earlier owners bear too much of the cost when repairs are cheaper or later than expected and when interest rates or CPI inflation is higher than expected. Our benchmark model features rates, timelines, and costs that we feel distribute equal risk of overpaying to earlier owners and later owners.

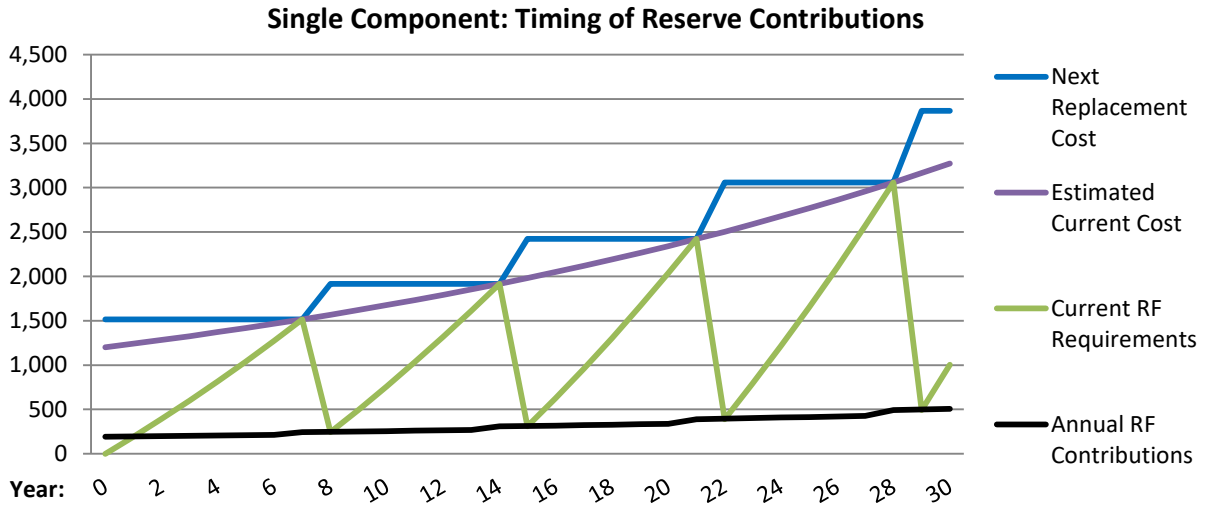
At any given time, current owners should be saving towards each component's next replacement rather than towards all its replacements during the life of the building, or worse, towards those expenditures that happen to fall in an arbitrary time period. This protects against price

fluctuations and, in the likely case where construction inflation differs from CPI inflation, ensures a more equitable payment schedule. Also, component quality tends to upgrade over time; it is not equitable for current owners to pay for higher quality future components that they will never use and never be compensated for when they sell.

Funding with No Reserve Fund Deficiency (Benchmark Model)

Creating an ideal funding plan for buildings with no existing deficiency is relatively straight-forward. We determine the average lifespan of each component, its effective age, and its estimated current replacement cost—how much it would cost to replace the component if it were done today. We create a replacement schedule, increasing the current replacement cost by the construction inflation rate every year to determine how much it will cost in future years to replace each component. To ensure that we have this amount in the Reserve Fund when we need it, we suggest saving an amount that, when increased each year by forecasted inflation and when combined with interest, exactly equals the estimated future cost of the replacement.

The graph below illustrates this with a hypothetical component that has an expected lifespan of seven years, an effective age of zero years, and an Estimated Current Cost of $1,200. The Estimated Current Cost increases by construction inflation (3.4%) every year. The Next Replacement Cost is equal to the Estimated Current Cost every seven years, during the years of replacement. The Current RF Requirements is a running total of the Annual RF Contributions plus interest on the previous year's Current RF Requirements. The Annual RF Contributions are determined such that they increase with inflation every year, and when saved over the life of the component and combined with interest exactly equal the replacement cost in the years that the component is replaced.



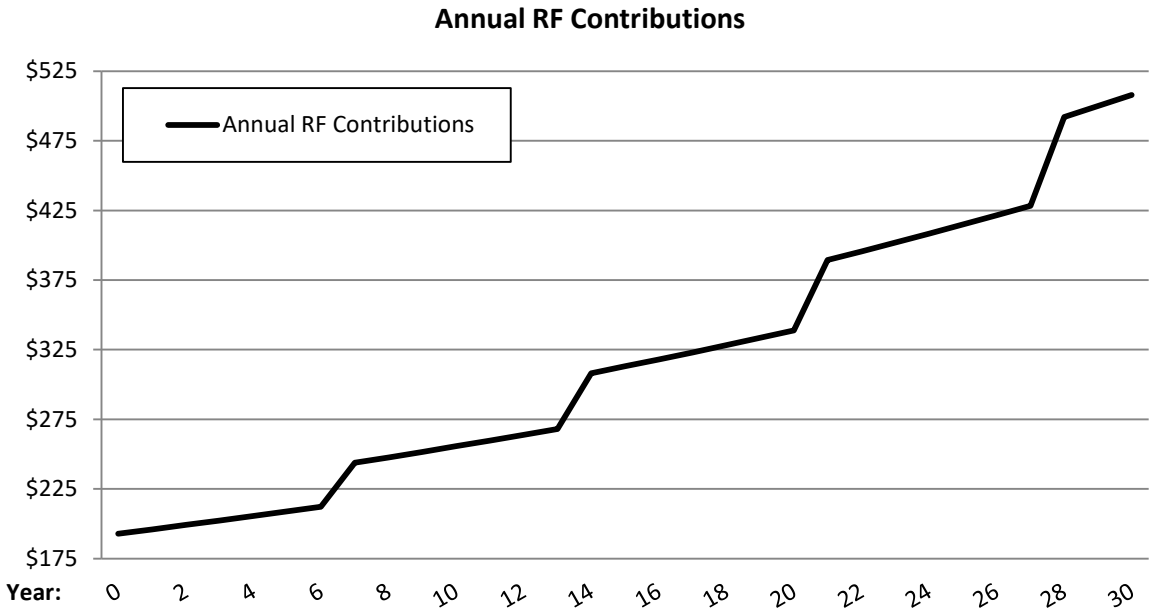
This graph is explained numerically in the table below. Note that interest (2.3%) is calculated conservatively: annual contributions are assumed to occur at the end of the year, earning no

interest in the year that they are made, and all replacements are assumed to occur at the beginning of the year, eliminating interest income in replacement years.

Year	Estimated Current Cost	Next Replacement Cost	Opening Balance Requirement	Annual RF Contributions	Interest	Closing Balance
0	1,200	1,516	0	193	0	193
1	1,241	1,516	193	196	4	393
2	1,283	1,516	393	199	9	602
3	1,327	1,516	602	202	14	818
4	1,372	1,516	818	206	19	1,042
5	1,418	1,516	1,042	209	24	1,275
6	1,467	1,516	1,275	212	29	1,516
7	1,516	1,516	1,516	244	0	244
8	1,568	1,916	244	248	6	497
9	1,621	1,916	497	252	11	760
10	1,676	1,916	760	256	17	1,033
11	1,733	1,916	1,033	260	24	1,317
12	1,792	1,916	1,317	264	30	1,611
13	1,853	1,916	1,611	268	37	1,916
14	1,916	1,916	1,916	308	0	308
15	1,981	2,422	308	313	7	628
16	2,049	2,422	628	318	14	961
17	2,119	2,422	961	323	22	1,306
18	2,191	2,422	1,306	328	30	1,664
19	2,265	2,422	1,664	334	38	2,036
20	2,342	2,422	2,036	339	47	2,422
21	2,422	2,422	2,422	389	0	389
22	2,504	3,060	389	396	9	794
23	2,589	3,060	794	402	18	1,214
24	2,677	3,060	1,214	408	28	1,650
25	2,768	3,060	1,650	415	38	2,103
26	2,862	3,060	2,103	421	48	2,573
27	2,960	3,060	2,573	428	59	3,060
28	3,060	3,060	3,060	492	0	492
29	3,164	3,867	492	500	11	1,003
30	3,272	3,867	1,003	508	23	1,534

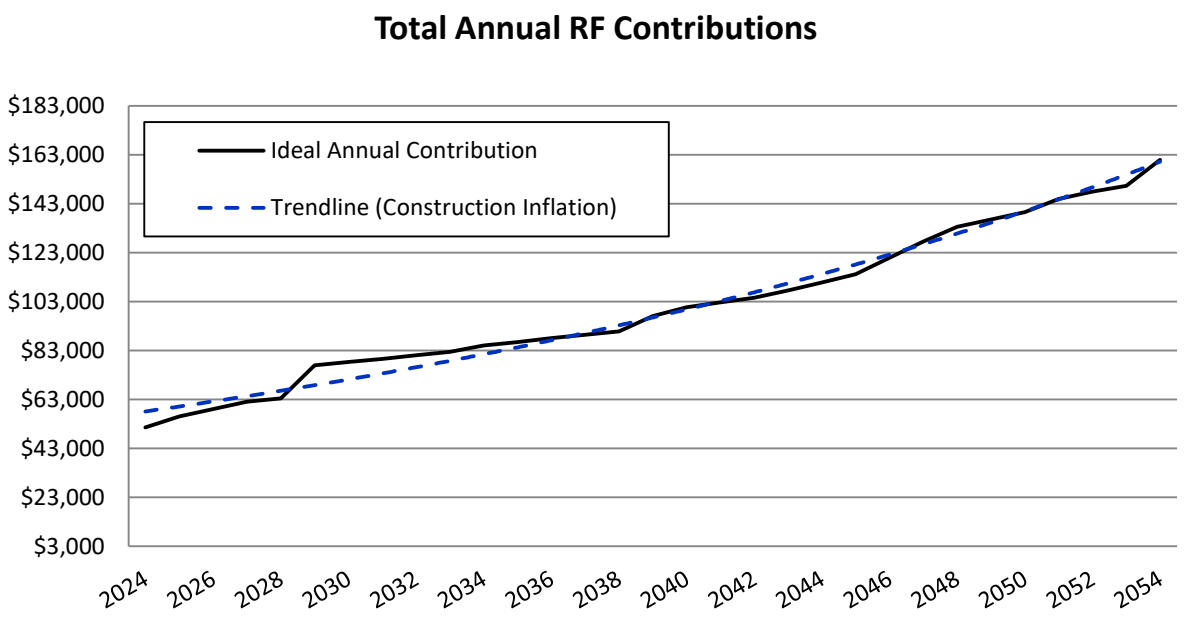
The graph on the following page shows a closer look at the Annual RF Contributions. Note that each year's payment increases by CPI's inflation rate (1.6%), though there is a larger increase

after each component replacement. Taken on average, the annual payments increase with construction inflation. Each year's owners equitably save for the component's next replacement cost in this model.



Adding the Annual RF Contributions from every component gives us the total amount that should be saved each year. Saving less than this amount causes or increases a reserve fund deficiency; saving more than this amount reduces an existing deficiency or causes a reserve fund surplus (ignoring extra or forgone interest).

The graph below illustrates how the summed total of all components' Annual RF Contributions can change every year, using this property as an example. The payments change sporadically from year to year when construction inflation differs from total inflation, though the payments increase with construction inflation on average when the strata is saving for the replacement of all components in any given year. In a year where a component's next replacement date is after the end of the building's life (or in the case of a non-repeating cost), that component requires no additional funding and the total required annual contribution may be less than the previous year's required contribution.



Funding an Existing Reserve Fund Deficiency

When a strata corporation has historically under-contributed to their Reserve Fund, they are left with a Reserve Fund Deficiency that can often be very large. This deficiency must always be funded by the end of the building's economic life. Common ways to make up the deficiency include special assessments, reserve fund contributions that exceed regularly required amounts, above-average maintenance (which increases components' lives), below-average quality standards, and shrewd contracting (which lowers replacement costs). This study focuses specifically on special assessments and reserve fund contributions; management practices will dictate the success of other deficiency-funding options.

Funding models must be both equitable and practical; equity refers to how much of the deficiency is funded in each future year, while practicality refers to the likelihood that the funding plan is followed. As mentioned earlier, the reserve fund deficiency only decreases in years where more money is contributed than what is required under a model with no deficiency, plus the additional interest that a fully funded model would have earned due to its higher closing balance. This can come from regular annual contributions, one-time transfers, and special assessments.

Our Minimum Funding Model (Appendix J) illustrates what will happen if the strata corporation makes no funding changes other than increasing the contributions by CPI inflation while meeting legislative requirements. Adequate Funding (Recommended model, Section 5) balances equity and practicality by providing a funding model with few or no special assessments, depending on the property's upcoming expenditures. Full Funding (Appendix J) puts more emphasis on

eliminating the existing reserve fund deficiency within 30 years while incurring no special assessments, if feasible, with less concern for the practicality of the funding model.

We take several factors into consideration when creating financial plans to fund a historical deficiency. While it may seem equitable to make next year's contributions at least as high as they would be under a no-deficiency model, this can often necessitate increasing the Reserve Fund Budget by a prohibitively large factor. Our models propose funding options that balance the need for large payment increases with the need for advanced notice about large payment increases. We also attempt to reduce the annual payments by spreading the deficiency's repayment over as many years as possible, given the life of the building; however, this strategy can lead to a greater risk of special assessments. We balance the need for lower annual payments with the need for stable payment schedules.

We recommend updating this report either after a significant change to the component information and funding schedule or after three years, whichever comes first. We recommend following the Adequate Funding Model for the next three years, provided there are no significant unexpected expenditures or contributions.

Appendix J—Alternate Funding Models

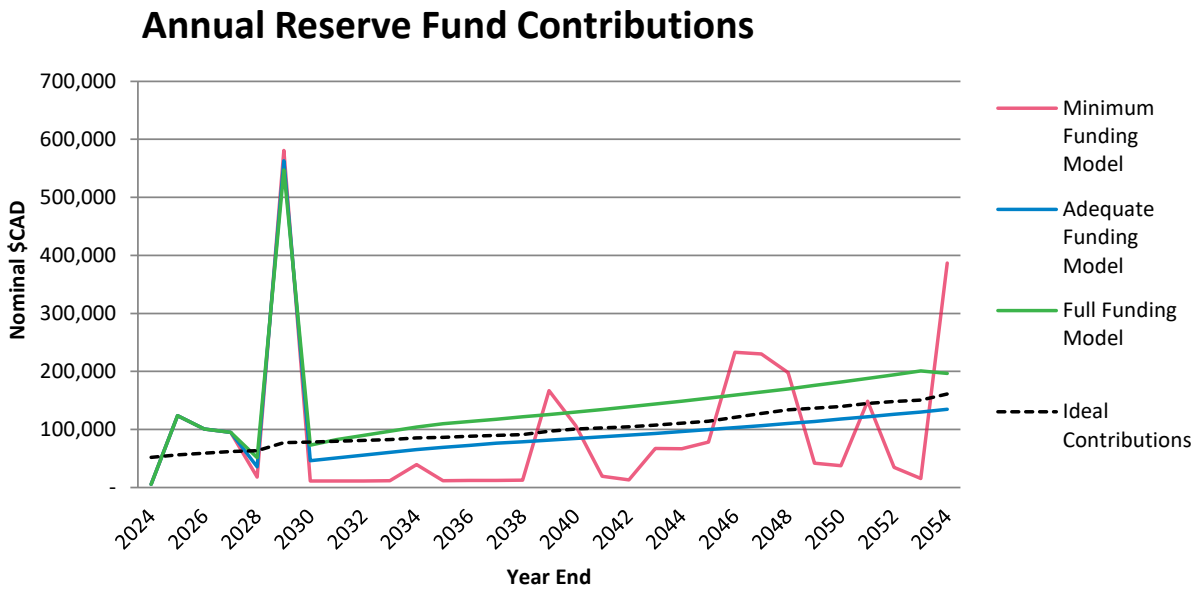
Three Funding models are proposed in this report and have been named as follows: Minimum Funding, Adequate Funding, and Full Funding. Adequate Funding is our recommended model and can be found in Section 5 of this report; Minimum and Full Funding are in this appendix. Each model outlines a different way of funding the upcoming reserve expenditures.

The Minimum Funding Model follows the greater of either the minimum legislated requirements or the current funding contributions with increases following CPI inflation projections. It often relies heavily on special assessments.

The Adequate Funding Model balances equity and practicality but may still result in a risk of special assessments. It is developed in partnership with the strata's representatives.

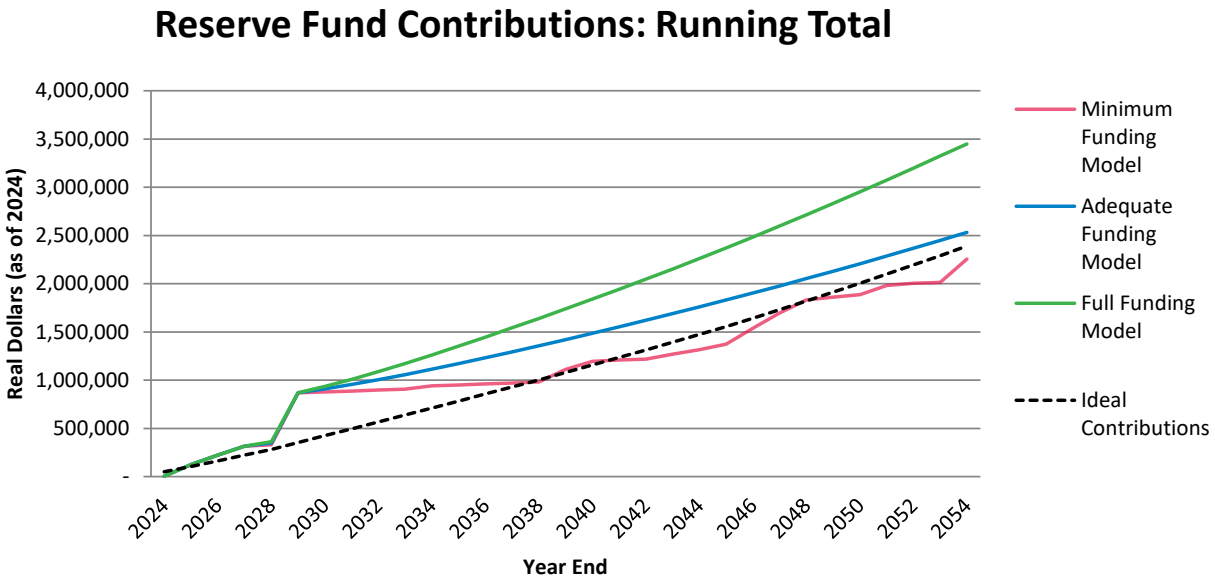
The Full Funding Model favours equitable payments in a risk-averse manner, with the goal of attaining eventual full funding and minimizing the risk of special assessments.

The following graph shows the proposed annual contributions of all three funding models (regular contributions and special assessments combined) over the 30-year projection period:



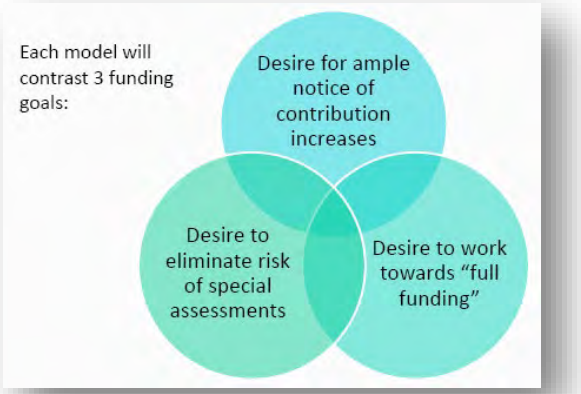
Ignoring interest, each funding model contributes the exact same amount over the life of the building (although it has been our experience that buildings with less money in their reserve fund often make decisions to repair or replace their components in such a way as to pay more in the long-term). Due to foregone interest, however, the model that has the greatest deficiency for the longest time (the Minimum Funding Model) will pay the most by the end of the building's life.

The following graph shows a running total of strata reserve contributions in nominal dollars. Note that although the Minimum Funding Model can show the lowest total expenditure in any given year, it will pay the most by the end of the building's life due to foregone interest.



Each of the funding model options address the requirement to fund future reserve component repairs/replacements, with the emphasis balanced between the following 3 factors:

1. The desire to provide ample notice to owners with regards to annual reserve fund contribution increases;
2. The desire to provide funding that avoids or eliminates the likelihood of future special assessments;
3. The desire to equitably balance the burden of future funding, including any accrued deficiency which must eventually be eliminated, between future owners in the short, medium, and long term.



The **"Minimum Funding Model"** follows minimum of 25% of the annual operating budget. Where the current funding exceeds these bare minimum requirements, this model will follow the current reserve funding contributions, increasing with CPI inflation. Minimum legislated funding has often been the approach adopted by many corporations in BC prior to the depreciation report requirements. Following this model places all the emphasis on factor 1 (desire for ample notice of contribution increases), with no consideration for factor 2 or 3 (desire to eliminate risk of special assessments and to work towards full funding). Further, this model typically has a very high risk of special assessments in the future—this is a common symptom of minimum funding. Additionally, the increasing reserve fund deficiency will need to be paid back (typically through special assessments). It is important to remember that there can be no reserve fund deficiency

by the end of building life, therefore steps towards reducing the deficiency should occur far in advance of end of life.

The **"Adequate Funding Model"** attempts to balance all 3 factors, giving consideration for adequate notice of significant contribution increases, limiting the risk of substantial special assessments where possible, and addressing the reserve fund deficiency in an equitable manner so as not to unfairly burden the near-term future owners with an inordinate share of the accrued deficiency repayment. Over time, as actual replacements occur sooner or later than proposed and costs are greater or less than proposed, the adequate funding model will need updating (at the legislated three-year intervals). As the intent of this model is to provide for adequate funds in any given year to meet the financial obligations of that particular year, this updated information will require the adequate funding contributions to be adjusted from time to time.

The **"Full Funding Model"** focuses primarily on factors 2 and 3, which minimizes the likelihood of special assessments and reaches full funding by the end of the 30-year projection, but usually does not address factor 1 (desire for ample notice of contribution increases) effectively. It can often recommend fees that are prohibitively high. This funding model will typically see the most drastic short-term increases in annual reserve contributions to avoid significant special assessments and eliminate the built-up reserve fund deficiency over time. One drawback of this model is that it risks over-funding if the projections are found to overstate the actual replacement costs, if the actual replacement dates occur later than the proposed dates in the 30-year projection, or both. This can place an unfair financial burden on future owners in certain years, although this is only likely to become apparent once the projection period has run its course.

The following pages contain a 30-Year Reserve Fund Projection and both a nominal and real dollar Cash Flow Table for both the Minimum and the Full Funding Models. For a breakdown of expenditures by component, please refer to Section 5.2.

Reserve Fund Projection—Minimum Funding Model

The Emperor

Construction Inflation Rate	3.4%
Long-Term Interest Rate	2.3%
Inflation Rate (CPI)	1.6%

Cashflow	Jul 2023–Jun 2024	Jul 2024–Jun 2025	Jul 2025–Jun 2026	Jul 2026–Jun 2027	Jul 2027–Jun 2028	Jul 2028–Jun 2029	Jul 2029–Jun 2030	Jul 2030–Jun 2031	Jul 2031–Jun 2032	Jul 2032–Jun 2033	Jul 2033–Jun 2034	Jul 2034–Jun 2035	Jul 2035–Jun 2036	Jul 2036–Jun 2037	Jul 2037–Jun 2038	Jul 2038–Jun 2039
Opening Balance	**58,000**	**61,900**	**-**	**-**	**-**	**-**	**-**	**3,800**	**14,900**	**20,300**	**24,100**	**-**	**11,700**	**15,100**	**27,500**	**40,400**
Reserve Fund Income																
Recommended Annual Contribution	5,500	10,000	10,200	10,300	10,500	10,700	10,800	11,000	11,200	11,400	11,500	11,700	11,900	12,100	12,300	12,500
Special Assessment		**113,700**	**90,400**	**84,800**	**7,300**	**570,000**					**28,000**					**154,100**
Transfers to (from) the Reserve Fund																
Other Income																
Interest Income	1,300	-	-	-	-	-	-	100	200	300	-	-	100	300	600	-
Total Cash Resources	**64,800**	**185,600**	**100,500**	**95,100**	**17,800**	**580,700**	**10,800**	**14,900**	**26,200**	**31,900**	**63,700**	**11,700**	**23,700**	**27,500**	**40,400**	**207,000**
Reserve Fund Expenditures																
Total Expenditures	**3,000**	**185,600**	**100,500**	**95,100**	**17,800**	**580,700**	**7,100**	**-**	**5,900**	**7,800**	**63,700**	**-**	**8,600**	**-**	**-**	**207,000**
Closing Balance	**61,900**	**-**	**-**	**-**	**-**	**-**	**3,800**	**14,900**	**20,300**	**24,100**	**-**	**11,700**	**15,100**	**27,500**	**40,400**	**-**
Deficiency Analysis																
Ideal Annual Contribution	51,600	56,100	59,000	62,100	63,400	77,000	78,400	79,600	81,000	82,500	85,100	86,500	88,000	89,400	90,900	97,000
Ideal Closing Balance	1,098,600	990,100	969,100	956,200	1,023,300	529,900	613,200	706,900	798,100	891,000	931,500	1,039,400	1,142,500	1,258,200	1,378,000	1,295,000
Reserve Fund Deficiency (Surplus)	**1,036,700**	**990,100**	**969,100**	**956,200**	**1,023,300**	**529,900**	**609,400**	**692,100**	**777,800**	**866,800**	**931,500**	**1,027,700**	**1,127,400**	**1,230,700**	**1,337,600**	**1,295,000**
Actual/Ideal Contributions	**11%**	**18%**	**17%**	**17%**	**17%**	**14%**	**14%**	**14%**	**14%**	**14%**	**14%**	**14%**	**14%**	**14%**	**14%**	**13%**
DCQ Score	**153.2**	**8.0**	**9.6**	**10.1**	**57.4**	**0.9**	**56.3**	**62.4**	**68.3**	**74.5**	**23.6**	**87.7**	**94.1**	**98.9**	**103.5**	**7.8**

All values in $CAD, rounded to the nearest hundred

Minimum Funding Model, Continued

The Emperor

Cashflow	Jul 2039–Jun 2040	Jul 2040–Jun 2041	Jul 2041–Jun 2042	Jul 2042–Jun 2043	Jul 2043–Jun 2044	Jul 2044–Jun 2045	Jul 2045–Jun 2046	Jul 2046–Jun 2047	Jul 2047–Jun 2048	Jul 2048–Jun 2049	Jul 2049–Jun 2050	Jul 2050–Jun 2051	Jul 2051–Jun 2052	Jul 2052–Jun 2053	Jul 2053–Jun 2054
Opening Balance	-	-	-	2,600	-	-	-	-	-	-	-	-	-	-	15,600
Reserve Fund Income															
Recommended Annual Contribution	12,700	12,900	13,100	13,300	13,500	13,700	14,000	14,200	14,400	14,600	14,900	15,100	15,400	15,600	15,800
Special Assessment	93,700	6,200		54,000	52,900	64,500	219,000	216,000	183,800	27,200	22,300	133,600	19,300		370,700
Transfers to (from) the Reserve Fund															
Other Income															
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Resources	106,400	19,100	13,100	69,800	66,400	78,300	233,000	230,200	198,200	41,900	37,200	148,700	34,700	15,600	402,200
Reserve Fund Expenditures															
Total Expenditures	106,400	19,100	10,500	69,800	66,400	78,300	233,000	230,200	198,200	41,900	37,200	148,700	34,700	-	402,200
Closing Balance	-	-	2,600	-	-	-	-	-	-	-	-	-	-	15,600	-
Deficiency Analysis															
Ideal Annual Contribution	100,700	102,700	104,500	107,600	110,800	114,200	120,900	127,500	133,500	136,600	139,500	144,900	147,900	150,300	161,000
Ideal Closing Balance	1,316,600	1,430,100	1,556,700	1,628,700	1,709,000	1,782,400	1,706,000	1,637,300	1,605,800	1,736,400	1,877,900	1,913,900	2,070,300	2,268,200	2,070,000
Reserve Fund Deficiency (Surplus)	1,316,600	1,430,100	1,554,100	1,628,700	1,709,000	1,782,400	1,706,000	1,637,300	1,605,800	1,736,400	1,877,900	1,913,900	2,070,300	2,252,600	2,070,000
Actual/Ideal Contributions	12.6%	12.6%	12.5%	12.4%	12.2%	12.0%	11.5%	11.1%	10.8%	10.7%	10.7%	10.4%	10.4%	10.4%	9.8%
DCQ Score	12.4	74.9	118.7	24.2	25.7	22.8	7.3	7.1	8.1	41.5	50.5	12.9	59.7	144.4	5.4

All values in $CAD, rounded to the nearest hundred

Nominal Cash Flow—Minimum Funding

The Emperor

Construction Inflation Rate	3.4%
Long-Term Interest Rate	2.3%
Inflation Rate (CPI)	1.6%

Fiscal Year End	Opening Balance	Annual Contribution	Avg Monthly Contribution per Unit	Special Assessments	Interest Income	Projected Expenditures	Closing Balance
2024	58,049	5,500	23	-	1,267	2,960	61,855
2025	61,855	10,000	42	113,714	-	185,570	-
2026	-	10,160	42	90,361	-	100,521	-
2027	-	10,323	43	84,758	-	95,081	-
2028	-	10,488	44	7,332	-	17,819	-
2029	-	10,656	44	570,007	-	580,663	-
2030	-	10,826	45	-	-	7,058	3,768
2031	3,768	10,999	46	-	87	-	14,854
2032	14,854	11,175	47	-	205	5,926	20,308
2033	20,308	11,354	47	-	288	7,803	24,147
2034	24,147	11,536	48	27,987	-	63,670	-
2035	-	11,720	49	-	-	-	11,720
2036	11,720	11,908	50	-	71	8,626	15,073
2037	15,073	12,098	50	-	347	-	27,518
2038	27,518	12,292	51	-	633	-	40,443
2039	40,443	12,489	52	154,100	-	207,031	-
2040	-	12,688	53	93,687	-	106,375	-
2041	-	12,891	54	6,210	-	19,102	-
2042	-	13,098	55	-	-	10,542	2,556
2043	2,556	13,307	55	53,956	-	69,819	-
2044	-	13,520	56	52,898	-	66,418	-
2045	-	13,736	57	64,521	-	78,258	-
2046	-	13,956	58	218,998	-	232,954	-
2047	-	14,180	59	215,996	-	230,175	-
2048	-	14,406	60	183,758	-	198,164	-
2049	-	14,637	61	27,250	-	41,887	-
2050	-	14,871	62	22,312	-	37,183	-
2051	-	15,109	63	133,583	-	148,692	-
2052	-	15,351	64	19,327	-	34,677	-
2053	-	15,596	65	-	-	-	15,596
2054	15,596	15,846	66	370,721	-	402,164	-

All values in $CAD

Real Dollar Cash Flow—Minimum Funding

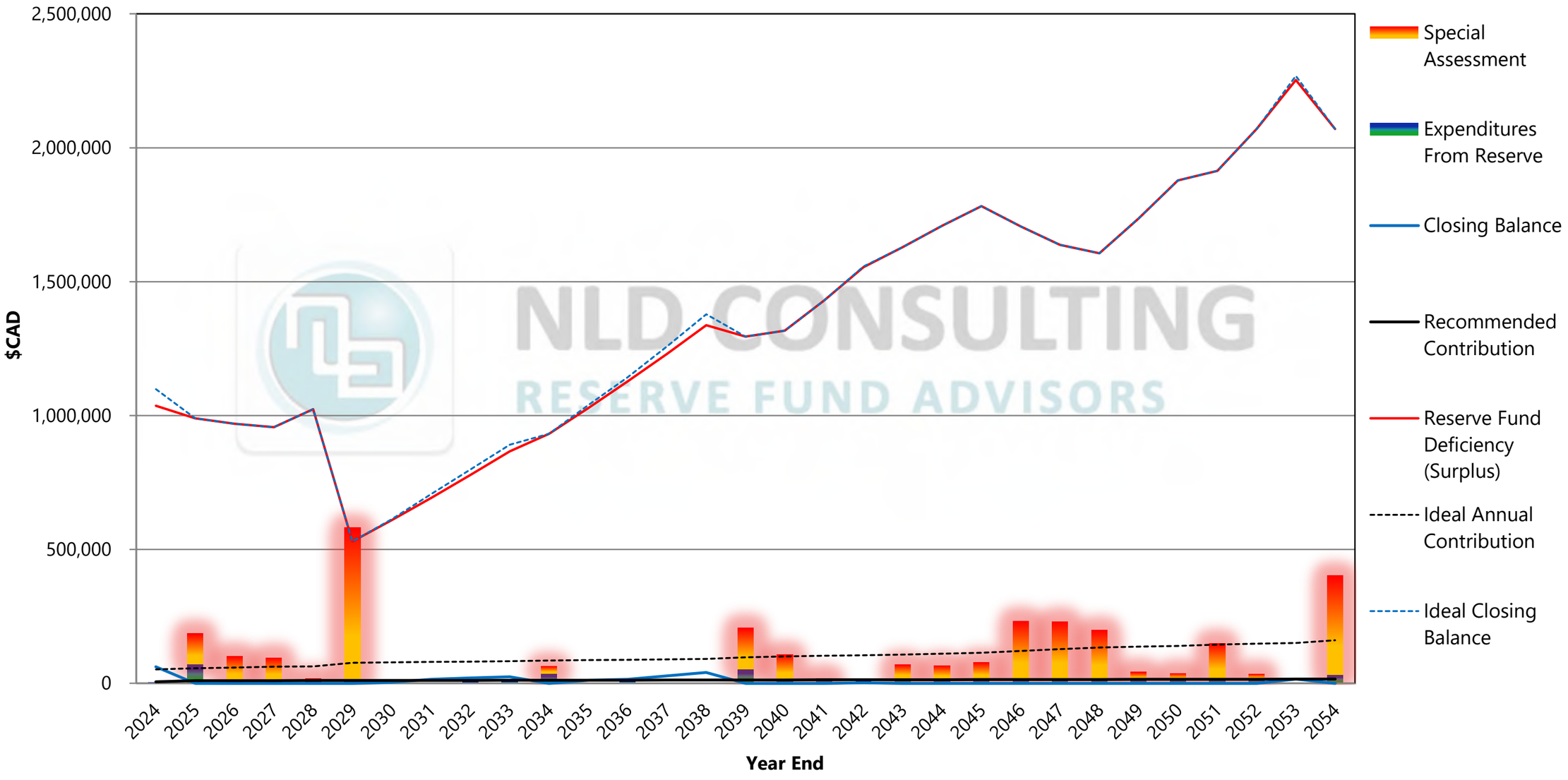
The Emperor

Construction Inflation Rate	3.4%
Long-Term Interest Rate	2.3%
Inflation Rate (CPI)	1.6%

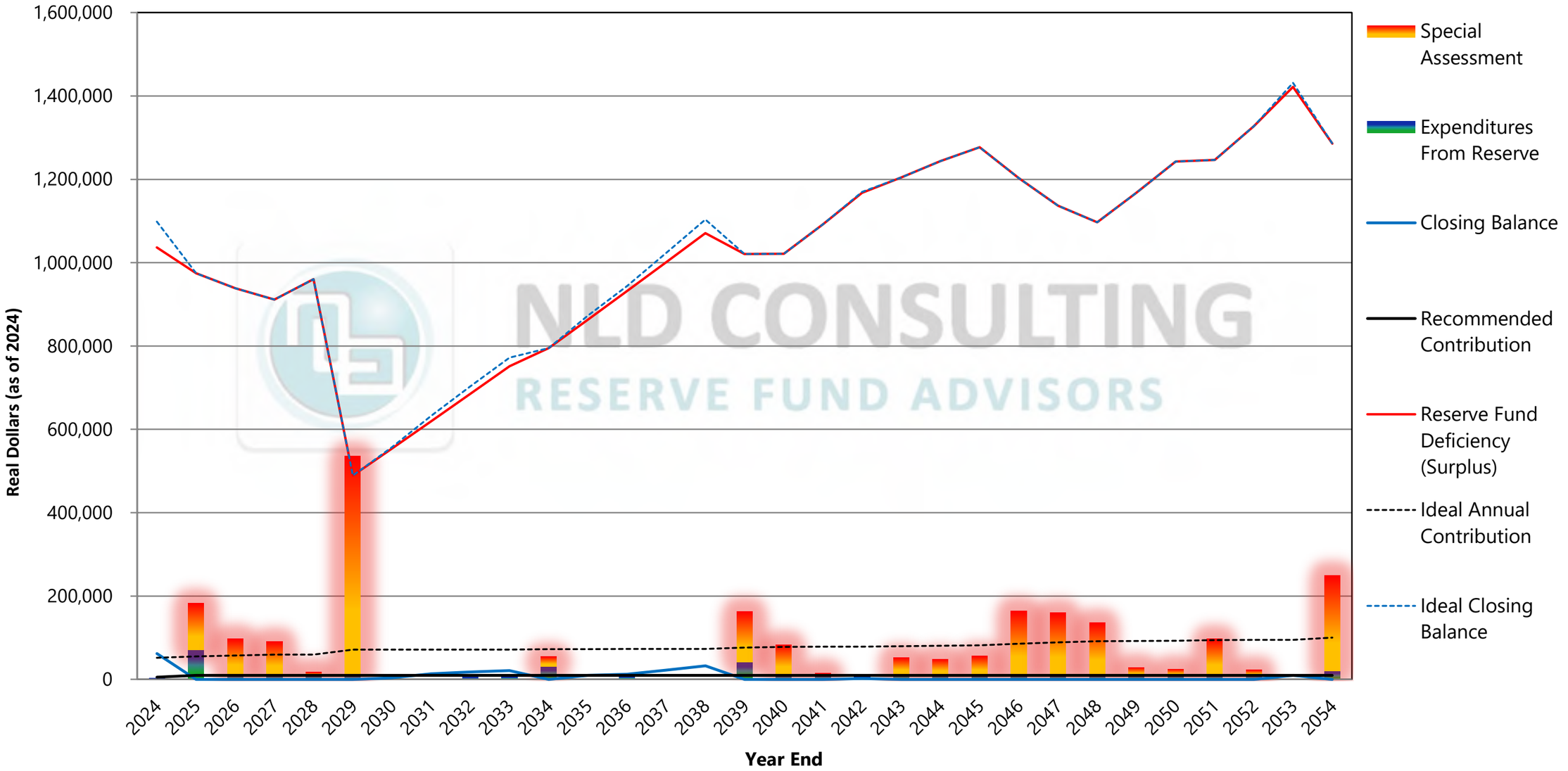
Fiscal Year End	Opening Balance	Annual Contribution	Avg Monthly Contribution per Unit	Special Assessments	Interest Income	Projected Expenditures	Closing Balance
2024	58,049	5,500	23	-	1,267	2,960	61,855
2025	60,881	9,843	41	111,923	-	182,647	-
2026	-	9,843	41	87,538	-	97,380	-
2027	-	9,843	41	80,817	-	90,659	-
2028	-	9,843	41	6,881	-	16,723	-
2029	-	9,843	41	526,516	-	536,359	-
2030	-	9,843	41	-	-	6,417	3,426
2031	3,372	9,843	41	-	78	-	13,292
2032	13,083	9,843	41	-	181	5,220	17,886
2033	17,605	9,843	41	-	249	6,764	20,933
2034	20,603	9,843	41	23,879	-	54,325	-
2035	-	9,843	41	-	-	-	9,843
2036	9,688	9,843	41	-	59	7,130	12,459
2037	12,263	9,843	41	-	282	-	22,387
2038	22,035	9,843	41	-	507	-	32,384
2039	31,874	9,843	41	121,449	-	163,166	-
2040	-	9,843	41	72,674	-	82,516	-
2041	-	9,843	41	4,742	-	14,584	-
2042	-	9,843	41	-	-	7,922	1,921
2043	1,890	9,843	41	39,908	-	51,641	-
2044	-	9,843	41	38,509	-	48,352	-
2045	-	9,843	41	46,231	-	56,074	-
2046	-	9,843	41	154,446	-	164,289	-
2047	-	9,843	41	149,931	-	159,773	-
2048	-	9,843	41	125,544	-	135,387	-
2049	-	9,843	41	18,324	-	28,166	-
2050	-	9,843	41	14,767	-	24,610	-
2051	-	9,843	41	87,020	-	96,863	-
2052	-	9,843	41	12,392	-	22,234	-
2053	-	9,843	41	-	-	-	9,843
2054	9,688	9,843	41	230,269	-	249,799	-

All values in $CAD, adjusted for CPI inflation

Minimum Funding Schedule



Minimum Funding Schedule (Real Dollars)



Reserve Fund Projection—Full Funding Model

The Emperor

Construction Inflation Rate	3.4%
Long-Term Interest Rate	2.3%
Inflation Rate (CPI)	1.6%

Cashflow	Jul 2023–Jun 2024	Jul 2024–Jun 2025	Jul 2025–Jun 2026	Jul 2026–Jun 2027	Jul 2027–Jun 2028	Jul 2028–Jun 2029	Jul 2029–Jun 2030	Jul 2030–Jun 2031	Jul 2031–Jun 2032	Jul 2032–Jun 2033	Jul 2033–Jun 2034	Jul 2034–Jun 2035	Jul 2035–Jun 2036	Jul 2036–Jun 2037	Jul 2037–Jun 2038	Jul 2038–Jun 2039
Opening Balance	**58,000**	**61,900**	**-**	**-**	**-**	**33,400**	**-**	**65,700**	**149,700**	**236,600**	**330,900**	**377,400**	**496,000**	**612,400**	**744,100**	**882,800**
Reserve Fund Income																
Recommended Annual Contribution	5,500	20,000	29,600	39,200	51,200	63,200	72,800	82,400	89,600	96,800	104,000	110,000	113,700	117,600	121,600	125,700
Special Assessment		**103,700**	**70,900**	**55,900**		**484,100**										
Transfers to (from) the Reserve Fund																
Other Income																
Interest Income	1,300							1,500	3,300	5,300	6,100	8,700	11,200	14,100	17,100	15,500
Total Cash Resources	**64,800**	**185,600**	**100,500**	**95,100**	**51,200**	**580,700**	**72,800**	**149,700**	**242,600**	**338,700**	**441,000**	**496,000**	**621,000**	**744,100**	**882,800**	**1,024,100**
Reserve Fund Expenditures																
Total Expenditures	**3,000**	**185,600**	**100,500**	**95,100**	**17,800**	**580,700**	**7,100**	**-**	**5,900**	**7,800**	**63,700**	**-**	**8,600**	**-**	**-**	**207,000**
Closing Balance	**61,900**	**-**	**-**	**-**	**33,400**	**-**	**65,700**	**149,700**	**236,600**	**330,900**	**377,400**	**496,000**	**612,400**	**744,100**	**882,800**	**817,000**
Deficiency Analysis																
Ideal Annual Contribution	51,600	56,100	59,000	62,100	63,400	77,000	78,400	79,600	81,000	82,500	85,100	86,500	88,000	89,400	90,900	97,000
Ideal Closing Balance	1,098,600	990,100	969,100	956,200	1,023,300	529,900	613,200	706,900	798,100	891,000	931,500	1,039,400	1,142,500	1,258,200	1,378,000	1,295,000
Reserve Fund Deficiency (Surplus)	**1,036,700**	**990,100**	**969,100**	**956,200**	**990,000**	**529,900**	**547,500**	**557,300**	**561,500**	**560,100**	**554,100**	**543,300**	**530,100**	**514,100**	**495,200**	**477,900**
Actual/Ideal Contributions	**11%**	**36%**	**50%**	**63%**	**81%**	**82%**	**93%**	**103%**	**111%**	**117%**	**122%**	**127%**	**129%**	**131%**	**134%**	**130%**
DCQ Score	**153.2**	**8.0**	**9.6**	**10.1**	**19.3**	**1.0**	**7.5**	**6.6**	**6.0**	**5.5**	**5.0**	**4.6**	**4.2**	**3.9**	**3.6**	**3.4**

All values in $CAD, rounded to the nearest hundred

Full Funding Model, Continued

The Emperor

Cashflow	Jul 2039–Jun 2040	Jul 2040–Jun 2041	Jul 2041–Jun 2042	Jul 2042–Jun 2043	Jul 2043–Jun 2044	Jul 2044–Jun 2045	Jul 2045–Jun 2046	Jul 2046–Jun 2047	Jul 2047–Jun 2048	Jul 2048–Jun 2049	Jul 2049–Jun 2050	Jul 2050–Jun 2051	Jul 2051–Jun 2052	Jul 2052–Jun 2053	Jul 2053–Jun 2054
Opening Balance	**817,000**	**857,000**	**991,600**	**1,142,700**	**1,241,200**	**1,350,500**	**1,455,100**	**1,409,200**	**1,370,400**	**1,369,100**	**1,533,400**	**1,712,300**	**1,787,400**	**1,987,200**	**2,233,700**
Reserve Fund Income															
Recommended Annual Contribution	130,000	134,400	139,000	143,700	148,600	153,700	158,900	164,300	169,900	175,700	181,600	187,800	194,200	200,800	196,300
Special Assessment															
Transfers to (from) the Reserve Fund															
Other Income															
Interest Income	16,300	19,300	22,600	24,700	27,000	29,300	28,100	27,100	27,000	30,500	34,400	36,000	40,300	45,700	42,100
Total Cash Resources	**963,400**	**1,010,700**	**1,153,200**	**1,311,100**	**1,416,900**	**1,533,400**	**1,642,200**	**1,600,600**	**1,567,300**	**1,575,300**	**1,749,500**	**1,936,100**	**2,021,900**	**2,233,700**	**2,472,100**
Reserve Fund Expenditures															
Total Expenditures	**106,400**	**19,100**	**10,500**	**69,800**	**66,400**	**78,300**	**233,000**	**230,200**	**198,200**	**41,900**	**37,200**	**148,700**	**34,700**	**-**	**402,200**
Closing Balance	**857,000**	**991,600**	**1,142,700**	**1,241,200**	**1,350,500**	**1,455,100**	**1,409,200**	**1,370,400**	**1,369,100**	**1,533,400**	**1,712,300**	**1,787,400**	**1,987,200**	**2,233,700**	**2,070,000**
Deficiency Analysis															
Ideal Annual Contribution	100,700	102,700	104,500	107,600	110,800	114,200	120,900	127,500	133,500	136,600	139,500	144,900	147,900	150,300	161,000
Ideal Closing Balance	1,316,600	1,430,100	1,556,700	1,628,700	1,709,000	1,782,400	1,706,000	1,637,300	1,605,800	1,736,400	1,877,900	1,913,900	2,070,300	2,268,200	2,070,000
Reserve Fund Deficiency (Surplus)	**459,600**	**438,400**	**414,000**	**387,400**	**358,500**	**327,300**	**296,800**	**266,900**	**236,700**	**203,000**	**165,600**	**126,500**	**83,100**	**34,500**	**-**
Actual/Ideal Contributions	**129%**	**131%**	**133%**	**134%**	**134%**	**135%**	**131%**	**129%**	**127%**	**129%**	**130%**	**130%**	**131%**	**134%**	**122%**
DCQ Score	**3.1**	**2.9**	**2.6**	**2.3**	**2.0**	**1.8**	**1.6**	**1.4**	**1.2**	**1.0**	**0.8**	**0.6**	**0.4**	**0.1**	**0.0**

All values in $CAD, rounded to the nearest hundred

Nominal Cash Flow—Full Funding

The Emperor

Construction Inflation Rate	3.4%
Long-Term Interest Rate	2.3%
Inflation Rate (CPI)	1.6%

Fiscal Year End	Opening Balance	Annual Contribution	Avg Monthly Contribution per Unit	Special Assessments	Interest Income	Projected Expenditures	Closing Balance
2024	58,049	5,500	23	-	1,267	2,960	61,855
2025	61,855	20,000	83	103,714	-	185,570	-
2026	-	29,600	123	70,921	-	100,521	-
2027	-	39,200	163	55,881	-	95,081	-
2028	-	51,200	213	-	-	17,819	33,381
2029	33,381	63,200	263	484,082	-	580,663	-
2030	-	72,800	303	-	-	7,058	65,742
2031	65,742	82,400	343	-	1,512	-	149,654
2032	149,654	89,600	373	-	3,306	5,926	236,633
2033	236,633	96,800	403	-	5,263	7,803	330,894
2034	330,894	104,000	433	-	6,146	63,670	377,370
2035	377,370	110,000	458	-	8,680	-	496,050
2036	496,050	113,740	474	-	11,211	8,626	612,375
2037	612,375	117,607	490	-	14,085	-	744,067
2038	744,067	121,606	507	-	17,114	-	882,786
2039	882,786	125,740	524	-	15,542	207,031	817,037
2040	817,037	130,016	542	-	16,345	106,375	857,023
2041	857,023	134,436	560	-	19,272	19,102	991,630
2042	991,630	139,007	579	-	22,565	10,542	1,142,660
2043	1,142,660	143,733	599	-	24,675	69,819	1,241,249
2044	1,241,249	148,620	619	-	27,021	66,418	1,350,472
2045	1,350,472	153,673	640	-	29,261	78,258	1,455,148
2046	1,455,148	158,898	662	-	28,110	232,954	1,409,203
2047	1,409,203	164,301	685	-	27,118	230,175	1,370,446
2048	1,370,446	169,887	708	-	26,962	198,164	1,369,131
2049	1,369,131	175,663	732	-	30,527	41,887	1,533,434
2050	1,533,434	181,636	757	-	34,414	37,183	1,712,300
2051	1,712,300	187,811	783	-	35,963	148,692	1,787,382
2052	1,787,382	194,197	809	-	40,312	34,677	1,987,214
2053	1,987,214	200,799	837	-	45,706	-	2,233,719
2054	2,233,719	196,271	818	-	42,126	402,164	2,069,952

All values in $CAD

Real Dollar Cash Flow—Full Funding

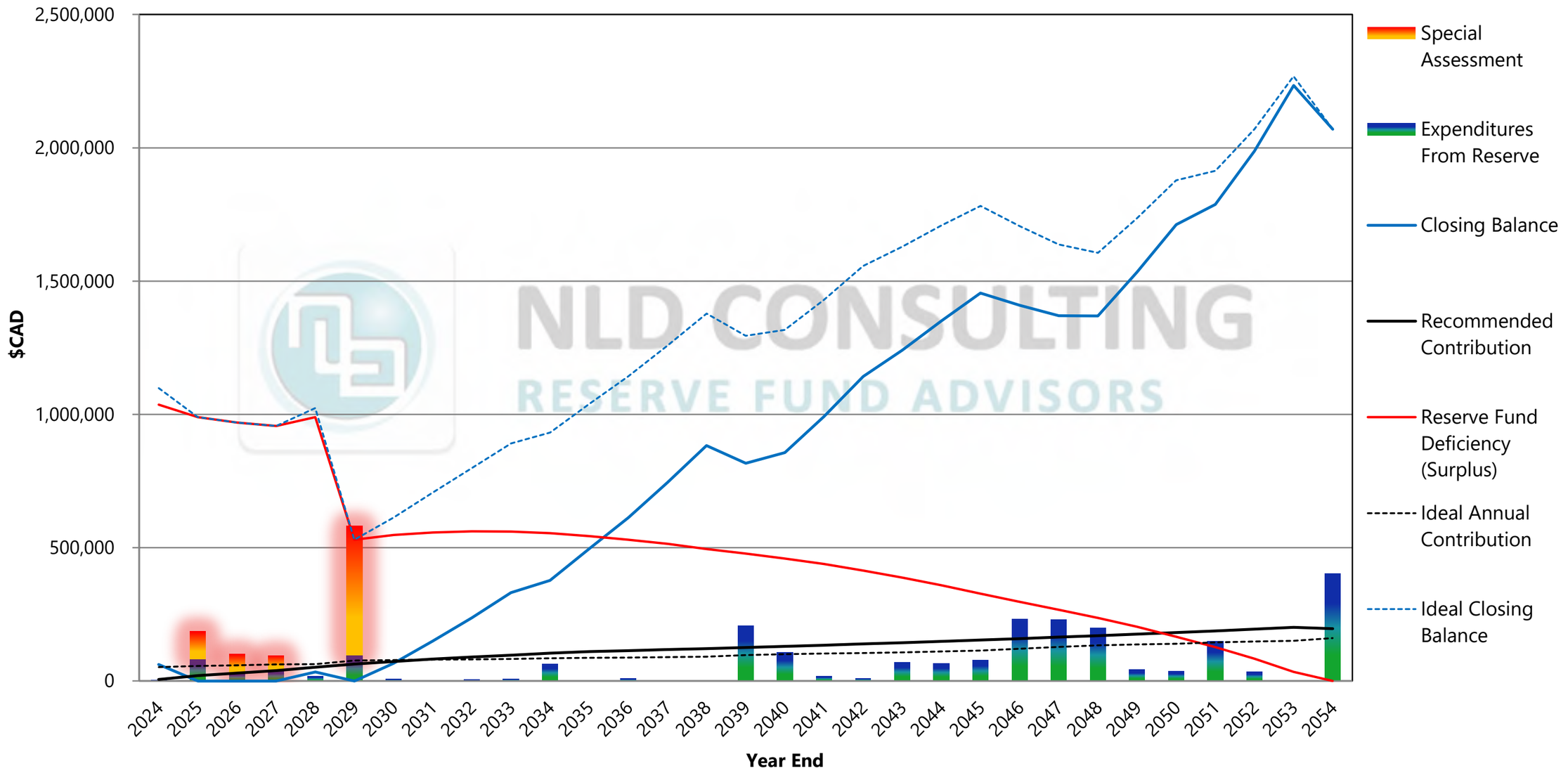
The Emperor

Construction Inflation Rate	3.4%
Long-Term Interest Rate	2.3%
Inflation Rate (CPI)	1.6%

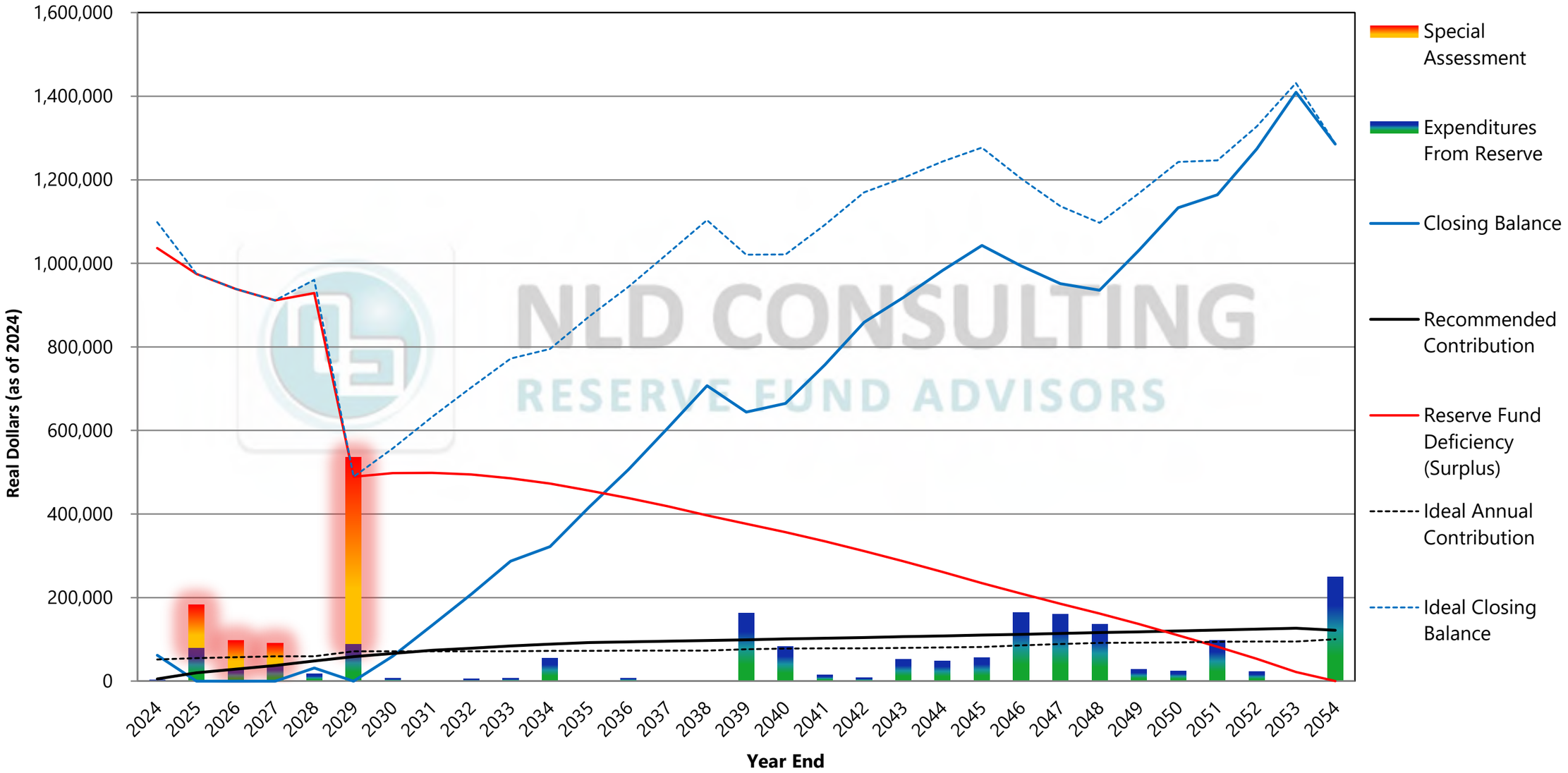
Fiscal Year End	Opening Balance	Annual Contribution	Avg Monthly Contribution per Unit	Special Assessments	Interest Income	Projected Expenditures	Closing Balance
2024	58,049	5,500	23	-	1,267	2,960	61,855
2025	60,881	19,685	82	102,081	-	182,647	-
2026	-	28,675	119	68,705	-	97,380	-
2027	-	37,377	156	53,282	-	90,659	-
2028	-	48,050	200	-	-	16,723	31,327
2029	30,834	58,378	243	447,147	-	536,359	-
2030	-	66,186	276	-	-	6,417	59,770
2031	58,828	73,735	307	-	1,353	-	133,916
2032	131,807	78,915	329	-	2,912	5,220	208,414
2033	205,132	83,914	350	-	4,562	6,764	286,844
2034	282,327	88,735	370	-	5,244	54,325	321,981
2035	316,911	92,377	385	-	7,289	-	416,576
2036	410,016	94,013	392	-	9,266	7,130	506,166
2037	498,195	95,679	399	-	11,458	-	605,332
2038	595,799	97,374	406	-	13,703	-	706,876
2039	695,745	99,099	413	-	12,249	163,166	643,927
2040	633,786	100,855	420	-	12,679	82,516	664,803
2041	654,334	102,641	428	-	14,714	14,584	757,106
2042	745,183	104,460	435	-	16,957	7,922	858,678
2043	845,155	106,311	443	-	18,251	51,641	918,076
2044	903,618	108,194	451	-	19,671	48,352	983,131
2045	967,649	110,111	459	-	20,966	56,074	1,042,652
2046	1,026,232	112,062	467	-	19,825	164,289	993,830
2047	978,179	114,047	475	-	18,823	159,773	951,276
2048	936,295	116,068	484	-	18,421	135,387	935,397
2049	920,666	118,124	492	-	20,527	28,166	1,031,151
2050	1,014,913	120,217	501	-	22,777	24,610	1,133,296
2051	1,115,449	122,346	510	-	23,427	96,863	1,164,360
2052	1,146,024	124,514	519	-	25,847	22,234	1,274,150
2053	1,254,085	126,720	528	-	28,844	-	1,409,649
2054	1,387,450	121,912	508	-	26,166	249,799	1,285,728

All values in $CAD, adjusted for CPI inflation

Full Funding Schedule



Full Funding Schedule (Real Dollars)



Appendix K—Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP)

CUSPAP 2022 comprises eight standards, each containing rules, comments, and definitions. These Standards include an Ethics Standard, a Reporting Standard, a Real Property Appraisal Standard, a Review Standard, a Consulting Standard, a Reserve Planning Standard, a Machinery and Equipment Appraisal Standard, and Mass Appraisal Standard. A Reserve Fund Study falls under the Reserve Planning Standard of the Appraisal Institute of Canada (AIC) CUSPAP rules.

More specifically, **CUSPAP Section 14 - Reserve Planning Standard Rules** deals with the procedures for the development and communication of a Reserve Fund Study and incorporates the minimum content necessary to produce a credible result.

In the Completion of the Reserve Fund Study the consultant must:

Identify the client and other intended users by name

VR 2131—"The Emperor", c/o Narod Properties Corporation

Identify the intended use of the opinions and conclusions

To enable the property owners to implement a long range reserve fund strategy.

Identify the purpose of the study

To provide the property owners with a 30 year funding plan for the reserve fund.

Identify the characteristics of the property

Refer to Section 2.

Identify the effective date of the study

May 15, 2023

Identify the date of completion of the study

July 19, 2023

Identify the legislation that applies to the assignment

Section 6.2 BC Strata Property Regulation – Depreciation Report as amended to date.

Identify the scope of work and the extent of the data collection process

The scope of work included an inspection of the subject building, particularly the common area components, which have been considered reserve components within this report. Research as to the actual/effective age of each component was undertaken, as well as an estimate as to the remaining life expectancy and quantity of each. Where available, relevant plans such as architectural, structural and/or mechanical, plumbing, electrical drawings have been reviewed, as well as the subject strata plan (if applicable). Current cost estimates are based on either costs obtained from costing manuals such as RS Means or Marshall & Swift, or discussions with industry professionals. Interest rates and inflation rates have been estimated using the methodology described in the related sections of this report. Further information on the scope of work is described through the report.

Identify all assumptions and limiting conditions
See Appendix B.

Identify any hypothetical conditions (including proposed improvements)
No hypothetical conditions are invoked, unless otherwise indicated.

Describe and analyze all relevant data to complete the reserve fund study
This rule has been adhered to throughout the pertinent sections of the report.

Define and delineate the pertinent components the reserve fund study is to cover
This rule has been adhered to throughout the pertinent sections of the report.

Provide a Benchmark Analysis
See Section 5.1 of the report.

Provide a Cash Flow projection
See Section 5.3 of the report.

Provide an opinion on the adequacy of the reserve fund contributions
See Sections 5.4 of the report.

Provide a reserve fund model
See Section 5.2 of the report.

Detail the reasoning that supports the analysis, opinions, and conclusions
This rule has been adhered to throughout the pertinent sections of the report.

Report the final conclusions/recommendations
Please refer to section 6 of the report.

Include a signed certification
See signed certification, page 6.

Additionally, **CUSPAP Section 15 - Reserve Planning Standard - Comments** provides additional details in order to clarify, interpret, explain, and elaborate on the rules, and form an integral part of the Standards. Their action is compulsory.

The Practice Notes offer advice, examples, and resolution; their application is not mandatory. The **Practice Notes Section** related to Reserve Planning Standard states:

7 PRACTICE NOTES RELATING TO THE RESERVE PLANNING STANDARD RULES (RPSR)

7.1 Reserve Fund Study (RPSR 14.2)

7.1.1 Reserve Fund Studies are not completed to provide financial planning advice.

7.1.2 The Reserve Fund Study should provide comments on any apparent deficiency in the reserve fund account or in future reserve fund accumulation, along with a cash flow model covering an appropriate time frame.

7.1.3 A Reserve Fund Study must specify the type of property under review (e.g., condominium townhouse, condominium apartment, dockominium, float home, parking stall, vacant land condominium, common element condominium, and recreation condominium). If a Reserve Fund Study is for something other than a condominium or strata, the report should describe the real estate accordingly (e.g., co-operative, office structure, institutional facility, municipal infrastructure and improvements, not-for-profit, etc.)

7.2 Legislation Considerations in a Reserve Fund Study (RPSR 14.2.2)

7.2.1 Reserve Planners complete Reserve Fund Studies without providing financial planning advice, the study should consider applicable legislation and policies defining those components the study is to cover, and incorporate a comprehensive benchmark analysis including, as a minimum:

7.2.1.i life cycle analysis;

7.2.1.ii current and future replacement costs;

7.2.1.iiithe current reserve balance; and,

7.2.1.ivestimated future reserve fund accumulations.

7.2.2 The study should comment on any apparent deficiency in the reserve fund account or in estimated future reserve fund accumulation, along with a cash flow model covering an appropriate period.

7.2.3 Reserve Planners need to be familiar with the legislation governing reserve fund studies in the jurisdiction within which they work, along with any consequential regulations and policies.

7.3 Exclusions in a Reserve Fund Study (RPSR 14.2.4)

7.3.1 A Client might request that the study exclude certain short-lived items. The study needs to identify exclusions clearly. While such exclusions might be permitted, the Reserve Planner must ensure that the resulting study is not capable of misleading the reader. It is the Reserve Planner's responsibility to ensure that the assignment meets the "Reasonable Appraiser" test, if exclusions are made.

7.4 Benchmark Analysis in a Reserve Fund Study (RPSR 14.2.5)

7.4.1 Provision should be made for inflation or deflation in costs between the date of the reserve fund study and the time at which repairs and replacements are expected.

7.4.2 A benchmark analysis entails estimating expected life and remaining life; for various components as well as:

7.4.2.i total cost of replacement or repair;

7.4.2.ii current replacement cost estimates;

7.4.2.iiireserve fund requirements;

7.4.2.ivfuture replacement cost estimates;

7.4.2.v reserve fund accumulations;

7.4.2.vireserve fund requirements; and

7.4.2.viiannual reserve fund contributions.

7.5 Cash Flow Projection in a Reserve Fund Study (RPSR 14.2.6)

7.5.1 The Reserve Planner should also consider the state of the fund relative to repair and replacements that will happen in the period immediately following the term chosen for the cash flow projection.

7.5.1.i For example, a study could prescribe cash flows which will result in a balance near zero at the end of the projection period. This is not prudent if a large expense is expected within a few years of the end of the cash flow projection, as the fund will not be adequate to deal with such an expense.

7.5.2 A cash flow projection and reserve fund funding model are intertwined. The Reserve Planner specifies the funding model(s) that forms the basis for the cash flow projection.

7.6 Adequacy Analysis of the Reserve Fund Contributions (RPSR 14.2.7)

7.6.1 The cash flow projection should identify whether the existing fund balance and recommended funding level are sufficient to meet most of the repair and replacement obligations. If deficiencies are evident, they should be identified and incorporated in the recommendations.

7.7 Preparing a Reserve Fund Funding Model (RPSR 14.2.8)

7.7.1 The reserve fund funding model should make one or more recommendations to ensure a prudent level of funding is provided in the contingency reserve. If legislated or deemed appropriate by the Reserve Planner, options should be discussed within the study. The Reserve Planner should ensure that the options provided are prudent, incorporate the minimum requirements within Reserve Study Standard and any applicable provincial legislation.

Additionally, a signed certification must be included, and this certification must clearly specify which individual(s) did or did not make a personal inspection of the subject property. Additionally, the report must be signed or co-signed by an accredited member of the AIC holding the designation AACI, P. App., and/or a designated member of the AIC holding the designation CRA (see CUSPAP 6.2.9, 3.71, and 7.11).

Appendix L—Glossary

Adequate Funding Model

One of the three (or more) proprietary Funding Models included in a depreciation report conducted by NLD Consulting – Reserve Fund Advisors. This is the funding strategy that endeavors to balance the needs of the strata by giving adequate notice of contribution increases, limiting the risk of special assessments, and addressing any reserve deficiency in an equitable manner.

Annual Contribution

The amount of money that is contributed to the reserve fund in each fiscal year, excluding interest earned, transfers, and special assessments.

Benchmark Analysis

A "moment-in-time" funding analysis based on a hypothetical fully funded reserve fund. It shows the ideal reserve fund balance at a given point in time, as well as the ideal annual contribution if the reserve fund were fully funded. The fully funded contributions under this analysis represent equitable annual contributions in nominal dollars.

Budget Percentage

Also "Budget Allowance", "Budget Amount", or simply "Budget". This is an arbitrary percentage applied to the total cost to repair or replace a component. Based on experience and research, NLD Consulting – Reserve Fund Advisors has chosen not to reserve for an entire replacement of some components. On a component to which a budget percentage has been applied, a strata may find that they have no need for any repairs over the lifespan of their property. Other stratas may find that they need an entire replacement, while others may require partial replacements with varying scopes of work. The budget percentage reflects a prediction of the future that may in fact be very different than reality.

Certified Reserve Planner (CRP)

The professional designation awarded by the Real Estate Institute of Canada (REIC), for the preparation of Reserve Fund Studies, including Depreciation Reports

Closing Balance

The reserve fund position at the end of a fiscal year, carried forward to the next year as an Opening Balance.

Component

A physical improvement to the development.

Condominium Act

The legislation related to Condominium Corporations outside of BC, as amended to date. This act includes the definition of a Reserve Fund Study and related concepts.

Condominium Act Regulation

Details the requirements laid out in the Condominium Act. Many sections of the Act must be read in conjunction with the Regulations to gain a full understanding of the legal requirements.

Construction Cost Inflation

Inflation measured by changes in construction cost indexes. The inflation rate is localized and pertains to a specific building type.

Contingency Reserve Fund (CRF)

Synonymous to Reserve Fund in this report. It is a concept defined by the legislation of the British Columbia Strata Property Act. It represents the financial assets of a strata corporation (or section as defined in the Act), held for the purposes of funding long term repairs and replacements of the common assets of the corporation that occur less often than once per year and are not included in the operating budget.

Contribution

See Annual Contribution.

CPI Inflation

Inflation measured by increases in the Consumer Price Index, which is a statistical representation of the change in purchasing power between two years.

Current Age

Defined in the Manitoba Condominium Act under Definitions 1(1):

"current age", in relation to an item or type of item, means the actual or estimated number of years between the date of the reserve fund study or latest update and the later of the following dates:

(a) the installation date or the date of first use, as determined by the person conducting the reserve fund study;

(b) the date of renewal, refurbishment, or reconditioning by major repair or replacement.

Deficiency

The difference between a given year's Benchmark Closing Balance and its actual Closing Balance.

Deficiency/Contribution Quotient (DCQ)

A stable measure of the health of a reserve fund. This formula is defined as the sum of a given year's Deficiency and its Outstanding Loan Balance, if any (D), divided by the sum of the same year's contributions and interest earned (C), or D/C.

Depreciation Report

A Reserve Fund Study conducted to the BC legislated standards of the Strata Property Act. See Reserve Fund Study.

Effective Age

A subjective, observed age for each Reserve Component. It may differ from the component's actual or current age when it is performing better or worse than expected. Effective Age is used in our funding model recommendations.

End of Life

The point in time where the Reserve Component(s) have collectively reached the point of physical failure, and/or the current improvements do not provide for maximum utility of the subject site as improved. This is the point where no further reserve fund savings are required, as no further reserve component replacements are anticipated to occur. At this point in time the building's reserve fund Deficiency is necessarily zero.

Expenditure

See Reserve Expenditure.

Full Funding Model

A proprietary Funding Model used by NLD Consulting which focusses on minimizing the risk of special assessments, as well as being Fully Funded prior to the end of the 30-year projection period.

Fully Funded

The reserve fund is Fully Funded when its Closing Balance equals the Benchmark Closing Balance, resulting in a Deficiency equal to zero. At this point the reserve fund contains an equitable amount of money saved towards each component, given their expected costs and estimated replacement years.

Functional Obsolescence

A concept where the utility of a component is compromised due to outdated design and/or features, which cannot effectively be remedied.

Funding Model

A 30-year forecast of money moving in and out of the reserve fund. This will include estimated costs and replacement dates for each component, as well as a recommended schedule of reserve fund Contributions to fund those expenditures.

Ideal Annual Contribution

An annual contribution to the reserve fund in an amount prescribed by the benchmark analysis each year. It is an equitable amount to save if the reserve fund has no deficiency.

Ideal Balance

The pro-rated cost liability for the repair and replacement of the items or types of items in the strata corporation's component inventory in any year covered by the reserve fund study. We calculate this using the Benchmark Analysis. Ideal Balance is also a concept defined by the Manitoba Condominium Act.

Ideal Closing Balance

An equitable reserve fund balance prescribed by the Benchmark Analysis, such that there is enough money in the reserve fund given each component's expected cost and date of replacement.

Interest

Money earned on all reserve fund investments.

Lifespan

The average life expectancy of a Reserve Component.

Minimum Balance

A proprietary concept used by NLD Consulting. It is a funding model's lowest allowable closing balance for each fiscal year, and it increases with CPI inflation. The Minimum Balance can never be a negative number. This concept is a form of Threshold Funding.

Minimum Funding Model

A proprietary Funding Model used by NLD Consulting which recommends minimal reserve fund contributions.

Nominal Dollars

An actual dollar amount that has not been adjusted for inflation. This is the actual amount that is spent, saved, or earned. All dollar amounts are assumed to be in nominal terms unless otherwise specified. This is in contrast to Real Dollars, which are adjusted for inflation.

Non-Reserve Component

A component found on shared property that has been specifically excluded from the reserve fund, as per the bylaws or the Act, or in consultation with the strata corporation.

Opening Balance

The reserve fund position at the beginning of each fiscal year, carried forward from the prior year end as a Closing Balance.

Operating Fund

The fund a strata corporation contributes to, and draws expenditures from, related to the operating expenses of the corporation. This fund does not include contributions and expenditures related to reserve expenditures, which are funded separately—see Reserve Fund.

Qualified Person

The definition for Qualified Person differs from province to province. For example:

BC—Described under Section 94(1) of the Strata Property Act as: "any person who has the knowledge and expertise to understand the individual components, scope and complexity of the strata corporation's common property, common assets and those parts of a strata lot or limited common property, or both, that the strata corporation is responsible to maintain or repair under the Act, the strata corporation's bylaws or an agreement with an owner and to prepare a depreciation report that complies with subsections (1) to (4)"

MB—Described under Part 25 (1) of the Condominium Act as per below:

"Who may conduct a reserve fund study

25 (1) Subject to subsections (2) and (3), only the following persons may conduct a reserve fund study:

(a) a person who holds a valid registration under The Architects Act to practise as an architect in Manitoba;

(b) a person who holds a valid registration under The Engineering and Geoscientific Professions Act to practise as a professional engineer in Manitoba;

(c) a person who holds a valid certificate as a certified applied science technologist or certified engineering technologist under The Certified Applied Science Technologists Act;

(d) a member of the Appraisal Institute of Canada who holds a valid designation as an Accredited Appraiser Canadian Institute;

(e) a member of the Real Estate Institute of Canada who holds a valid designation as a Certified Reserve Planner."

Real Dollars

A dollar amount which is has been adjusted for inflation. It describes the actual buying power as it changes over time, relative to a reference/base year (typically the year in which the study was conducted). This is in contrast to a nominal dollar, which is expressed without regard for the effects of inflation.

Remaining Life

The difference between Effective Age and Lifespan.

Reserve Component

A physical element of a strata corporation which is to be included in the inventory of reserve components for analysis in a British Columbia legislated Depreciation Report.

Reserve Expenditure

An amount removed from the reserve fund to pay for repairs or replacements to Reserve Components.

Reserve Fund

This is a concept defined by legislation in some provinces. A Reserve Fund represents the financial assets of a strata corporation, held for the purposes of funding long term repairs and replacements of the common assets of the corporation that occur less often than once per year and are not included in the operating budget.

Reserve Fund Deficiency

The difference between the Closing Balance and the Ideal Closing Balance as calculated by the Benchmark Analysis. This is an amount that will necessarily be paid in full at the end of the property's economic life.

Reserve Fund Study

A budget planning tool comprising a physical and financial analysis, which identifies long-term funding plans for repair and replacement of major common elements of a property. Ideally, this tool will aid the owners in a long-term funding plan.

Special Assessment/Levy

A unique, non-regular contribution from owners towards their Reserve Fund. This type of contribution is most often employed when the reserve fund balance is not sufficient to undertake the project as required. Although Special Assessments may be employed as part of a long-term funding strategy or due to an unexpected expenditure, they can also be indicative of a lack of long-term strategy.

Strata Property Act

The legislation related to strata property in British Columbia, and as amended to date. This act includes the definition of a Depreciation Report and related concepts.

Strata Property Regulation

Details the requirements laid out in the Strata Property Act. Many sections of the Act must be read in conjunction with the Regulations in order to have a full understanding of the legal requirements.

Threshold Funding

A method of determining future Contributions. It ignores the Benchmark Analysis and focuses solely on keeping the reserve fund balance above a threshold amount. We often incorporate the element of a minimum allowable balance in our forecasts. However, relying solely on Threshold Funding leads to inequitable contributions.

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