



DEPRECIATION REPORT

**ENGLESEA MANOR II
1225 MERKLIN STREET
WHITE ROCK BC**

STRATA PLAN NW 2765



November 17, 2022

File No. R1135403

Strata Corporation NW 2765
c/o Hugh & McKinnon Property Management
14007 - 16 Avenue Surrey BC

Attention: Bob Tassone

**RE: Reserve Fund Report
Englesea Manor II
1225 Merklin Street White Rock BC
Strata Plan NW 2765**

Pursuant to your request, we have completed a depreciation report of the above referenced property. This report, which summarizes the study, provides current and future replacement cost estimates and recommends a reserve fund program for the above noted property.

Certain assumptions and conditions were applied in preparing this study. They are contained in the Standard Limiting Conditions and Assumptions and elsewhere within the report. It is the reader's responsibility to read and review all limiting conditions and assumptions prior to making any decision related to the use of the report. Additional funds may be required outside the Reserve Fund to address any building deficiencies reported to the Corporation and noted in the Special Assumptions and Terms of Reference and elsewhere within the report. To the extent that any conditions and assumptions noted herein are modified or amended, then the data, analyses, and conclusions contained herein may require adjustment.

The reader is referred to the copyright provisions contained on page one of the Executive Summary.

We appreciate the opportunity of providing this depreciation report. If you have any questions, please contact the undersigned.

Yours truly,
Reliance Asset Consulting Inc.



Daniel B. Jablonski, CRP



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EXECUTIVE SUMMARY

Strata Details:	Englesea Manor II 1225 Merklin Street White Rock BC
Strata Plan Number:	NW 2765
Property Description:	37 Unit, Low Rise Apartment Style Complex.
Year of Construction:	Circa 1988
Report Date:	November 17, 2022
Inspection Date:	September 19, 2022
Effective Date:	September 19, 2022
Budget Year:	September 30, 2022

Reserve Fund Requirements:

Current Replacement Costs.....	\$ 4,439,200
Future Replacement Costs.....	\$ 6,666,613

As of the date of the authoring of this report the following items may require further investigation. The council was notified of these items. It is the reader's responsibility to investigate the status of the following if any.

Majority of stucco is original and identified as a sealed face system. A report completed in March 2022 indicated multiple high moisture content areas which if left can cause deterioration of the structure. One section of the exterior wall was replaced utilizing the same sealed face system. If properly installed the sealed face system can provide adequate exterior water shedding and penetration. These systems can be difficult to implement and building permits are not being issued for this type of construction. The Corporation is considering a phased replacement of sections along with windows. It is recommended that this construction utilize a rain screen system. The expenditures related to this replacement should not be relied upon but have been estimated in the (Rain Screen Replacement Model). This project has not been scoped and it is recommended that any rain screen replacement be properly scoped and estimated. A placeholder of approximately \$2,800,000 has been inserted in the cash flow. Additionally given the high moisture content structural elements should be investigated during any replacement of the exterior. Only one model has been provided with continuing the sealed face system replacements. This method will involve finding a developer who will complete the project without warranty and without building permit approvals. The other potential detriment to completing any further use of the sealed face would be the potential of an insurance provider declining coverage due to unpermitted work being completed on a Strata Corporation.

Any significant undetermined costs for any extensive repairs or resulting correction are outside the scope of this study and would require further examination by a qualified consultant(s). If it becomes necessary to undertake an extensive repair program, the corporation will have to consider budgeting and funding options at that time.



Limiting Conditions & Assumptions

Certain assumptions were made as part of the analyses contained herein. These assumptions are contained in the Standard Limiting Conditions & Assumptions and elsewhere within the report.

Copyright Provisions

All rights are reserved. The client and only the client, as noted herein, has permission to photocopy the report, for the legitimate purpose of providing information to the council of directors, the unit owners and prospective purchasers of Strata units in the complex. In order to recognize the full scope of this report it must be reviewed in its entirety.

Assumptions:

The Stabilized Interest Rate for the study horizon was set at 3% per annum and a short-term interest rate of 2% was utilized for the first five years. The Stabilized Inflation Rate was set at 3.5% per annum.

Conclusions:

As of the beginning of this study's financial plan September 30, 2022 The Corporation is approximately 8% funded according to the current reserve fund requirements. Given the age of the complex and the replacement work that is projected in the next ten years all the models provided recommend special levies to improve the current funding position and provide for upcoming replacements.

The goal of the recommended financial plan (10 Year Normalization – Rain Screen Replacement) is to maintain an approximately a 10% - 70% funded position during the 30-year study horizon. At this level of funding the corporation should be able to adequately provide for all regularly expected expenditures for the next 30 years and additionally 40 years. The plan also provides a buffer for some pre-mature failures if they occur. The plan is designed to provide a fair and stabilized reserve contribution for future owners past 10 years. If the recommended plan is followed, reserve contribution increases should be fairly stable and should remove the likelihood of special levies past the initial 5 year period which recommends levies to offset exterior replacements and any structural concerns. As pre-mature failures and unforeseen repairs do occur it is impossible to predict this with certainty. These conclusions are based on the provision that the interest rates and inflation rate assumptions remain reflective of the local economy, and regular maintenance is being completed.

Note to Reader: The above percentage funding levels should not be confused with an accountant's definition of percentage funded. An accountant's determination of percentage funded is typically in relation to the figures prepared in the Horizon Projected Cash Flow. Where if the plan indicates in a prescribed year the balance should be \$100,000 as an example. An accountant's determination of the funding level is the deviance from this amount not a complete consideration of the all-component expenses.



STANDARD LIMITING CONDITIONS & ASSUMPTIONS

The certification at the end of this report is subject to these limiting conditions and assumptions:

1. This report is prepared for the purpose of strata reserve fund planning, as outlined herein. No person other than the strata corporation (hereinafter referred to as "the client") or a bona-fide purchaser of a strata unit in the complex may use or rely upon this report without first obtaining prior written authorization from Reliance Asset Consulting Inc. (hereinafter referred to as "Reliance"). Reliance and the authors of this report shall not assume any of the duties or liabilities of the owners and/or builders of the property. This report may contain other limiting conditions, qualifications, or assumptions, in addition to those set forth below, that pertain to the purpose of this report.
2. Reliance reserves the right, at its sole discretion, at any time to alter statements, analyses, conclusions, or any estimates contained herein if Reliance becomes aware of facts pertinent to the process which were unknown at the time the report was prepared. Certain assumptions were made throughout this report. No investigation, legal or otherwise, has been undertaken to verify these assumptions except as expressly noted herein.
3. Once any depreciation report or update is issued subsequent to the date of this report, whether it is issued by Reliance or by any other firm person or corporation, then this report shall become null and void. The onus is on the reader to determine if any there is any such depreciation report is in existence prior to relying upon this report.
4. The reserve estimates contained herein should be reviewed from time to time, particularly, in the context of repair experience and problem investigations, including the following: water damage, building envelope failures, structural problems, cracks in the walls and foundation, post tension construction concerns if applicable, waterproofing membranes, and environmental issues, etc.



5. Reserve fund estimates are subjective, and they are based on the writer's understanding of the life cycle of building components and experience gained from analyzing buildings. The level of maintenance for any component described herein may alter the estimated remaining life of that component. A detailed review should be made prior to considering a major repair or replacement. It must be appreciated that reserve fund budgeting and projections is not an exact science. They are, at best, prudent provisions for all possible contingencies, if, as, and when they arise. Industry costs of labour and materials are dependent on competition and supply and demand cycles. The cost projections are approximate using standardized costs as of the time of analysis. Reserve fund requirements are subject to change and must be reviewed and modified over time, not greater than every three years. In essence, the Corporation should adopt a long-term policy regarding reserve fund allocations. The policy must be flexible to accommodate changes in reserve fund requirements in the future.
6. In order to arrive at supportable replacement cost estimates, it was necessary to utilize both documented and other cost data. A concerted effort was 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. However, no guarantee as to the accuracy of the data is implied. In estimating various reserve items, certain assumptions are made with respect to structural repairs and replacements of improvements. For example, reserves for structural repairs, and replacements of certain mechanical and electrical components, are difficult to predict and/or quantify. Thus, the best approach is to provide contingencies that provide a range of cost estimates.
7. The distribution of cost and other estimates in this report applies only under the program of utilization as identified in this report. The estimates herein must not be used in conjunction with any other study and may be invalid if so used. Unless otherwise noted, all fees, costs, and cost estimates are expressed in Canadian dollars. 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.
8. Within the strata complex certain components will require replacement during the study horizon. Except as expressly stated otherwise within this report, it is assumed that all such components will be replaced with components which are similar in terms of design, quality, workmanship and materials unless otherwise specified.
9. Unless otherwise stated in this report, the existence of hazardous materials, substances or gases, which may or may not be present within, on, or near the property, has been disregarded in the analysis. Reliance is not qualified to detect substances such as asbestos, mold, bacteria, fungi, volatile organic compounds (voc's), radon or other similar gases, urea-formaldehyde foam insulation, or other potentially hazardous or toxic materials and/or substances which may affect the property. The analyses in this report are based on the assumption that there are no such substances, materials and/or conditions. Reliance is not responsible for any such matters and/or the expertise required to discover them. The Client is urged to retain the appropriate experts for all such matters.



10. The architectural, structural, mechanical, electrical, and other plans and specifications of the building or buildings and improvements provided, are assumed to be correct. Furthermore, all buildings and improvements are deemed to have been constructed and finished in accordance with such plans and specifications, unless otherwise noted. No legal surveys; soil, air or water quality tests; building code reviews; technical audits; condition surveys, engineering investigations; environmental investigations; detailed quantity surveys; nor exhaustive physical examinations have been made. Therefore, no responsibility is assumed for such matters. No responsibility is assumed for any inherent, latent or hidden defects, damages or conditions of the property. The analysis herein assumes that the structural components within the building will last the physical life of the building unless specified herein. For that reason, replacement of such components was not accounted for within this report.
11. No investigation has been undertaken with the local zoning office, the fire department, the building inspectors, the health department, or any other municipal or government regulatory agencies. It is assumed that the subject property complies with all current government codes, regulations, bylaws and legislation. If the subject property does not comply in any respect, then the data, analyses and conclusions contained herein may require adjustment. To be certain of compliance, further investigations would be required by the appropriate qualified experts. To determine if there is compliance is beyond the scope of this report.
12. The legal and survey descriptions of the property as stated herein are those which are recorded by the Registrar of the Land Titles Office. All such descriptions are assumed to be correct. For purposes of this report, the following conversion factors were used: 1 foot = 0.3048 meters; and 1 square meter = 10.7639 square feet.
13. This report is based on the assumption that the existing service providers for natural gas, electrical power, cable television and telephone will be responsible for the maintenance, repair and replacement of their respective infrastructures on the strata property. If the strata council engages other service providers who do not provide the same level of maintenance, repair and replacement as the existing service providers, then the data, analyses and conclusions contained herein may require adjustment.



SCOPE OF INVESTIGATION & ANALYSIS

The common areas for the buildings and the common areas for the site were inspected. Unless otherwise specifically stated in this report, the unit interiors were not inspected. Available plans and documents were examined for construction details and other relevant component data. For purposes of the study, the data was calculated using dimensions and information taken from the plans that were available. In addition, some of the dimensions and information were obtained from the onsite inspection. Interviews were conducted with the strata council, and where applicable the property management company and site personnel.

The inspection process was based on the following:

- Only a visual sampling and a visual surface review of the complex were made.
- None of the components were dismantled and no invasive testing was conducted.
- The findings herein describe the general condition of the complex only.
- No technical audits or condition surveys were conducted. Technical audits and condition surveys are outside the scope of this reserve study.
- There was no access to the areas noted below. The data, analyses and conclusions contained in this report may require adjustment if and when access is provided to the following areas:
 - a. The interiors of the units except as noted otherwise in this report.

The plans, drawings and documents set forth below were available for examination. The data, analyses, and conclusions contained in this report may require adjustment if any of these plans, documents or drawings are amended or altered at a later date:

- The strata plan which was provided by the Land Titles Office.
- The strata bylaws for the property which were provided by the client.

In the case that plans are provided all relevant items are identified and measured electronically when possible, using digital imagery devices, scanning equipment or originally provided electronic copies. The documents are scaled and measured as accurately as possible however minor skewing may occur and affect final results.

The plans, drawings and documents set forth below were made available for examination. The data, analyses, and conclusions contained in this report may require adjustment if any of the plans, documents or drawings set forth below are provided at a later date:

- None

This report is subject to the following terms and conditions:

- There is no guarantee provided for the life expectancies and/or replacement cost estimates for any of the components.
- It is assumed that all components will receive proper preventative maintenance and repair during the study horizon.
- The complex may have hidden or unobserved damages, defects or conditions. No responsibility or liability is assumed for such matters.
- This report is not intended to be a definitive or exhaustive review or investigation of required repairs, replacements or improvements for the property. Any recommendations provided are to be verified with a qualified consultant.



UNDERLYING ASSUMPTIONS

This reserve fund study was based on the assumptions set forth below. These assumptions were applied in the investigation, observation and analysis of the subject property reserve components. Experience gained from observing similar properties was also applied in the following analysis.

Interest & Inflation

The basic concept in contingency fund planning is to forecast the necessary amount of reserve required to meet the future financial needs of the complex. This involves factoring future costs and the future value of invested funds. In order to accurately forecast future costs and values we must project the rates of inflation and interest rates and apply these to our current costs. In analyzing long term cost increases, construction cost statistics rather than the consumer price index were examined, since building repair and replacement cost will be more comparable to construction costs than to the cost of consumer products. Fifty-year historical indicators have been reviewed as well as consideration of running 10-year averages.

As with inflation, interest rates tend to fluctuate and can be difficult to predict. The current trend in interest rates has been low and they are expected to continue at this rate for some time. Based on the current data available, an estimated long term stabilized interest rate was selected for this report. Consideration for the "Estimated First Five-Year Rate" is based on the size of the current fund, the review of historical interest returns, if any, and anticipated significant expenditures which may impact the ability of the fund to earn interest in the immediate future. Abrupt changes in the marketplace should be discounted until a well-founded trend is established. Hence, in projecting future replacement cost estimates and reserve fund requirements the following rates were used:

Estimated Long Term Stabilized Inflation Rate:	3.50%
Estimated First Five-Year Interest Rate:	2.00%
Estimated Long Term Stabilized Interest Rate:	3.00%

Depreciation report projections should be reviewed on a regular basis to adjust for changes in inflationary trends and investment returns, as these will significantly impact contingency fund requirements.

Demolition and Disposal Costs

The estimates herein include provisions for demolition and disposal costs including dumping fees. These costs have been rising in recent years. Particularly, dumping of certain materials has become problematic and very costly. It appears that certain codes and environmental regulations will become more stringent in future years, all of which will further impact disposal costs. Hazardous materials such as asbestos require further review and are outside the scope of the analysis given these can be extensive and volatile in nature.



Goods and Services Tax

The Goods and Services Tax ("GST") is applicable in B.C, from April 1, 2013 and therefore applies to all repairs and replacements including disposal costs. This tax is included in the reserve fund estimates noted herein.

Engineering Reports and Other Studies

Details of any studies or reports are reviewed in the Individual Component Analysis as provided.

Repair and Replacement Cost Estimates

The costs of repairs and/or replacements of many building components are invariably higher than original building costs where contractors have considerable latitude in terms of planning their work and utilizing economies of scale to keep costs within construction budgets. Conversely, repair work must frequently be performed in an expedient manner with proper safety precautions and within certain constraints. Cost estimates must therefore take into account such additional costs as special construction, safety installations, limited access, noise abatements, and the convenience of the occupants.

Property Management and Maintenance

The subject property is managed by a professional property management company.

Special Assumptions and Terms of Reference

A) Special Assumptions

Based on instructions provided by the client, the following items were either excluded from the reserve fund study or required special treatment within the study. They are as follows:

- a) The windows, patio doors and exterior passage doors for the strata units are the responsibility of the strata corporation as noted in the Standard Strata Bylaws and have the Subject to clause identified in section 116 and 117 of the Corporations bylaws which indicate the Owner is responsible for the windows, doors, balconies, and patios. These items were therefore included in the reserve fund study. If, at some future date, responsibility for these components is transferred to the unit owners, then the data, analyses and conclusions contained herein will require adjustment.

As the bylaws utilize the Subject to clause to define exclusions it is recommended the Council clarify the exclusions with legal council at some point if they are operating under the assumption that windows, doors and balconies are the Owner's responsibility.



REPORT OVERVIEW

Introduction

The Province of British Columbia Strata Property Act, SBC 1998, (current to July 17, 2013), governs the conduct of strata corporations and sets forth the requirements under Part 6 (Finances) regarding the requirements for a reserve fund study. Under B.C. Strata Property Regulation Part 6 plus all amendments thereto, the definitions, qualifications, and procedures to be followed are set forth in Division 1, 91-98 of that Regulation.

The intent of the B.C. Strata Property Act regarding reserve funds is to provide sufficient funds that can be reasonably expected to provide for major repairs and replacement of any real and personal property and the common property owned by the Corporation, and the common property, where the repair and replacement is of a nature that does not normally occur annually. It is separate from the operating funds and should not be commingled.

This Depreciation Report was commissioned to carry out a financial analysis which provides a practical guide for long term budgeting and planning of future major repairs and replacements of building components and site improvements. It is meant to ensure that adequate funds are available when needed for anticipated expenditures and emergencies. The report was prepared on that basis.



SUBJECT PROPERTY INFORMATION

The property is described municipally and legally as follows:

Englesea Manor II
1225 Merklin Street
White Rock BC
Strata Plan #NW 2765

The subject property is located in the City of White Rock. The complex contains 37 legal units all contained in on building with a split level configuration. The building has a east facing main entry along with parkade entrance. Exterior finishes are primarily stucco with brick accents and wood trim. Landscaping, walkways, and retaining walls comprise the site improvements.



THE RESERVE FUND PROCESS

The reserve fund study process consists of the following:

- A) A Component Depreciation Analysis is prepared which shows where the contingency fund balances should be if the corporation is fully funded. The benchmark is created without regard to the current financial position of the corporation.
- B) A minimum of three Projected Cash Flows are prepared. These documents incorporate the data contained in the Benchmark Analysis above with the Historical Reserve Fund Cash Flow analysis discussed above. The cash flow documents will determine the reserve fund contributions to ensure that at a minimum there are no negative balances within the reserve fund over the study horizon.
- C) Recommendations to the strata council are provided. These recommendations can be used by the council to discuss and eventually adopt a contingency reserve fund plan for the strata corporation. These recommendations can also be used by the council to manage the contingency fund once a formal plan has been adopted.



COMPONENT & DEPRECIATION ANALYSIS

The Component Depreciation Analysis for the subject property which follows is based on a specific interest rate and inflation rate which are set forth in the Underlying Assumptions section of the report. The Component Depreciation analysis is based on the following process:

- A) All of the reserve components within the complex are identified and grouped into specific categories. Quantity take-offs are estimated for each of the components. Each component is analyzed to determine its estimated total life span, effective age, and remaining life. In making these cost estimates, several sources are relied upon including RS Means Repair and Remodeling Cost Data, Hanscombs' Yardsticks for Costing, and Marshall & Swift Valuation Service. These estimates are verified using information provided by local contractors and the cost database developed by Reliance.
- B) Each component is analyzed to determine its estimated total life span, effective age, and remaining life. For this purpose, depreciation tables and normal life span records are considered. Finally, the writer's own judgment and experience in estimating the current condition and remaining life spans of reserve components is relied upon. Where a component is a long-term item, only a proportionate share of the cost related to the 30-year horizon has been accounted for and is reflected in the cash flow as an ongoing requirement with periodic injections of cash to accommodate any future repairs or replacement.
- C) Future replacement reserves are estimated by applying a long-term inflationary rate to the current replacement cost reserve estimates.

The foregoing program represents a theoretical approach to reserve fund budget planning and management. When applied, as outlined above, the reserve fund will cover anticipated reserve fund expenditures for the life of the complex. In many cases due to the pooling of funds fully funding should be the upper limit of funding levels. As the number of components increase the requirement to be 100% or fully funded decreases as the pool of funds increases. Each complex has varied requirements and an optimum percent funded range is determined for each individual complex.



Component Depreciation Analysis

Englesea Manor II - Apartment

November 15, 2022

Interest Rate (1st - 5 Years) : 2.00%

Interest Rate: 3.00%

Inflation Rate: 3.50%

■ -Indicates Long Life (Allowed) Component

Component

Component	Horizon Years *	Effective Age *	Remaining Life *	Current Replacement Cost *	Future Replacement Cost *	Current Reserve Requirement *	Future Reserve Fund Accumulation	Future Reserve Fund Requirements	Annual Assessment *
Structure									
Building Remediation	N/A	N/A	N/A	\$1,394,200	\$1,545,774	\$464,733	\$507,826	\$1,037,948	\$0
Concrete Foundations	N/A	N/A	N/A	\$16,400	\$46,031	\$547	\$1,328	\$44,703	\$645
Structure									
Balcony / Deck Hand Railings	44	31	13	\$116,900	\$182,826	\$82,361	\$115,191	\$67,635	\$3,720
Balcony / Deck Vinyl Membrane	22	9	13	\$277,600	\$434,154	\$113,564	\$158,833	\$275,321	\$15,142
Waterproof Membranes	42	32	10	\$180,000	\$253,908	\$137,143	\$175,534	\$78,374	\$6,123
Exterior									
Brick Veneer	N/A	N/A	N/A	\$12,100	\$33,962	\$403	\$978	\$32,984	\$476
Caulking	N/A	N/A	N/A	\$13,700	\$38,453	\$457	\$1,109	\$37,344	\$538
Wood Trim	N/A	N/A	N/A	\$19,700	\$46,556	\$788	\$1,650	\$44,906	\$901
Building Exterior Lights	30	18	12	\$4,500	\$6,800	\$2,700	\$3,666	\$3,134	\$192
Eaves & Downspouts	35	15	20	\$10,700	\$21,291	\$4,586	\$7,888	\$13,403	\$390
Exterior Doors	40	32	8	\$13,600	\$17,909	\$10,880	\$13,126	\$4,783	\$496
Garage Door(s)	15	12	3	\$5,500	\$6,098	\$4,400	\$4,669	\$1,429	\$449
Garage Door(s)	28	16	12	\$2,800	\$4,231	\$1,600	\$2,173	\$2,058	\$126
Painting: Stucco	15	0	15	\$83,700	\$140,227	\$0	\$0	\$140,227	\$6,300
Skylights	42	34	8	\$9,600	\$12,641	\$7,771	\$9,376	\$3,265	\$338
Sliding Doors	36	33	3	\$73,300	\$81,269	\$67,192	\$71,305	\$9,964	\$3,130
Stucco	45	42	3	\$709,800	\$786,968	\$662,480	\$703,029	\$83,939	\$26,366
Windows	35	32	3	\$366,100	\$405,902	\$334,720	\$355,208	\$50,694	\$15,923
Roofing									
Concrete Tile	N/A	N/A	N/A	\$15,300	\$120,535	\$255	\$1,502	\$119,033	\$354
Metal Trim-Capping	50	30	20	\$15,700	\$31,240	\$9,420	\$16,203	\$15,037	\$437
Modified Bitumen Membrane	30	10	20	\$371,000	\$738,212	\$123,667	\$212,722	\$525,490	\$15,275
Interior									
Interior Doors	N/A	N/A	N/A	\$44,800	\$125,744	\$1,493	\$3,624	\$122,120	\$1,761
Metal Hand Railings	N/A	N/A	N/A	\$2,100	\$5,894	\$70	\$170	\$5,724	\$83
Flooring: Carpet - Hallways	12	6	6	\$43,000	\$52,858	\$21,500	\$24,450	\$28,408	\$4,163
Flooring: Carpet - Lobby	15	2	13	\$6,900	\$10,791	\$920	\$1,287	\$9,504	\$523
Flooring: Vinyl	32	26	6	\$4,800	\$5,900	\$3,900	\$4,435	\$1,465	\$215
Mailboxes	35	22	13	\$5,100	\$7,976	\$3,206	\$4,484	\$3,492	\$192
Painting: Interior	12	6	6	\$19,100	\$23,479	\$9,550	\$10,860	\$12,619	\$1,849
Elevators									
Elevator Cab Refurbish	30	16	14	\$15,000	\$24,280	\$8,000	\$11,525	\$12,755	\$632
Elevator(s)	30	3	27	\$130,000	\$329,104	\$13,000	\$27,502	\$301,602	\$5,280
Mechanical/Safety									
Plumbing & Heating Systems	N/A	N/A	N/A	\$149,300	\$419,054	\$4,977	\$12,080	\$406,974	\$5,868
Back Flow Preventers	25	20	5	\$4,200	\$4,988	\$3,360	\$3,710	\$1,278	\$232
Boiler High Efficiency	22	4	18	\$45,000	\$83,587	\$8,182	\$13,267	\$70,320	\$2,409
Exhaust Fans	35	28	7	\$13,000	\$16,540	\$10,400	\$12,181	\$4,359	\$532
Hot Water Storage Tank	20	4	16	\$6,000	\$10,404	\$1,200	\$1,834	\$8,570	\$350
Sewer Stack Cleaning & Repairs	4	0	4	\$1,700	\$1,951	\$0	\$0	\$1,951	\$451
Electrical									
Interior Lighting - Parkade	N/A	N/A	N/A	\$10,300	\$28,910	\$343	\$833	\$28,077	\$405
Life Safety Systems	N/A	N/A	N/A	\$27,300	\$76,625	\$910	\$2,209	\$74,416	\$1,073
Access Intercom	30	14	16	\$8,000	\$13,872	\$3,733	\$5,706	\$8,166	\$334
Fire Alarm / Annunciator Panel(s)	30	20	10	\$12,500	\$17,632	\$8,333	\$10,665	\$6,967	\$544
Interior Lighting	30	25	5	\$9,000	\$10,689	\$7,500	\$8,281	\$2,408	\$436

* See Glossary at the end for details.



Specialties									
Room Modernization	35	28	7	\$12,000	\$15,267	\$9,600	\$11,244	\$4,023	\$491
Site									
Concrete Works	N/A	N/A	N/A	\$68,300	\$191,704	\$2,277	\$5,527	\$186,177	\$2,685
Landscaping	N/A	N/A	N/A	\$26,100	\$73,257	\$870	\$2,112	\$71,145	\$1,026
Underground Services - Major Repairs	N/A	N/A	N/A	\$50,000	\$140,340	\$1,667	\$4,046	\$136,294	\$1,965
Exterior Lighting	25	12	13	\$11,000	\$17,204	\$5,280	\$7,385	\$9,819	\$540
Signage	32	18	14	\$1,500	\$2,428	\$844	\$1,216	\$1,212	\$60
Underground Services - Scoping and Flushing	4	0	4	\$1,000	\$1,148	\$0	\$0	\$1,148	\$265
TOTALS: 100% FUNDED *				\$4,439,200	\$6,666,613	\$2,160,782	\$2,553,949	\$4,112,664	\$131,685
TOTALS: 75% FUNDED *				--	--	\$1,620,587	--	--	\$98,764
TOTALS: 50% FUNDED *				--	--	\$1,080,391	--	--	\$65,843

* See Glossary at the end for details.



Component Depreciation Analysis Summary

1) Current Replacement Costs of Reserve Components.....\$4,439,200

This is the sum of all costs, in current dollars, for all major repairs and replacements. These replacement costs are based on current prices and current economic conditions.

2) Future Replacement Costs of Reserve Components.....\$ 6,666,613

This shows all major repair and replacement costs in the future at the end of the expected life span of the reserve components.

3) Current Reserve Fund Requirement.....\$ 2,160,782

Reserve Fund Requirements is the current amount of depreciation of all the components evaluated in this study. The amount is calculated by dividing the effective age by the horizon years of each component and multiplying by the current replacement cost. In the case of allowed components this is one year of depreciation. Without consideration of pooled funds this amount should be the amount that the current owners have offset with funds in the Corporation's reserve fund. However, as a corporation's number of components increase this requirement should decrease. This amount should be considered an upper limit of funding and not a goal to achieve.

4) Future Reserve Fund Accumulations.....\$ 2,553,949

These are the current reserve fund requirements together with compound interest over the remaining life spans of the components.

5) Future Reserve Fund Requirements.....\$4,112,664

These are the amounts to be funded by the unit owners to the reserve fund plus any interest earned.

6) Annual Reserve Fund Assessments.....\$ 131,685

The Annual Assessment is the annual sum of all the depreciation occurring to each component evaluated in the study. The amount assumes interest will be accumulated on the amount and does not consider the pooling of funds. Once the pooling of funds is considered this amount becomes an upper limit of funding assuming the current balance of the fund does not have a significant deficiency. Maintaining an annual assessment that is somewhere between 75% - 100% of the amount above is typically required to maintain a fund. This assessment amount is utilized to calculate the ongoing depreciation and the deficiency in relation to the actual balances of the Corporation's reserve fund. Which results in a percent funded amount. A contribution amount for the next 30 years has to be balanced with the current and future position of the fund and may not be reflective of this amount.

Amounts for points 1 to 6 above are prepared without regard to the current financial position of the corporation or the current reserve fund contributions by the unit owners, and as such, they represent the depreciation, and accumulation of interest on said depreciation. These amounts should be considered upper limits of funding and are balanced with pooled funding to arrive a practical funding level in the resulting cash flows that follow in this report.

All of the reserve components for the complex are discussed in detail on the following pages.



Reserve Component: Building Remediation

Physical Description:	Building Remediation is required in order to repair the parts of the complex's building and underlying structure that has been damaged or completed improperly. If construction items are properly installed and maintained this should be a one time expense.
Items Included:	Building Remediation – Sealed Face Exterior Finish System Replaced with Rainscreen system.
Observed Condition:	Majority of stucco is original and identified as a sealed face system. A report completed in March 2022 indicated multiple high moisture content areas which if left can cause deterioration of the structure. One section of the exterior wall was replaced utilizing the same sealed face system. If properly installed the sealed face system can provide adequate exterior water shedding and penetration. These systems can be difficult to implement and building permits are not being issued for this type of construction. The Corporation is considering a phased replacement of sections along with windows. It is recommended that this construction utilize a rain screen system. The expenditures related to this replacement should not be relied upon but have been estimated in the (Rain Screen Replacement Model). This project has not been scoped and it is recommended that any rain screen replacement be properly scoped and estimated. A placeholder of approximately \$2,800,000 has been inserted in the cash flow including window, sliding door and standardized stucco replacement costs in the cash flow. Additionally given the high moisture content structural elements should be investigated during any replacement of the exterior. Only one model has been provided with continuing the sealed face system replacements. This method will involve finding a developer who will complete the project without warranty and without building permit approvals. The other potential detriment to completing any further use of the sealed face would be the potential of an insurance provider declining coverage due to unpermitted work being completed on a Strata Corporation.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	N/A



Reserve Component: Concrete Foundations

Physical Description:	The foundation consists of poured concrete footings and poured concrete steel reinforced walls or slabs. If properly installed and waterproofed these components are expected to last the lifespan of the complex. This reserve provides for repairs to the above items.
Items Included:	Concrete Floors and Walls - Apartments
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Some crack injections were completed in 2022. No related exterior waterproofing was completed. Some exterior negative drainage was reported to be remediated as well. Recommend regular monitoring. If conditions return recommend excavation and waterproofing investigation.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Potential Deterioration can occur from hydraulic pressure, seismic pressure, water infiltration, and settling.

Reserve Component: Balcony / Deck Hand Railings

Physical Description:	Metal, Glass, and wood hand railings are manufactured from wood, aluminum, metal, and or tempered glass. The railings are fastened via bolts to the underlying structure in order to provide a safety barrier for residents.
Items Included:	Pre-Finished Aluminum Hand Railing w/ Tempered Glass
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Tested sections were structurally intact. No issues were reported or observed.
Typical Life Expectancy:	44
Estimated Effective Age:	31
Estimated Remaining Life:	13
Potential Deterioration:	Potential deterioration is caused by oxidation, wear and tear, UV rays, and physical damage.



Reserve Component: Balcony / Deck Vinyl Membrane

Physical Description:	Vinyl membrane decking is used to provide a waterproof surface for the use of residential tenants on balconies or decks. The vinyl is typically applied over a wood or concrete structure, and is sealed at the edges via caulking.
Items Included:	Balcony Vinyl Membrane - Apartment
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Exterior termination points appear to be draining onto the exterior with one crack observed. Recommend flashing or lapping detail when stucco or membrane replacement is being completed.
Typical Life Expectancy:	22
Estimated Effective Age:	9
Estimated Remaining Life:	13
Potential Deterioration:	Potential deterioration is caused by Ultra violet rays, physical and weather damage, expansion and contraction.

Reserve Component: Waterproof Membranes

Physical Description:	Waterproof membranes are used to provide a water barrier overtop of porous materials such as concrete. They are typically constructed of a vinyl or tar based product.
Items Included:	Waterproof Membrane
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Insulation was applied to areas that are waterproofed, assumed to be original and functional given the complex age.
Typical Life Expectancy:	42
Estimated Effective Age:	32
Estimated Remaining Life:	10
Potential Deterioration:	Potential deterioration is caused by expansion and contraction, material brittleness.



Reserve Component: Brick

Physical Description:	Brick is applied to the outside surface of the structure in front of a water sealed wood or O.S.B. wall. Typically there is a cavity that exists between the brick and this wall to allow for air circulation and water drainage which is aided by weeping holes at the top and bottom of the brick wall. Typically the brick wall should last the lifetime of the building structure if properly installed.
Items Included:	Brick
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Some minor efflorescence, no significant issues were observed however no internal testing was performed.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Potential deterioration can occur from water penetration, expansion and contraction, improper installation, and physical damage. These may result in mortar cracks, and or the brick face deteriorating or falling off.



Reserve Component: Caulking

Physical Description:	Caulking is used to provide a water-resistant seal between dissimilar materials, expansion joints and minor gaps. The seal is used to provide water protection to the underlying structure.
Items Included:	Exterior Caulking Residential
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Roof flashing caulking appeared intact and pliable. Recommend caulking between similar materials in conjunction with stucco replacement.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Potential deterioration can occur from UV rays, freeze thaw cycles, extreme heat or cold, and physical damage. All of these items can cause the water seal to fail and cause damage to the underlying structure.

Reserve Component: Wood Trim

Physical Description:	The exterior walls have painted or stained wood trim. Trim is used typically in transition areas or wall openings in order to provide an added aesthetic appeal and aide in future replacements of window and door openings.
Items Included:	Wood Trim
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Some separation was observed, recommend repair or replacement as required.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Possible deterioration can occur from weather damage, wear and tear.



Reserve Component: Building Exterior Lights

Physical Description:	Building exterior lights provide illumination to entry ways for units and other common buildings.
Items Included:	Building Exterior Lights
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Dated but functional for its intended use.
Typical Life Expectancy:	30
Estimated Effective Age:	18
Estimated Remaining Life:	12
Potential Deterioration:	Potential deterioration can occur from improper installation, weather conditions, and physical damage.

Reserve Component: Eaves & Downspouts

Physical Description:	Eaves and Downspouts when properly installed provide proper drainage from the roof to the surface drainage systems. Typical construction is prefinished metal or aluminum, with varying depths and widths.
Items Included:	Eaves & Downspouts
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Previous overflow points were observed limited rain catchment areas of sloped roof sections were observed which would result in the existing eaves and downspouts most likely being adequate for drainage.
Typical Life Expectancy:	35
Estimated Effective Age:	15
Estimated Remaining Life:	20
Potential Deterioration:	Potential deterioration can occur from improper installation, freeze thaw cycles, UV rays, extreme weather conditions, and physical damage.



Reserve Component: Exterior Doors

Physical Description:	Exterior doors are used for the purposes of exit and entry from dwellings and buildings. They have various styles and construction materials, being either wood, vinyl, metal, aluminum, or combinations of all of the above. Exterior doors can be of either hollow or solid construction. Optional safety hardware can include windows, panic bars, and hydraulic closing systems.
Items Included:	Aluminum Entry Door
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Original but functional with no issues observed. This component can see extended life.
Typical Life Expectancy:	40
Estimated Effective Age:	32
Estimated Remaining Life:	8
Potential Deterioration:	Exterior doors are typically affected by weather damage, misuse, wear and tear, physical damage, UV rays, and or oxidation.

Reserve Component: Garage Door(s)

Physical Description:	Garage doors provide access to parking areas and include the tracks, springs, and rollers. Sectional garage doors are made of multiple panels hinged together. The springs and rollers will eventually wear and require replacement.
Items Included:	Commercial Door Opener
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Replaced in 2003. Tested and functional. The component is past its normal life expectancy.
Typical Life Expectancy:	15
Estimated Effective Age:	12
Estimated Remaining Life:	3
Potential Deterioration:	Deterioration can occur from physical damage, wear and tear, and oxidization.



Reserve Component: Garage Door(s)

Physical Description:	Garage doors provide access to parking areas and include the tracks, springs, and rollers. Sectional garage doors are made of multiple panels hinged together. The springs and rollers will eventually wear and require replacement.
Items Included:	Metal Sectional Commercial
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Tested and functional.
Typical Life Expectancy:	28
Estimated Effective Age:	16
Estimated Remaining Life:	12
Potential Deterioration:	Deterioration can occur from physical damage, wear and tear, and oxidization.

Reserve Component: Painting: Stucco

Physical Description:	Stucco painting may be done periodically to improve the appearance of the stucco surface. A properly selected paint is required as the paint must allow the underlying stucco to breath. This makes most acrylic paints unsuitable for use.
Items Included:	Stucco Painting
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Re-applied circa 2018. Due to the potential stucco replacement consideration of re-application of paint circa 2035 may be considered.
Typical Life Expectancy:	15
Estimated Effective Age:	0
Estimated Remaining Life:	15
Potential Deterioration:	Deterioration can occur from ultraviolet rays, weather conditions, physical damage, and water penetration.



Reserve Component: Skylights

Physical Description:	Is a flat or slope window used for daylighting. The component is typically built into a roof structure.
Items Included:	Skylights
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Seals appear intact with no issues reported.
Typical Life Expectancy:	42
Estimated Effective Age:	34
Estimated Remaining Life:	8
Potential Deterioration:	Deterioration can occur from improper installation, adverse weather conditions, freeze thaw cycles, and physical damage.

Reserve Component: Sliding Doors

Physical Description:	Glass sliding doors are typically used for rear entries that lead to a patio, balcony, or deck. The construction is typically two panes of glass sealed to provide an insulation barrier with one side fixed and the other side on rails that allows the door to slide. The seals on the glass and underlying mechanical components will fail over time and will require replacement.
Items Included:	Sliding Glass Doors
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Original, recommend replacement in conjunction with stucco replacement.
Typical Life Expectancy:	36
Estimated Effective Age:	33
Estimated Remaining Life:	3
Potential Deterioration:	Deterioration can occur from physical damage, normal wear, improper installation, and expansion and contraction.



Reserve Component: Stucco

Physical Description:	Stucco is a cement-based finish that typically is applied to steel or plastic mesh with a layer of tar or waterproof paper behind. This component if properly installed should last the life of the building with regular maintenance and repairs
Items Included:	Trowelled Stucco Wood frame.
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Majority of stucco is original and identified as a sealed face system. A report completed in March 2022 indicated multiple high moisture content areas which if left can cause deterioration of the structure. One section of the exterior wall was replaced utilizing the same sealed face system. If properly installed the sealed face system can provide adequate exterior water shedding and penetration. These systems can be difficult to implement and building permits are not being issued for this type of construction. The Corporation is considering a phased replacement of sections along with windows. It is recommended that this construction utilize a rain screen system. The expenditures related to this replacement should not be relied upon but have been estimated in the (Rain Screen Replacement Model). This project has not been scoped and it is recommended that any rain screen replacement be properly scoped and estimated. A placeholder of approximately \$2,800,000 has been inserted in the cash flow including window, sliding door and standardized stucco replacement costs in the cash flow. Additionally given the high moisture content structural elements should be investigated during any replacement of the exterior. Only one model has been provided with continuing the sealed face system replacements. This method will involve finding a developer who will complete the project without warranty and without building permit approvals. The other potential detriment to completing any further use of the sealed face would be the potential of an insurance provider declining coverage due to unpermitted work being completed on a Strata Corporation.
Typical Life Expectancy:	45
Estimated Effective Age:	42
Estimated Remaining Life:	3
Potential Deterioration:	Potential deterioration can occur from water penetration due to improper caulking and/or flashing, settlement, physical damage, expansion and contraction.



Reserve Component: Windows

Physical Description:	Windows are transparent or translucent opening that allows the passage of light. Most windows are glazed with a coating that helps prevent heat loss and/or gain. Most modern style windows have either two or three glazed panes with a vacuum between the panes to help the insulation factor. Windows come in many styles and materials, including metal, vinyl, wood, fiberglass, and aluminum. Styles include casement, slider, awning, fixed, hung, and double hung.
Items Included:	Vinyl Sliders, Vinyl Fixed
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Majority of windows are original and past their normal life expectancy. The Corporation is scheduling replacement with stucco.
Typical Life Expectancy:	35
Estimated Effective Age:	32
Estimated Remaining Life:	3
Potential Deterioration:	Deterioration can occur from misuse, improper installation, expansion and contraction, extreme weather conditions, and ultraviolet rays. Most common deterioration is the seals around the panes breaking, and water penetration into the frame causing rot.



Reserve Component: Concrete Tile

Physical Description:	Concrete tile is an overlapping roofing system that should last as long as the building if properly maintained.
Items Included:	Concrete Tile
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	No issues were observed, observations were from ground level and roof sections.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Improper installation, damage.

Reserve Component: Metal Trim-Capping

Physical Description:	This component will typically last for an extended period of time and possibly be replaced at the second cycle of the roof replacement if it is not damaged.
Items Included:	Metal Trim-Capping
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Flashing appeared intact with no issues of sealants on observed sections.
Typical Life Expectancy:	50
Estimated Effective Age:	30
Estimated Remaining Life:	20
Potential Deterioration:	Deterioration can occur from weather conditions, expansion and contraction, improper installation, and physical damage.



Reserve Component: Modified Bitumen Membrane

Physical Description:	This roofing system is a rolled on and sealed roof material that is made of asphalt and other solvents to provide a waterproof surface. This component will eventually require replacement but can be repaired to extend the expected life. However, over time full will become more cost effective.
Items Included:	Modified Bitumen Membrane
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Replaced circa 2013. Limited signs of separation of joints were observed along with granule deterioration in high water traffic areas. Recommend periodic inspections and repairs as required until complete replacement.
Typical Life Expectancy:	30
Estimated Effective Age:	10
Estimated Remaining Life:	20
Potential Deterioration:	Deterioration can occur from weather conditions, expansion and contraction, improper installation, and physical damage.



Reserve Component: Interior Doors

Physical Description:	Interior unit doors allow access to the unit from a hallway or common area. These doors are indoor use. The component includes the door, jams, header, and trim with hardware. The doors if properly maintained should give an extended life. Doors may eventually be replaced due to aesthetic purposes.
Items Included:	Wood Doors
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Tested doors were functional. Recommend repairs and replacement as required.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from physical damage, and general wear and tear.

Reserve Component: Metal Hand Railings

Physical Description:	Metal hand railings, provide protective boundaries for interior areas. The component is either painted or powder coated to protect the metal from oxidization. This component in most cases would be replaced due to aesthetic purposes. Minor repairs may be required.
Items Included:	Metal Hand Railings
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Tested sections were structurally intact. Recommend repairs as required.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Wear and tear, and physical damage.



Reserve Component: Flooring: Carpet - Hallways

Physical Description:	Carpet provides for a tread surface for interior floors. It is made up of various materials like wool, and nylon. Carpet will wear over time and require replacement. The component may also be replaced for aesthetic purposes.
Items Included:	Carpet
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Carpet is dated and worn in hallways, but effective age was adjusted due to financial feasibility.
Typical Life Expectancy:	12
Estimated Effective Age:	6
Estimated Remaining Life:	6
Potential Deterioration:	Deterioration can occur from improper installation, physical damage, and normal wear.

Reserve Component: Flooring: Carpet - Lobby

Physical Description:	Carpet provides for a tread surface for interior floors. It is made up of various materials like wool, and nylon. Carpet will wear over time and require replacement. The component may also be replaced for aesthetic purposes.
Items Included:	Carpet Tile
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Main floor lobby area had no issues.
Typical Life Expectancy:	15
Estimated Effective Age:	2
Estimated Remaining Life:	13
Potential Deterioration:	Deterioration can occur from improper installation, physical damage, and normal wear.



Reserve Component: Flooring: Vinyl

Physical Description:	Vinyl flooring is a composite system made of made from a combination of adhesives and vinyl that are compressed to result in a wearable surface. The system can be applied to a subfloor with adhesives or in the case of drop flooring simply laid on top of a modified subfloor.
Items Included:	Vinyl Sheet Roll
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Dated but functional for its intended use.
Typical Life Expectancy:	32
Estimated Effective Age:	26
Estimated Remaining Life:	6
Potential Deterioration:	Deterioration can occur from physical damage, improper installation, and general wear and tear.

Reserve Component: Mailboxes

Physical Description:	Mailboxes are either front or back loading aluminium or metal boxes.
Items Included:	Mailboxes
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	No issues were reported or observed.
Typical Life Expectancy:	35
Estimated Effective Age:	22
Estimated Remaining Life:	13
Potential Deterioration:	Deterioration can occur from general wear.



Reserve Component: Painting: Interior

Physical Description:	Interior painting may be required for Aesthetic purposes over time the wall paint will discolour or go out of style and require re-application.
Items Included:	Hallway Painting
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Dated with staining, recommend re-application, effective age was adjusted due to financial feasibility.
Typical Life Expectancy:	12
Estimated Effective Age:	6
Estimated Remaining Life:	6
Potential Deterioration:	Deterioration is caused by physical damage.

Reserve Component: Elevator Cab Refurbish

Physical Description:	Elevator cabs can become dated and require updating in order retain their aesthetic appeal. Renovations of an elevator must always be performed by a licensed technician.
Items Included:	Elevator Cab Refurbishment
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Dated but functional for its intended use.
Typical Life Expectancy:	30
Estimated Effective Age:	16
Estimated Remaining Life:	14
Potential Deterioration:	Deterioration can occur from general wear and tear.



Reserve Component: Elevator(s)

Physical Description:	Hydraulic elevators are operated with an actuating pole controlled by hydraulic liquid. Hydraulic elevators have a limited lift height.
Items Included:	Hydraulic Elevator
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Hydraulic shaft and door opener has been modernized.
Typical Life Expectancy:	30
Estimated Effective Age:	3
Estimated Remaining Life:	27
Potential Deterioration:	Deterioration can occur from oxidization of the hydraulic tank, and general wear and tear.



Reserve Component: Plumbing & Heating Systems

Physical Description:	Storm and sanitary drain lines and risers are a combination of cast iron or ABS and PVC piping. The lower level includes sanitary and storm drains to the street, as well as floor drains and sumps. Domestic water is provided via copper and/or plastic lines. Back flow preventers are installed for water lines. For purposes of this report, it is assumed that these plumbing and heating systems were installed in accordance with all applicable codes and regulations as required by law. It was not possible to conduct tests or inspections of these plumbing systems. Hot water recirculation lines typically require repair or replacement on a periodic basis due to the constant movement of water through these lines. In-suite plumbing may be subject to irregular leaks or failures due to freezing, damage, or excess wear. Joints in plumbing systems are most effected and are typically repaired as required. Common area and suite related remediation may be funded through this component but is commonly funded through insurance claims. If insurance claims are frequent the corporation's premiums will be affected, and it is recommended that each incident's funding be carefully considered.
Items Included:	Plumbing, Sanitation, and Hot Water Lines
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	No issues were reported.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from physical damage, and internal wear from water circulation.



Reserve Component: Back Flow Preventers

Physical Description:	Back flow preventers or cross connection control devices are utilized to prevent potable water contamination. Some municipalities require the use of these devices. Typically, the devices require testing annually.
Items Included:	Back Flow Preventers / Cross connection control devices
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	No issues were reported or observed. Regularly maintained and tested.
Typical Life Expectancy:	25
Estimated Effective Age:	20
Estimated Remaining Life:	5
Potential Deterioration:	Deterioration can occur from general wear.

Reserve Component: Boiler High Efficiency

Physical Description:	The hydronic boiler operates by way of heating water/fluid to a pre-set temperature and then circulating that fluid throughout the building typically by way of radiators, baseboard heaters or through the floors. The fluid can be heated by gas. The fluid is in an enclosed system and circulated throughout by means of a pump. High efficiency boilers have multiple pass-through stages in the boiler to maximize efficiency and sometimes combined with a heat exchanger to capture exhaust heat.
Items Included:	High efficiency boiler
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Replaced circa 2018.
Typical Life Expectancy:	22
Estimated Effective Age:	4
Estimated Remaining Life:	18
Potential Deterioration:	Deterioration can occur from improper installation, physical damage, water corrosion, and overheating of the heating unit.



Reserve Component: Exhaust Fans

Physical Description:	Exhaust fans provide for common area air movement. Some units provide heating and/or cooling. The equipment is usually housed on the roof or basement and provides air flow into the required areas.
Items Included:	Exhaust Fans
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Functional. Metal filter on south fan should be cleaned but otherwise no issues.
Typical Life Expectancy:	35
Estimated Effective Age:	28
Estimated Remaining Life:	7
Potential Deterioration:	Deterioration can occur from physical damage, and general wear and tear. Regular maintenance can help extend the components service life.

Reserve Component: Hot Water Storage Tank

Physical Description:	Hot water storage tanks are commonly utilized where a boiler system provides the heat source for the domestic hot water for the building and these act as a holding facility prior to distribution. They have above average insulation qualities but normally do not have any supplementary heating systems.
Items Included:	Storage Tank
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Installed in 2018. No issues were reported or observed.
Typical Life Expectancy:	20
Estimated Effective Age:	4
Estimated Remaining Life:	16
Potential Deterioration:	Deterioration can occur from water chemical composition, and general wear and tear from water erosion.



Reserve Component: Sewer Stack Cleaning & Repairs

Physical Description:	Storm and sanitary drain lines and risers are a combination of cast iron or ABS and PVC piping. Over time and with use these lines become clogged and can cause backups. The lines are recommended to be cleaned periodically to avoid backups.
Items Included:	Sewer Stack Cleaning and Repairs
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Recommend periodic flushing.
Typical Life Expectancy:	4
Estimated Effective Age:	0
Estimated Remaining Life:	4
Potential Deterioration:	Deterioration can occur from general use and improper use.

Reserve Component: Interior Lighting - Parkade

Physical Description:	Interior lighting is required for common areas in order to provide safety and adequate light. Aesthetics or enhanced energy savings based on new technology may also influence when these items will be replaced. This reserve specifically excludes all emergency lighting.
Items Included:	Interior Lighting - Parkade
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	No issues were reported or observed. Recommend replacements as required.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from physical damage.



Reserve Component: Life Safety Systems

Physical Description:	Life safety systems include systems used to help prevent or help provide safety in the case of an emergency. This reserve provision covers all life safety systems. It is assumed that the fire alarm and safety systems conform to current regulations and code requirements.
Items Included:	Smoke Detectors, Exit Signs, Emergency Lights, Strobe/Bell Alarms, CO detectors, Pull Stations
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Allowance for repair or replacement as recommended by annual fire inspection.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from physical damage, and general wear.

Reserve Component: Access Intercom

Physical Description:	An intercom (intercommunication device), talkback or door phone is a stand-alone voice communications system. Intercoms can incorporate connections to public address loudspeaker systems, telephones, and to other intercom systems. Some intercom systems incorporate control of devices such as signal lights and door latches. This component may be replaced due to technology advancements.
Items Included:	Access Intercoms
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	No issues were reported.
Typical Life Expectancy:	30
Estimated Effective Age:	14
Estimated Remaining Life:	16
Potential Deterioration:	Deterioration can occur from physical damage, and general wear.



Reserve Component: Fire Alarm / Annunciator Panel(s)

Physical Description:	A fire alarm or annunciator panel will indicate the zone and approximate physical location of the source of a fire alarm in the building. The annunciator may also include lamps and audible warning devices to indicate failures of alarm circuits.
Items Included:	Annunciator Panel
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	No issues were reported or observed.
Typical Life Expectancy:	30
Estimated Effective Age:	20
Estimated Remaining Life:	10
Potential Deterioration:	Deterioration can occur from physical damage, general wear, and excess heat as it is an electrical system.

Reserve Component: Interior Lighting

Physical Description:	Interior lighting is required for common areas in order to provide safety and adequate light. Aesthetics or enhanced energy savings based on new technology may also influence when these items will be replaced. This reserve specifically excludes all emergency lighting.
Items Included:	Interior Lighting - Hallways
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Dated but functional.
Typical Life Expectancy:	30
Estimated Effective Age:	25
Estimated Remaining Life:	5
Potential Deterioration:	Deterioration can occur from physical damage.



Reserve Component: Room Modernization

Physical Description:	Renovations to common property rooms or areas are commonly done due to aesthetic purposes and occasionally due to wear. Estimating the age at which the replacement may be done is subjective depending on the board and unit owners. An allowance is given in order to budget for this component.
Items Included:	Room Modernization – Amenity Room
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Dated but functional for its use.
Typical Life Expectancy:	35
Estimated Effective Age:	28
Estimated Remaining Life:	7
Potential Deterioration:	Deterioration can occur from physical damage, general wear.



Reserve Component: Concrete Works

Physical Description:	Concrete works are poured or pre-cast concrete that is not considered part of any building structure. This reserve provides for repairs to the foregoing components. As replacement of these reserve items is not typically required, this provision is for periodic repairs only. This is essentially a contingency reserve, which should be reviewed on a regular basis.
Items Included:	Walkways & Parking Aprons, Paver Stones, Concrete Retaining Walls
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Walkways: Spalling and uneven sections were observed. Recommend repairs as required. Front entry section with tile was reported to be causing water ingress. The corporation is investigating remediation in 2022. Retaining Walls: No issues were reported or observed.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from improper installation or manufacturing, erosion, physical damage, excess use of salt or other corrosive materials, and settlement.

Reserve Component: Landscaping

Physical Description:	Landscaping includes site grading, lawns, trees, shrubs, and plants. This reserve provides for periodic replacement or removal of the above items.
Items Included:	General Landscaping
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Well maintained.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	N/A



Reserve Component: Underground Services - Major Repairs

Physical Description:

1. Sewer

This reserve component includes all storm and sanitary sewer lines and connections. This category only covers the storm and sanitary systems on the exterior of the buildings.

It is assumed that the storm and sanitary lines will be flushed and then inspected, with scopes and/or cameras, on a regular periodic basis. The flushing and inspection of the lines should be done on a five-year cyclical basis. If the flashings and inspections are not carried out in this manner, then the data analyses and conclusions noted herein may require adjustment.

2. Water

This reserve provision includes all incoming water mains plus feeder lines and connections. This category covers the water systems on the exterior of the building.

3. Electrical

This reserve includes the incoming electrical services, underground electrical cables and wiring connections. This category covers the electrical systems on the exterior of the building. The underground telephone lines from off site to the demarcation point within this building are the responsibility of the service provider. These underground phone lines, plus the cable television lines were excluded from the report.

This reserve specifically excludes all electrical transformers and meters located onsite. The existing service provider has advised that they are responsible for the maintenance, repair and replacement of these items. If the condominium corporation replaces the existing service provider with another service provider, then it is assumed that such other provider will provide the same level of maintenance, repair and replacement as the existing service provider. If the level of maintenance, repair and replacement is not the same, then the data, analyses and conclusions contained herein may require adjustment.

Items Included:

Underground Services

Type of Component:

Allowance - The reserve provides for the partial replacement or repair of the component.

Observed Condition:

A sewer back up occurred in 2022 with damage to the lower townhouse areas.

Typical Life Expectancy:

N/A



Estimated Effective Age: N/A

Estimated Remaining Life: N/A

Potential Deterioration: Deterioration can occur from settlement and freeze thaw cycles.

Reserve Component: Exterior Lighting

Physical Description: Exterior lights provide illumination to common areas for owner and visitor safety.

Items Included: Exterior Lighting

Type of Component: Replacement - The reserve provides for the full replacement of the component with a similar system and material.

Observed Condition: Assumed to be functional.

Typical Life Expectancy: 25

Estimated Effective Age: 12

Estimated Remaining Life: 13

Potential Deterioration: General wear and tear, settlement, and water penetration.



Reserve Component: Signage

Physical Description:	Signage is used to display information about the complex. Signs can be constructed from metal, wood, stone, and composite materials. It may in most cases be replaced for aesthetic purposes.
Items Included:	Signage
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	No issues were reported or observed.
Typical Life Expectancy:	32
Estimated Effective Age:	18
Estimated Remaining Life:	14
Potential Deterioration:	Deterioration can occur from wear and tear, physical damage, settling, and adverse weather conditions.



Reserve Component: Underground Services - Scoping and Flushing

Physical Description:	1. Sewer It is assumed that the storm and sanitary lines will be flushed and inspected, with scopes and/or cameras, on a regular periodic basis. Flushing services help clear sewer lines of build up to increase flow rates and overcome potential sloping issues. Scoping is completed to help identify sloping issues and potential broken lines which should be remediated as required.
Items Included:	Underground Service Scoping & Testing
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Given the age of the complex and the occurrence of a sewer backup recommend periodic scoping and flushing.
Typical Life Expectancy:	4
Estimated Effective Age:	0
Estimated Remaining Life:	4
Potential Deterioration:	Deterioration can occur from settlement and freeze thaw cycles.



CASH FLOW PROJECTIONS

These documents project the estimated expenditures from the contingency reserve fund for the complex over a specified time horizon and also recommends a contribution and funding plan for the next 30 years. This document shows the Opening Balances, Total Cash Resources, Total Expenditures, Closing Balances, and the Percentage Funded in a form and detail which conforms to financial presentations for reserve fund operations. The above noted terms are defined as follows:

Opening Balances

This is the reserve fund position at the beginning of each and every fiscal year showing the cash resources available, which consist of bank deposits, qualified investments, and accrued interest income.

Cash Flows

These are the regular reserve fund contributions, interest income and special assessments, if any, based on the interest rate utilized in the Cash Flow Analysis. It is assumed that all reserve fund contributions and special assessments will be made at the end of each fiscal year.

Total Cash Resources

These represent the cash flow items noted above plus the open balance.

Total Expenditures

These are the sum total of the reserve fund expenditures for all of the components in a given fiscal year. It is assumed that all reserve fund expenditures will be made at the beginning of each fiscal year.

Closing Balances

This amount is equal to the Total Cash Resources minus the Total Expenditures. This amount is carried forward to the next fiscal year as the Opening Balance.



Percent Funded

Percentage funded is the current level the corporation is funded at the end of that fiscal year. The percentage funded is based on the depreciation of each individual component and calculated by dividing those years closing balance by the reserve fund requirement.

Percent funding levels are shown to help the corporation gauge their current position in regard to all of their common component expenses. 100% funding if achieved would be the upper limit of funding recommended, this level of funding provides for a fair funding model for current and future owners. If properly updated a 100% funding model should adequately fund the components listed for the life of the corporation. Higher funding levels like 100% funding may not always be practical to achieve and are typically reached near or after the 30-year funding horizon. Lower percent funding levels may be utilized that will sufficiently fund the plan. These models may result in increases to the reserve fund contributions and increase the chances of special assessments as the project ages. Depending on the nature of the complex a lower percent funding model may provide for adequate funding where most common expenses do not occur in a short span of time. The provided cash flows will more accurately reflect each individual complex's requirements.



CASH FLOW MODEL

10 YEAR NORMALIZATION, RAIN SCREEN REPLACEMENT – RECOMMENDED



Short Term Interest Rate (Years 1-5): **2.00%**
Long Term Interest Rate: **3.00%**
Inflation Rate: **3.50%**

Englesea Manor II - Apartment-NW 2765
30 Year - 10 Year Normalization Rain Screen Replacement - Reserve
Fund Horizon Schedule

	Year Beginning	Opening Balance	Reserve Contributions	Special Assessments & Additional Allocations	Estimated Interest	Estimated Expenses	Closing Balance	Year End
1	01-Oct-22	\$136,684	\$75,600	\$900,000	\$2,734	\$675,650	\$439,368	30-Sep-23
2	01-Oct-23	\$439,368	\$81,600	\$800,000	\$8,787	\$687,150	\$642,605	30-Sep-24
3	01-Oct-24	\$642,605	\$88,100	\$800,000	\$12,852	\$716,283	\$827,274	30-Sep-25
4	01-Oct-25	\$827,274	\$95,100	\$0	\$16,545	\$762,049	\$176,870	30-Sep-26
5	01-Oct-26	\$176,870	\$102,700	\$0	\$3,537	\$23,277	\$259,830	30-Sep-27
6	01-Oct-27	\$259,830	\$110,900	\$0	\$7,795	\$93,937	\$284,588	30-Sep-28
7	01-Oct-28	\$284,588	\$119,800	\$0	\$8,538	\$49,207	\$363,719	30-Sep-29
8	01-Oct-29	\$363,719	\$129,400	\$0	\$10,912	\$58,706	\$445,325	30-Sep-30
9	01-Oct-30	\$445,325	\$139,800	\$0	\$13,360	\$134,800	\$463,685	30-Sep-31
10	01-Oct-31	\$463,685	\$151,000	\$0	\$13,911	\$159,736	\$468,860	30-Sep-32
11	01-Oct-32	\$468,860	\$155,500	\$0	\$14,066	\$200,250	\$438,176	30-Sep-33
12	01-Oct-33	\$438,176	\$160,200	\$0	\$13,145	\$203,361	\$408,160	30-Sep-34
13	01-Oct-34	\$408,160	\$165,000	\$0	\$12,245	\$216,615	\$368,790	30-Sep-35
14	01-Oct-35	\$368,790	\$170,000	\$0	\$11,064	\$186,358	\$363,496	30-Sep-36
15	01-Oct-36	\$363,496	\$175,100	\$0	\$10,905	\$154,927	\$394,574	30-Sep-37
16	01-Oct-37	\$394,574	\$180,400	\$0	\$11,837	\$70,808	\$516,003	30-Sep-38
17	01-Oct-38	\$516,003	\$185,800	\$0	\$15,480	\$7,750	\$709,533	30-Sep-39
18	01-Oct-39	\$709,533	\$191,400	\$0	\$21,286	\$241,553	\$680,666	30-Sep-40
19	01-Oct-40	\$680,666	\$197,100	\$0	\$20,420	\$382,850	\$515,336	30-Sep-41
20	01-Oct-41	\$515,336	\$203,000	\$0	\$15,460	\$476,910	\$256,886	30-Sep-42
21	01-Oct-42	\$256,886	\$209,100	\$0	\$7,707	\$56,400	\$417,293	30-Sep-43
22	01-Oct-43	\$417,293	\$215,400	\$0	\$12,519	\$8,350	\$636,862	30-Sep-44
23	01-Oct-44	\$636,862	\$221,900	\$0	\$19,106	\$7,100	\$870,768	30-Sep-45
24	01-Oct-45	\$870,768	\$228,600	\$0	\$26,123	\$58,065	\$1,067,426	30-Sep-46
25	01-Oct-46	\$1,067,426	\$235,500	\$0	\$32,023	\$63,550	\$1,271,399	30-Sep-47
26	01-Oct-47	\$1,271,399	\$242,600	\$0	\$38,142	\$28,150	\$1,523,991	30-Sep-48
27	01-Oct-48	\$1,523,991	\$249,900	\$0	\$45,720	\$340,654	\$1,478,957	30-Sep-49
28	01-Oct-49	\$1,478,957	\$257,400	\$0	\$44,369	\$74,053	\$1,706,673	30-Sep-50
29	01-Oct-50	\$1,706,673	\$265,100	\$0	\$51,200	\$0	\$2,022,973	30-Sep-51
30	01-Oct-51	\$2,022,973	\$273,100	\$0	\$60,689	\$450,420	\$1,906,342	30-Sep-52

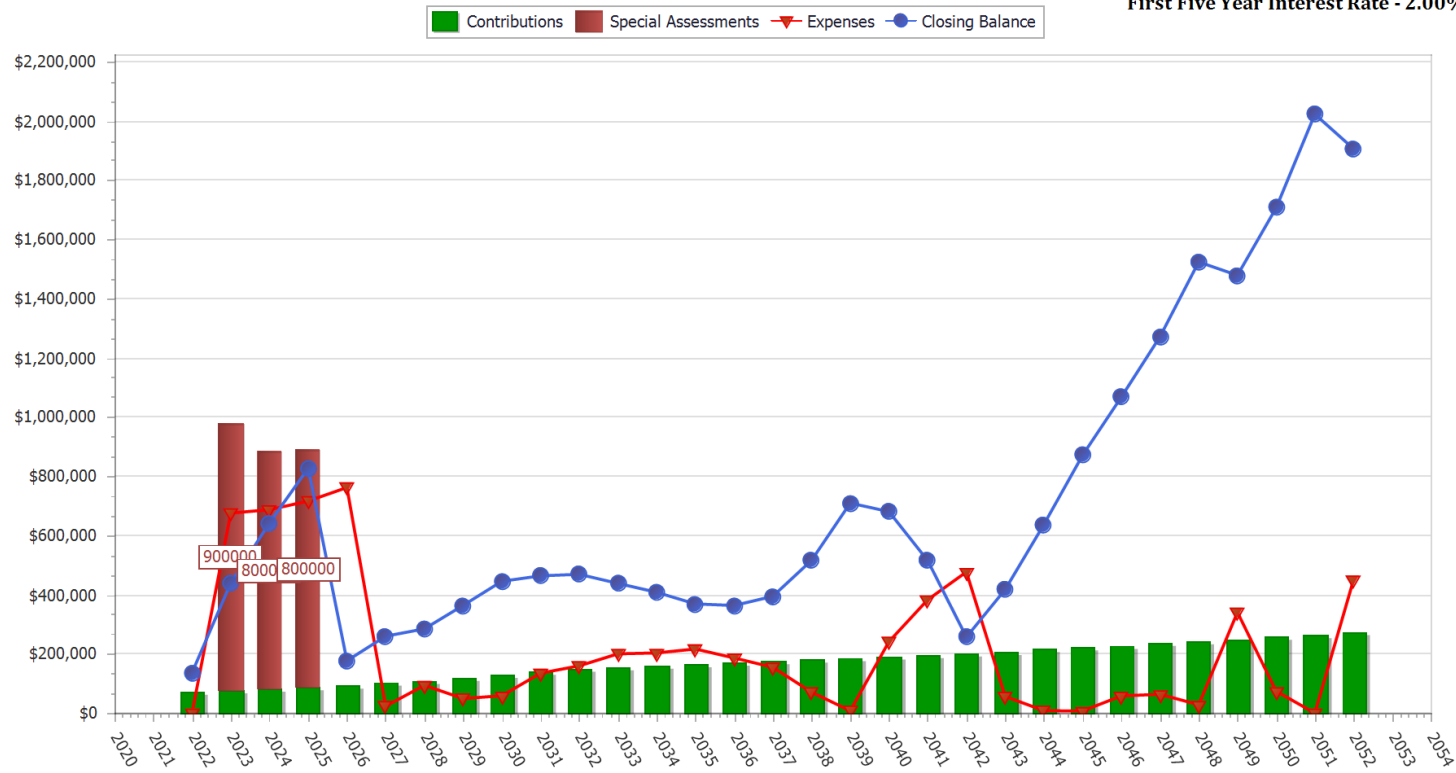


Funding Horizon Chart - Model 30 Year - 10 Year
Normalization Rain Screen Replacement Final
Englesea Manor II - Apartment - NW 2765

Stabilized Long Term Inflation Rate - 3.50%

Stabilized Long Term Interest Rate - 3.00%

First Five Year Interest Rate - 2.00%



Minimum Closing Balance in Year 4 : \$176,870

Total Cash Outlay: \$7,776,100

Total Expenditures: \$6,588,919



Projected Cash Flow - Model 30 Year - 10 Year Normalization
Rain Screen Replacement Final
Englesea Manor II - Apartment - NW 2765

Stabilized Long Term Inflation Rate - 3.50%
Stabilized Long Term Interest Rate - 3.00%
First Five Year Interest Rate - 2.00%

Year Beginning	2021-10-01	2022-10-01	2023-10-01	2024-10-01	2025-10-01	2026-10-01	2027-10-01	2028-10-01	2029-10-01	2030-10-01
Year	0	1	2	3	4	5	6	7	8	9
Opening Balance	\$65,984	\$136,684	\$439,368	\$642,605	\$827,274	\$176,870	\$259,830	\$284,588	\$363,719	\$445,325
Planned Contributions	\$70,000	\$75,600	\$81,600	\$88,100	\$95,100	\$102,700	\$110,900	\$119,800	\$129,400	\$139,800
Interest Income	\$700	\$2,734	\$8,787	\$12,852	\$16,545	\$3,537	\$7,795	\$8,538	\$10,912	\$13,360
Special Assessments		\$900,000	\$800,000	\$800,000						
Cash Resources	\$136,684	\$1,115,018	\$1,329,755	\$1,543,557	\$938,919	\$283,107	\$378,525	\$412,926	\$504,031	\$598,485
Reserve Components										
Building Remediation		\$360,750	\$373,400	\$386,450	\$399,950					
Concrete Foundations							\$6,700			
Balcony / Deck Hand Railings										
Balcony / Deck Vinyl Membrane										
Waterproof Membranes										\$122,650
Brick Veneer										
Caulking			\$2,450	\$2,550						
Wood Trim		\$3,400	\$3,500							\$5,900
Building Exterior Lights										
Eaves & Downspouts										
Exterior Doors									\$17,909	
Garage Door(s)										
Garage Door(s)				\$6,098						
Painting: Stucco										
Skylights									\$12,641	
Sliding Doors		\$18,950	\$19,650	\$20,317	\$21,050					
Stucco		\$183,650	\$190,100	\$196,742	\$203,650					
Windows		\$94,750	\$98,050	\$101,476	\$105,050					
Concrete Tile										\$3,000
Metal Trim-Capping										
Modified Bitumen Membrane										
Interior Doors						\$7,600				
Metal Hand Railings										
Flooring: Carpet - Hallways							\$52,858			
Flooring: Carpet - Lobby										
Flooring: Vinyl							\$5,900			
Mailboxes										
Painting: Interior							\$23,479			
Elevator Cab Refurbish										
Elevator(s)										
Plumbing & Heating Systems					\$21,400				\$24,600	
Back Flow Preventers						\$4,988				
Boiler High Efficiency										
Exhaust Fans								\$16,540		
Hot Water Storage Tank										
Sewer Stack Cleaning & Repairs					\$1,951				\$2,239	
Interior Lighting - Parkade							\$2,100			
Life Safety Systems					\$7,850					
Access Intercom										
Fire Alarm / Annunciator Panel(s)										

Interior Lighting						\$10,689				
Room Modernization								\$15,267		
Concrete Works		\$14,150						\$17,400		
Landscaping				\$2,650			\$2,900			\$3,250
Underground Services - Major Repairs										
Exterior Lighting										
Signage										
Underground Services - Scoping and Flushing					\$1,148				\$1,317	
Total Expenses	\$0	\$675,650	\$687,150	\$716,283	\$762,049	\$23,277	\$93,937	\$49,207	\$58,706	\$134,800
Closing Balance	\$136,684	\$439,368	\$642,605	\$827,274	\$176,870	\$259,830	\$284,588	\$363,719	\$445,325	\$463,685
Planned Contributions	\$70,000	\$75,600	\$81,600	\$88,100	\$95,100	\$102,700	\$110,900	\$119,800	\$129,400	\$139,800
Avg Inc. Per Unit Per Month	\$0	\$13	\$14	\$15	\$16	\$17	\$19	\$20	\$22	\$23
Year End	2022-09-30	2023-09-30	2024-09-30	2025-09-30	2026-09-30	2027-09-30	2028-09-30	2029-09-30	2030-09-30	2031-09-30



Projected Cash Flow - Model 30 Year - 10 Year Normalization
Rain Screen Replacement Final
Englesea Manor II - Apartment - NW 2765

Stabilized Long Term Inflation Rate - 3.50%
Stabilized Long Term Interest Rate - 3.00%
First Five Year Interest Rate - 2.00%

Year Beginning	2031-10-01	2032-10-01	2033-10-01	2034-10-01	2035-10-01	2036-10-01	2037-10-01	2038-10-01	2039-10-01	2040-10-01
Year	10	11	12	13	14	15	16	17	18	19
Opening Balance	\$463,685	\$468,860	\$438,176	\$408,160	\$368,790	\$363,496	\$394,574	\$516,003	\$709,533	\$680,666
Planned Contributions	\$151,000	\$155,500	\$160,200	\$165,000	\$170,000	\$175,100	\$180,400	\$185,800	\$191,400	\$197,100
Interest Income	\$13,911	\$14,066	\$13,145	\$12,245	\$11,064	\$10,905	\$11,837	\$15,480	\$21,286	\$20,420
Special Assessments										
Cash Resources	\$628,596	\$638,426	\$611,521	\$585,405	\$549,854	\$549,501	\$586,811	\$717,283	\$922,219	\$898,186
Reserve Components										
Building Remediation										
Concrete Foundations							\$9,500			
Balcony / Deck Hand Railings		\$42,650	\$44,150	\$45,706	\$47,300					
Balcony / Deck Vinyl Membrane		\$101,300	\$104,850	\$108,538	\$112,350					
Waterproof Membranes	\$126,954									
Brick Veneer		\$8,850								
Caulking			\$4,850	\$5,050						
Wood Trim	\$6,100							\$7,750	\$8,050	
Building Exterior Lights			\$6,800							
Eaves & Downspouts										
Exterior Doors										
Garage Door(s)			\$4,231							
Garage Door(s)									\$10,216	
Painting: Stucco						\$140,227				
Skylights										
Sliding Doors										
Stucco										
Windows										
Concrete Tile									\$4,050	
Metal Trim-Capping										
Modified Bitumen Membrane										\$356,600
Interior Doors	\$9,050					\$10,700				
Metal Hand Railings		\$1,000								
Flooring: Carpet - Hallways									\$79,872	
Flooring: Carpet - Lobby				\$10,791						
Flooring: Vinyl										
Mailboxes				\$7,976						
Painting: Interior									\$35,478	
Elevator Cab Refurbish					\$24,280					
Elevator(s)										
Plumbing & Heating Systems			\$28,200				\$32,350			
Back Flow Preventers										
Boiler High Efficiency									\$83,587	
Exhaust Fans										
Hot Water Storage Tank							\$10,404			
Sewer Stack Cleaning & Repairs			\$2,569				\$2,948			
Interior Lighting - Parkade			\$2,600						\$3,200	
Life Safety Systems		\$9,950							\$12,700	
Access Intercom							\$13,872			
Fire Alarm / Annunciator Panel(s)	\$17,632									
Interior Lighting										

Room Modernization										
Concrete Works				\$21,350						\$26,250
Landscaping			\$3,600			\$4,000			\$4,400	
Underground Services - Major Repairs		\$36,500								
Exterior Lighting				\$17,204						
Signage					\$2,428					
Underground Services - Scoping and Flushing			\$1,511				\$1,734			
Total Expenses	\$159,736	\$200,250	\$203,361	\$216,615	\$186,358	\$154,927	\$70,808	\$7,750	\$241,553	\$382,850
Closing Balance	\$468,860	\$438,176	\$408,160	\$368,790	\$363,496	\$394,574	\$516,003	\$709,533	\$680,666	\$515,336
Planned Contributions	\$151,000	\$155,500	\$160,200	\$165,000	\$170,000	\$175,100	\$180,400	\$185,800	\$191,400	\$197,100
Avg Inc. Per Unit Per Month	\$25	\$10	\$11	\$11	\$11	\$12	\$12	\$12	\$13	\$13
Year End	2032-09-30	2033-09-30	2034-09-30	2035-09-30	2036-09-30	2037-09-30	2038-09-30	2039-09-30	2040-09-30	2041-09-30



Projected Cash Flow - Model 30 Year - 10 Year Normalization
Rain Screen Replacement Final
Englesea Manor II - Apartment - NW 2765

Stabilized Long Term Inflation Rate - 3.50%
Stabilized Long Term Interest Rate - 3.00%
First Five Year Interest Rate - 2.00%

Year Beginning	2041-10-01	2042-10-01	2043-10-01	2044-10-01	2045-10-01	2046-10-01	2047-10-01	2048-10-01	2049-10-01	2050-10-01	2051-10-01
Year	20	21	22	23	24	25	26	27	28	29	30
Opening Balance	\$515,336	\$256,886	\$417,293	\$636,862	\$870,768	\$1,067,426	\$1,271,399	\$1,523,991	\$1,478,957	\$1,706,673	\$2,022,973
Planned Contributions	\$203,000	\$209,100	\$215,400	\$221,900	\$228,600	\$235,500	\$242,600	\$249,900	\$257,400	\$265,100	\$273,100
Interest Income	\$15,460	\$7,707	\$12,519	\$19,106	\$26,123	\$32,023	\$38,142	\$45,720	\$44,369	\$51,200	\$60,689
Special Assessments											
Cash Resources	\$733,796	\$473,693	\$645,212	\$877,868	\$1,125,491	\$1,334,949	\$1,552,141	\$1,819,611	\$1,780,726	\$2,022,973	\$2,356,762
Reserve Components											
Building Remediation											
Concrete Foundations							\$13,350				
Balcony / Deck Hand Railings											
Balcony / Deck Vinyl Membrane											
Waterproof Membranes											
Brick Veneer							\$14,800				
Caulking			\$6,850	\$7,100							
Wood Trim											
Building Exterior Lights											
Eaves & Downspouts	\$21,291										
Exterior Doors											
Garage Door(s)											
Garage Door(s)											
Painting: Stucco											\$234,929
Skylights											
Sliding Doors											
Stucco											
Windows											
Concrete Tile								\$5,550			
Metal Trim-Capping	\$31,240										
Modified Bitumen Membrane	\$369,106										
Interior Doors	\$12,750					\$15,100					\$17,950
Metal Hand Railings			\$1,500								
Flooring: Carpet - Hallways											\$120,692
Flooring: Carpet - Lobby									\$18,079		
Flooring: Vinyl											
Mailboxes											
Painting: Interior											\$53,610
Elevator Cab Refurbish											
Elevator(s)								\$329,104			
Plumbing & Heating Systems	\$37,150				\$42,600				\$48,900		
Back Flow Preventers											\$11,789
Boiler High Efficiency											
Exhaust Fans											
Hot Water Storage Tank											
Sewer Stack Cleaning & Repairs	\$3,383				\$3,882			\$4,454			
Interior Lighting - Parkade					\$3,900						\$4,800
Life Safety Systems						\$16,150					
Access Intercom											
Fire Alarm / Annunciator Panel(s)											

Interior Lighting											
Room Modernization											
Concrete Works						\$32,300					
Landscaping		\$4,900			\$5,400			\$6,000			\$6,650
Underground Services - Major Repairs		\$51,500									
Exterior Lighting											
Signage											
Underground Services - Scoping and Flushing	\$1,990				\$2,283				\$2,620		
Total Expenses	\$476,910	\$56,400	\$8,350	\$7,100	\$58,065	\$63,550	\$28,150	\$340,654	\$74,053	\$0	\$450,420
Closing Balance	\$256,886	\$417,293	\$636,862	\$870,768	\$1,067,426	\$1,271,399	\$1,523,991	\$1,478,957	\$1,706,673	\$2,022,973	\$1,906,342
Planned Contributions	\$203,000	\$209,100	\$215,400	\$221,900	\$228,600	\$235,500	\$242,600	\$249,900	\$257,400	\$265,100	\$273,100
Avg Inc. Per Unit Per Month	\$13	\$14	\$14	\$15	\$15	\$16	\$16	\$16	\$17	\$17	\$18
Year End	2042-09-30	2043-09-30	2044-09-30	2045-09-30	2046-09-30	2047-09-30	2048-09-30	2049-09-30	2050-09-30	2051-09-30	2052-09-30



CASH FLOW MODEL

10 YEAR NORMALIZATION, LOWER FUNDING LEVELS – RAIN SCREEN REPLACEMENT



Short Term Interest Rate (Years 1-5): **2.00%**
Long Term Interest Rate: **3.00%**
Inflation Rate: **3.50%**

Englesea Manor II - Apartment-NW 2765
30 Years - 10 Year Normalization Lower Funding Levels - Rain Screen
Replacement - Reserve Fund Horizon Schedule

	Year Beginning	Opening Balance	Reserve Contributions	Special Assessments & Additional Allocations	Estimated Interest	Estimated Expenses	Closing Balance	Year End
1	01-Oct-22	\$136,684	\$74,200	\$1,200,000	\$2,734	\$17,550	\$1,396,068	30-Sep-23
2	01-Oct-23	\$1,396,068	\$78,700	\$1,200,000	\$27,921	\$1,368,250	\$1,334,439	30-Sep-24
3	01-Oct-24	\$1,334,439	\$83,400	\$0	\$26,689	\$1,421,267	\$23,261	30-Sep-25
4	01-Oct-25	\$23,261	\$88,400	\$0	\$465	\$32,349	\$79,777	30-Sep-26
5	01-Oct-26	\$79,777	\$93,700	\$0	\$1,596	\$23,277	\$151,796	30-Sep-27
6	01-Oct-27	\$151,796	\$104,900	\$0	\$4,554	\$93,937	\$167,313	30-Sep-28
7	01-Oct-28	\$167,313	\$117,500	\$0	\$5,019	\$49,207	\$240,625	30-Sep-29
8	01-Oct-29	\$240,625	\$131,600	\$0	\$7,219	\$58,706	\$320,738	30-Sep-30
9	01-Oct-30	\$320,738	\$147,400	\$0	\$9,622	\$134,800	\$342,960	30-Sep-31
10	01-Oct-31	\$342,960	\$165,100	\$0	\$10,289	\$159,736	\$358,613	30-Sep-32
11	01-Oct-32	\$358,613	\$170,100	\$0	\$10,758	\$200,250	\$339,221	30-Sep-33
12	01-Oct-33	\$339,221	\$175,200	\$0	\$10,177	\$203,361	\$321,237	30-Sep-34
13	01-Oct-34	\$321,237	\$180,500	\$0	\$9,637	\$216,615	\$294,759	30-Sep-35
14	01-Oct-35	\$294,759	\$185,900	\$0	\$8,843	\$186,358	\$303,144	30-Sep-36
15	01-Oct-36	\$303,144	\$191,500	\$0	\$9,094	\$154,927	\$348,811	30-Sep-37
16	01-Oct-37	\$348,811	\$197,200	\$0	\$10,464	\$70,808	\$485,667	30-Sep-38
17	01-Oct-38	\$485,667	\$203,100	\$0	\$14,570	\$7,750	\$695,587	30-Sep-39
18	01-Oct-39	\$695,587	\$209,200	\$0	\$20,868	\$241,553	\$684,102	30-Sep-40
19	01-Oct-40	\$684,102	\$215,500	\$0	\$20,523	\$382,850	\$537,275	30-Sep-41
20	01-Oct-41	\$537,275	\$129,300	\$0	\$16,118	\$476,910	\$205,783	30-Sep-42
21	01-Oct-42	\$205,783	\$133,200	\$0	\$6,173	\$56,400	\$288,756	30-Sep-43
22	01-Oct-43	\$288,756	\$137,200	\$0	\$8,663	\$8,350	\$426,269	30-Sep-44
23	01-Oct-44	\$426,269	\$141,300	\$0	\$12,788	\$7,100	\$573,257	30-Sep-45
24	01-Oct-45	\$573,257	\$145,500	\$0	\$17,198	\$58,065	\$677,890	30-Sep-46
25	01-Oct-46	\$677,890	\$149,900	\$0	\$20,337	\$63,550	\$784,577	30-Sep-47
26	01-Oct-47	\$784,577	\$154,400	\$0	\$23,537	\$28,150	\$934,364	30-Sep-48
27	01-Oct-48	\$934,364	\$159,000	\$0	\$28,031	\$340,654	\$780,741	30-Sep-49
28	01-Oct-49	\$780,741	\$163,800	\$0	\$23,422	\$74,053	\$893,910	30-Sep-50
29	01-Oct-50	\$893,910	\$168,700	\$0	\$26,817	\$0	\$1,089,427	30-Sep-51
30	01-Oct-51	\$1,089,427	\$173,800	\$0	\$32,683	\$450,420	\$845,490	30-Sep-52

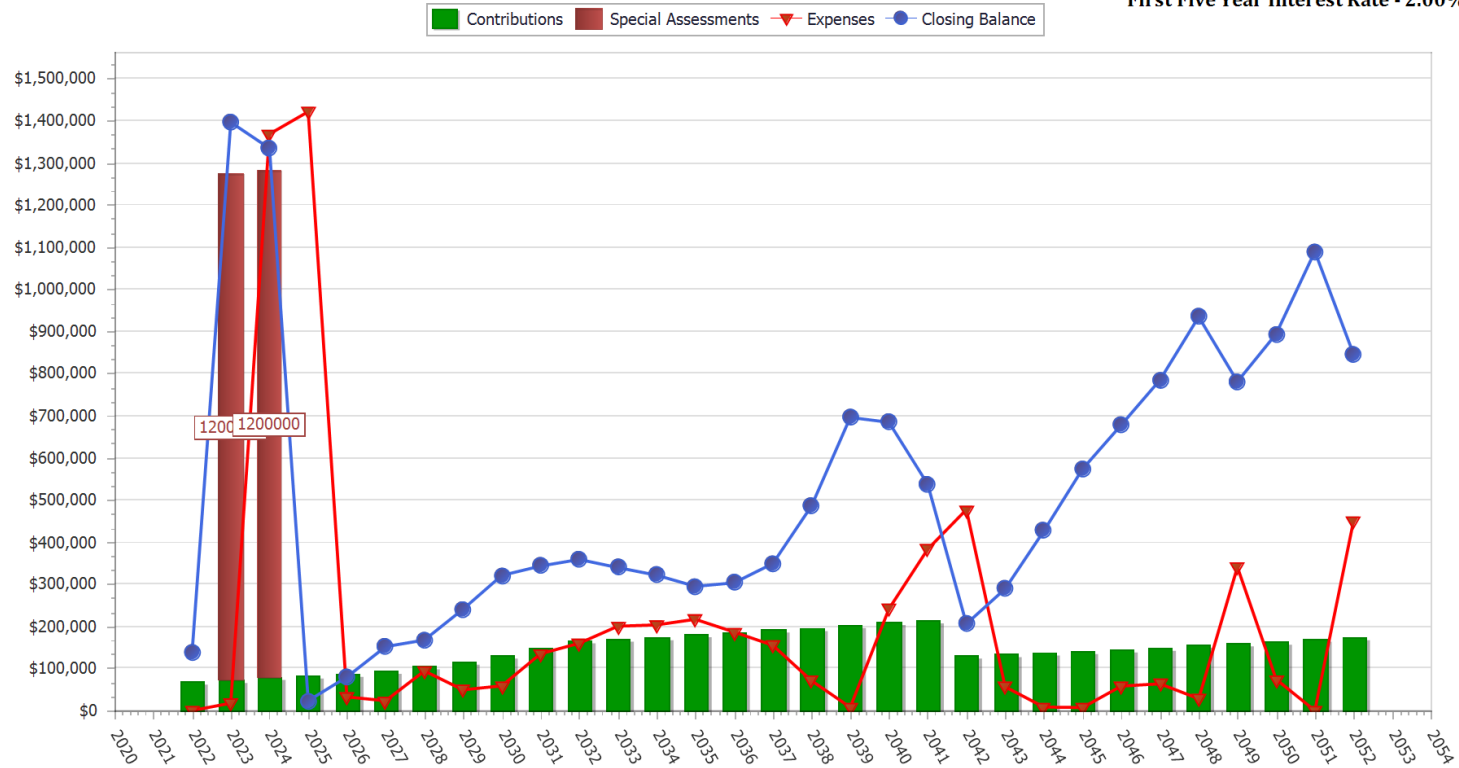


**Funding Horizon Chart - Model 30 Years - 10 Year
Normalization Lower Funding Levels - Rain Screen
Replacement Final
Englesea Manor II - Apartment - NW 2765**

Stabilized Long Term Inflation Rate - 3.50%

Stabilized Long Term Interest Rate - 3.00%

First Five Year Interest Rate - 2.00%



Minimum Closing Balance in Year 3 :\$23,261

Total Cash Outlay: \$6,869,200

Total Expenditures: \$6,587,203



Projected Cash Flow - Model 30 Years - 10 Year Normalization
Lower Funding Levels - Rain Screen Replacement Final
Englesea Manor II - Apartment - NW 2765

Stabilized Long Term Inflation Rate - 3.50%
Stabilized Long Term Interest Rate - 3.00%
First Five Year Interest Rate - 2.00%

Year Beginning	2021-10-01	2022-10-01	2023-10-01	2024-10-01	2025-10-01	2026-10-01	2027-10-01	2028-10-01	2029-10-01	2030-10-01
Year	0	1	2	3	4	5	6	7	8	9
Opening Balance	\$65,984	\$136,684	\$1,396,068	\$1,334,439	\$23,261	\$79,777	\$151,796	\$167,313	\$240,625	\$320,738
Planned Contributions	\$70,000	\$74,200	\$78,700	\$83,400	\$88,400	\$93,700	\$104,900	\$117,500	\$131,600	\$147,400
Interest Income	\$700	\$2,734	\$27,921	\$26,689	\$465	\$1,596	\$4,554	\$5,019	\$7,219	\$9,622
Special Assessments		\$1,200,000	\$1,200,000	\$0						
Cash Resources	\$136,684	\$1,413,618	\$2,702,689	\$1,444,528	\$112,126	\$175,073	\$261,250	\$289,832	\$379,444	\$477,760
Reserve Components										
Building Remediation			\$746,750	\$772,900						
Concrete Foundations							\$6,700			
Balcony / Deck Hand Railings										
Balcony / Deck Vinyl Membrane										
Waterproof Membranes										\$122,650
Brick Veneer										
Caulking			\$2,450	\$2,550						
Wood Trim		\$3,400	\$3,500							\$5,900
Building Exterior Lights										
Eaves & Downspouts										
Exterior Doors									\$17,909	
Garage Door(s)										
Garage Door(s)				\$6,098						
Painting: Stucco										
Skylights									\$12,641	
Sliding Doors			\$39,250	\$40,634						
Stucco			\$380,200	\$393,484						
Windows			\$196,100	\$202,951						
Concrete Tile										\$3,000
Metal Trim-Capping										
Modified Bitumen Membrane										
Interior Doors						\$7,600				
Metal Hand Railings										
Flooring: Carpet - Hallways							\$52,858			
Flooring: Carpet - Lobby										
Flooring: Vinyl							\$5,900			
Mailboxes										
Painting: Interior							\$23,479			
Elevator Cab Refurbish										
Elevator(s)										
Plumbing & Heating Systems					\$21,400				\$24,600	
Back Flow Preventers						\$4,988				
Boiler High Efficiency										
Exhaust Fans								\$16,540		
Hot Water Storage Tank										
Sewer Stack Cleaning & Repairs					\$1,951				\$2,239	
Interior Lighting - Parkade							\$2,100			
Life Safety Systems					\$7,850					
Access Intercom										
Fire Alarm / Annunciator Panel(s)										

Interior Lighting						\$10,689					
Room Modernization								\$15,267			
Concrete Works		\$14,150						\$17,400			
Landscaping				\$2,650			\$2,900				\$3,250
Underground Services - Major Repairs											
Exterior Lighting											
Signage											
Underground Services - Scoping and Flushing					\$1,148				\$1,317		
Total Expenses	\$0	\$17,550	\$1,368,250	\$1,421,267	\$32,349	\$23,277	\$93,937	\$49,207	\$58,706	\$134,800	
Closing Balance	\$136,684	\$1,396,068	\$1,334,439	\$23,261	\$79,777	\$151,796	\$167,313	\$240,625	\$320,738	\$342,960	
Planned Contributions	\$70,000	\$74,200	\$78,700	\$83,400	\$88,400	\$93,700	\$104,900	\$117,500	\$131,600	\$147,400	
Avg Inc. Per Unit Per Month	\$0	\$10	\$10	\$11	\$11	\$12	\$25	\$28	\$32	\$36	
Year End	2022-09-30	2023-09-30	2024-09-30	2025-09-30	2026-09-30	2027-09-30	2028-09-30	2029-09-30	2030-09-30	2031-09-30	



Projected Cash Flow - Model 30 Years - 10 Year Normalization
Lower Funding Levels - Rain Screen Replacement Final
Englesea Manor II - Apartment - NW 2765

Stabilized Long Term Inflation Rate - 3.50%
Stabilized Long Term Interest Rate - 3.00%
First Five Year Interest Rate - 2.00%

Year Beginning	2031-10-01	2032-10-01	2033-10-01	2034-10-01	2035-10-01	2036-10-01	2037-10-01	2038-10-01	2039-10-01	2040-10-01
Year	10	11	12	13	14	15	16	17	18	19
Opening Balance	\$342,960	\$358,613	\$339,221	\$321,237	\$294,759	\$303,144	\$348,811	\$485,667	\$695,587	\$684,102
Planned Contributions	\$165,100	\$170,100	\$175,200	\$180,500	\$185,900	\$191,500	\$197,200	\$203,100	\$209,200	\$215,500
Interest Income	\$10,289	\$10,758	\$10,177	\$9,637	\$8,843	\$9,094	\$10,464	\$14,570	\$20,868	\$20,523
Special Assessments										
Cash Resources	\$518,349	\$539,471	\$524,598	\$511,374	\$489,502	\$503,738	\$556,475	\$703,337	\$925,655	\$920,125
Reserve Components										
Building Remediation										
Concrete Foundations							\$9,500			
Balcony / Deck Hand Railings		\$42,650	\$44,150	\$45,706	\$47,300					
Balcony / Deck Vinyl Membrane		\$101,300	\$104,850	\$108,538	\$112,350					
Waterproof Membranes	\$126,954									
Brick Veneer		\$8,850								
Caulking			\$4,850	\$5,050						
Wood Trim	\$6,100							\$7,750	\$8,050	
Building Exterior Lights			\$6,800							
Eaves & Downspouts										
Exterior Doors										
Garage Door(s)			\$4,231							
Garage Door(s)									\$10,216	
Painting: Stucco						\$140,227				
Skylights										
Sliding Doors										
Stucco										
Windows										
Concrete Tile									\$4,050	
Metal Trim-Capping										
Modified Bitumen Membrane										\$356,600
Interior Doors	\$9,050					\$10,700				
Metal Hand Railings		\$1,000								
Flooring: Carpet - Hallways									\$79,872	
Flooring: Carpet - Lobby				\$10,791						
Flooring: Vinyl										
Mailboxes				\$7,976						
Painting: Interior									\$35,478	
Elevator Cab Refurbish					\$24,280					
Elevator(s)										
Plumbing & Heating Systems			\$28,200				\$32,350			
Back Flow Preventers										
Boiler High Efficiency									\$83,587	
Exhaust Fans										
Hot Water Storage Tank							\$10,404			
Sewer Stack Cleaning & Repairs			\$2,569				\$2,948			
Interior Lighting - Parkade			\$2,600						\$3,200	
Life Safety Systems		\$9,950							\$12,700	
Access Intercom							\$13,872			
Fire Alarm / Annunciator Panel(s)	\$17,632									
Interior Lighting										

Room Modernization										
Concrete Works				\$21,350						\$26,250
Landscaping			\$3,600			\$4,000			\$4,400	
Underground Services - Major Repairs		\$36,500								
Exterior Lighting				\$17,204						
Signage					\$2,428					
Underground Services - Scoping and Flushing			\$1,511				\$1,734			
Total Expenses	\$159,736	\$200,250	\$203,361	\$216,615	\$186,358	\$154,927	\$70,808	\$7,750	\$241,553	\$382,850
Closing Balance	\$358,613	\$339,221	\$321,237	\$294,759	\$303,144	\$348,811	\$485,667	\$695,587	\$684,102	\$537,275
Planned Contributions	\$165,100	\$170,100	\$175,200	\$180,500	\$185,900	\$191,500	\$197,200	\$203,100	\$209,200	\$215,500
Avg Inc. Per Unit Per Month	\$40	\$11	\$12	\$12	\$12	\$13	\$13	\$13	\$14	\$14
Year End	2032-09-30	2033-09-30	2034-09-30	2035-09-30	2036-09-30	2037-09-30	2038-09-30	2039-09-30	2040-09-30	2041-09-30



**Projected Cash Flow - Model 30 Years - 10 Year Normalization
Lower Funding Levels - Rain Screen Replacement Final
Englesea Manor II - Apartment - NW 2765**

**Stabilized Long Term Inflation Rate - 3.50%
Stabilized Long Term Interest Rate - 3.00%
First Five Year Interest Rate - 2.00%**

Year Beginning	2041-10-01	2042-10-01	2043-10-01	2044-10-01	2045-10-01	2046-10-01	2047-10-01	2048-10-01	2049-10-01	2050-10-01	2051-10-01
Year	20	21	22	23	24	25	26	27	28	29	30
Opening Balance	\$537,275	\$205,783	\$288,756	\$426,269	\$573,257	\$677,890	\$784,577	\$934,364	\$780,741	\$893,910	\$1,089,427
Planned Contributions	\$129,300	\$133,200	\$137,200	\$141,300	\$145,500	\$149,900	\$154,400	\$159,000	\$163,800	\$168,700	\$173,800
Interest Income	\$16,118	\$6,173	\$8,663	\$12,788	\$17,198	\$20,337	\$23,537	\$28,031	\$23,422	\$26,817	\$32,683
Special Assessments											
Cash Resources	\$682,693	\$345,156	\$434,619	\$580,357	\$735,955	\$848,127	\$962,514	\$1,121,395	\$967,963	\$1,089,427	\$1,295,910
Reserve Components											
Building Remediation											
Concrete Foundations							\$13,350				
Balcony / Deck Hand Railings											
Balcony / Deck Vinyl Membrane											
Waterproof Membranes											
Brick Veneer							\$14,800				
Caulking			\$6,850	\$7,100							
Wood Trim											
Building Exterior Lights											
Eaves & Downspouts	\$21,291										
Exterior Doors											
Garage Door(s)											
Garage Door(s)											
Painting: Stucco											\$234,929
Skylights											
Sliding Doors											
Stucco											
Windows											
Concrete Tile								\$5,550			
Metal Trim-Capping	\$31,240										
Modified Bitumen Membrane	\$369,106										
Interior Doors	\$12,750					\$15,100					\$17,950
Metal Hand Railings			\$1,500								
Flooring: Carpet - Hallways											\$120,692
Flooring: Carpet - Lobby									\$18,079		
Flooring: Vinyl											
Mailboxes											
Painting: Interior											\$53,610
Elevator Cab Refurbish											
Elevator(s)								\$329,104			
Plumbing & Heating Systems	\$37,150				\$42,600				\$48,900		
Back Flow Preventers											\$11,789
Boiler High Efficiency											
Exhaust Fans											
Hot Water Storage Tank											
Sewer Stack Cleaning & Repairs	\$3,383				\$3,882			\$4,454			
Interior Lighting - Parkade					\$3,900						\$4,800
Life Safety Systems						\$16,150					
Access Intercom											
Fire Alarm / Annunciator Panel(s)											

Interior Lighting											
Room Modernization											
Concrete Works						\$32,300					
Landscaping		\$4,900		\$5,400				\$6,000		\$6,650	
Underground Services - Major Repairs		\$51,500									
Exterior Lighting											
Signage											
Underground Services - Scoping and Flushing	\$1,990				\$2,283				\$2,620		
Total Expenses	\$476,910	\$56,400	\$8,350	\$7,100	\$58,065	\$63,550	\$28,150	\$340,654	\$74,053	\$0	\$450,420
Closing Balance	\$205,783	\$288,756	\$426,269	\$573,257	\$677,890	\$784,577	\$934,364	\$780,741	\$893,910	\$1,089,427	\$845,490
Planned Contributions	\$129,300	\$133,200	\$137,200	\$141,300	\$145,500	\$149,900	\$154,400	\$159,000	\$163,800	\$168,700	\$173,800
Avg Inc. Per Unit Per Month	-\$194	\$9	\$9	\$9	\$10	\$10	\$10	\$10	\$11	\$11	\$12
Year End	2042-09-30	2043-09-30	2044-09-30	2045-09-30	2046-09-30	2047-09-30	2048-09-30	2049-09-30	2050-09-30	2051-09-30	2052-09-30



CASH FLOW MODEL

**10 YEAR NORMALIZATION, ADEQUATE FUNDING LEVELS, SEALED FACE
REPLACEMENT – NOT RECOMMENDED**



Short Term Interest Rate (Years 1-5): **2.00%**
Long Term Interest Rate: **3.00%**
Inflation Rate: **3.50%**

Englesea Manor II - Apartment-NW 2765
30 Years - 10 Year Normalization - Adequate Funding Level - Sealed
Face Replacement - Reserve Fund Horizon Schedule

	Year Beginning	Opening Balance	Reserve Contributions	Assessments & Special Additional Allocations	Estimated Interest	Estimated Expenses	Closing Balance	Year End
1	01-Oct-22	\$136,684	\$77,000	\$500,000	\$2,734	\$17,550	\$698,868	30-Sep-23
2	01-Oct-23	\$698,868	\$84,700	\$500,000	\$13,977	\$621,500	\$676,045	30-Sep-24
3	01-Oct-24	\$676,045	\$93,200	\$0	\$13,521	\$648,367	\$134,399	30-Sep-25
4	01-Oct-25	\$134,399	\$102,500	\$0	\$2,688	\$32,349	\$207,238	30-Sep-26
5	01-Oct-26	\$207,238	\$112,800	\$0	\$4,145	\$23,277	\$300,906	30-Sep-27
6	01-Oct-27	\$300,906	\$118,400	\$0	\$9,027	\$93,937	\$334,396	30-Sep-28
7	01-Oct-28	\$334,396	\$124,300	\$0	\$10,032	\$49,207	\$419,521	30-Sep-29
8	01-Oct-29	\$419,521	\$130,500	\$0	\$12,586	\$58,706	\$503,901	30-Sep-30
9	01-Oct-30	\$503,901	\$137,000	\$0	\$15,117	\$134,800	\$521,218	30-Sep-31
10	01-Oct-31	\$521,218	\$143,800	\$0	\$15,637	\$159,736	\$520,919	30-Sep-32
11	01-Oct-32	\$520,919	\$148,100	\$0	\$15,628	\$200,250	\$484,397	30-Sep-33
12	01-Oct-33	\$484,397	\$152,500	\$0	\$14,532	\$203,361	\$448,068	30-Sep-34
13	01-Oct-34	\$448,068	\$157,100	\$0	\$13,442	\$216,615	\$401,995	30-Sep-35
14	01-Oct-35	\$401,995	\$161,800	\$0	\$12,060	\$186,358	\$389,497	30-Sep-36
15	01-Oct-36	\$389,497	\$166,700	\$0	\$11,685	\$154,927	\$412,955	30-Sep-37
16	01-Oct-37	\$412,955	\$171,700	\$0	\$12,389	\$70,808	\$526,236	30-Sep-38
17	01-Oct-38	\$526,236	\$176,900	\$0	\$15,787	\$7,750	\$711,173	30-Sep-39
18	01-Oct-39	\$711,173	\$182,200	\$0	\$21,335	\$241,553	\$673,155	30-Sep-40
19	01-Oct-40	\$673,155	\$187,700	\$0	\$20,195	\$382,850	\$498,200	30-Sep-41
20	01-Oct-41	\$498,200	\$193,300	\$0	\$14,946	\$476,910	\$229,536	30-Sep-42
21	01-Oct-42	\$229,536	\$199,100	\$0	\$6,886	\$56,400	\$379,122	30-Sep-43
22	01-Oct-43	\$379,122	\$205,100	\$0	\$11,374	\$8,350	\$587,246	30-Sep-44
23	01-Oct-44	\$587,246	\$211,300	\$0	\$17,617	\$7,100	\$809,063	30-Sep-45
24	01-Oct-45	\$809,063	\$217,600	\$0	\$24,272	\$58,065	\$992,870	30-Sep-46
25	01-Oct-46	\$992,870	\$224,100	\$0	\$29,786	\$63,550	\$1,183,206	30-Sep-47
26	01-Oct-47	\$1,183,206	\$230,800	\$0	\$35,496	\$28,150	\$1,421,352	30-Sep-48
27	01-Oct-48	\$1,421,352	\$237,700	\$0	\$42,641	\$340,654	\$1,361,039	30-Sep-49
28	01-Oct-49	\$1,361,039	\$244,800	\$0	\$40,831	\$74,053	\$1,572,617	30-Sep-50
29	01-Oct-50	\$1,572,617	\$252,100	\$0	\$47,179	\$0	\$1,871,896	30-Sep-51
30	01-Oct-51	\$1,871,896	\$259,700	\$0	\$56,157	\$450,420	\$1,737,333	30-Sep-52

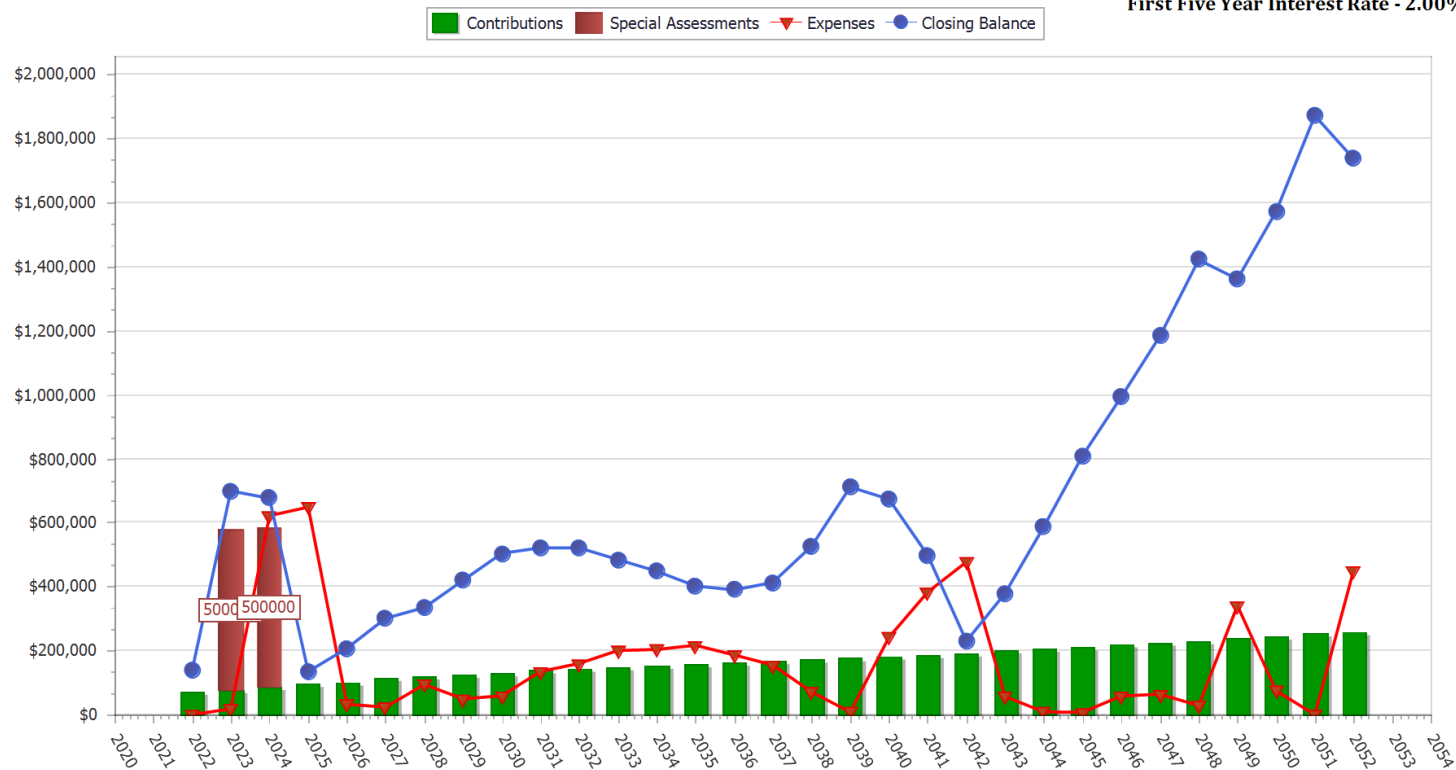


**Funding Horizon Chart - Model 30 Years - 10 Year
Normalization - Adequate Funding Level - Sealed Face
Replacement Final
Englesea Manor II - Apartment - NW 2765**

Stabilized Long Term Inflation Rate - 3.50%

Stabilized Long Term Interest Rate - 3.00%

First Five Year Interest Rate - 2.00%



Minimum Closing Balance in Year 3 :\$134,399

Total Cash Outlay: \$6,104,500

Total Expenditures: \$5,067,553



Projected Cash Flow - Model 30 Years - 10 Year Normalization
- Adequate Funding Level - Sealed Face Replacement Final
Englesea Manor II - Apartment - NW 2765

Stabilized Long Term Inflation Rate - 3.50%
Stabilized Long Term Interest Rate - 3.00%
First Five Year Interest Rate - 2.00%

Year Beginning	2021-10-01	2022-10-01	2023-10-01	2024-10-01	2025-10-01	2026-10-01	2027-10-01	2028-10-01	2029-10-01	2030-10-01
Year	0	1	2	3	4	5	6	7	8	9
Opening Balance	\$65,984	\$136,684	\$698,868	\$676,045	\$134,399	\$207,238	\$300,906	\$334,396	\$419,521	\$503,901
Planned Contributions	\$70,000	\$77,000	\$84,700	\$93,200	\$102,500	\$112,800	\$118,400	\$124,300	\$130,500	\$137,000
Interest Income	\$700	\$2,734	\$13,977	\$13,521	\$2,688	\$4,145	\$9,027	\$10,032	\$12,586	\$15,117
Special Assessments		\$500,000	\$500,000	\$0						
Cash Resources	\$136,684	\$716,418	\$1,297,545	\$782,766	\$239,587	\$324,183	\$428,333	\$468,728	\$562,607	\$656,018
Reserve Components										
Building Remediation										
Concrete Foundations							\$6,700			
Balcony / Deck Hand Railings										
Balcony / Deck Vinyl Membrane										
Waterproof Membranes										\$122,650
Brick Veneer										
Caulking			\$2,450	\$2,550						
Wood Trim		\$3,400	\$3,500							\$5,900
Building Exterior Lights										
Eaves & Downspouts										
Exterior Doors									\$17,909	
Garage Door(s)										
Garage Door(s)				\$6,098						
Painting: Stucco										
Skylights									\$12,641	
Sliding Doors			\$39,250	\$40,634						
Stucco			\$380,200	\$393,484						
Windows			\$196,100	\$202,951						
Concrete Tile										\$3,000
Metal Trim-Capping										
Modified Bitumen Membrane										
Interior Doors						\$7,600				
Metal Hand Railings										
Flooring: Carpet - Hallways							\$52,858			
Flooring: Carpet - Lobby										
Flooring: Vinyl							\$5,900			
Mailboxes										
Painting: Interior							\$23,479			
Elevator Cab Refurbish										
Elevator(s)										
Plumbing & Heating Systems					\$21,400				\$24,600	
Back Flow Preventers						\$4,988				
Boiler High Efficiency										
Exhaust Fans								\$16,540		
Hot Water Storage Tank										
Sewer Stack Cleaning & Repairs					\$1,951				\$2,239	
Interior Lighting - Parkade							\$2,100			
Life Safety Systems					\$7,850					
Access Intercom										
Fire Alarm / Annunciator Panel(s)										

Interior Lighting						\$10,689					
Room Modernization								\$15,267			
Concrete Works		\$14,150						\$17,400			
Landscaping				\$2,650			\$2,900				\$3,250
Underground Services - Major Repairs											
Exterior Lighting											
Signage											
Underground Services - Scoping and Flushing					\$1,148				\$1,317		
Total Expenses	\$0	\$17,550	\$621,500	\$648,367	\$32,349	\$23,277	\$93,937	\$49,207	\$58,706	\$134,800	
Closing Balance	\$136,684	\$698,868	\$676,045	\$134,399	\$207,238	\$300,906	\$334,396	\$419,521	\$503,901	\$521,218	
Planned Contributions	\$70,000	\$77,000	\$84,700	\$93,200	\$102,500	\$112,800	\$118,400	\$124,300	\$130,500	\$137,000	
Avg Inc. Per Unit Per Month	\$0	\$16	\$17	\$19	\$21	\$23	\$13	\$13	\$14	\$15	
Year End	2022-09-30	2023-09-30	2024-09-30	2025-09-30	2026-09-30	2027-09-30	2028-09-30	2029-09-30	2030-09-30	2031-09-30	



Projected Cash Flow - Model 30 Years - 10 Year Normalization
- Adequate Funding Level - Sealed Face Replacement Final
Englesea Manor II - Apartment - NW 2765

Stabilized Long Term Inflation Rate - 3.50%
Stabilized Long Term Interest Rate - 3.00%
First Five Year Interest Rate - 2.00%

Year Beginning	2031-10-01	2032-10-01	2033-10-01	2034-10-01	2035-10-01	2036-10-01	2037-10-01	2038-10-01	2039-10-01	2040-10-01
Year	10	11	12	13	14	15	16	17	18	19
Opening Balance	\$521,218	\$520,919	\$484,397	\$448,068	\$401,995	\$389,497	\$412,955	\$526,236	\$711,173	\$673,155
Planned Contributions	\$143,800	\$148,100	\$152,500	\$157,100	\$161,800	\$166,700	\$171,700	\$176,900	\$182,200	\$187,700
Interest Income	\$15,637	\$15,628	\$14,532	\$13,442	\$12,060	\$11,685	\$12,389	\$15,787	\$21,335	\$20,195
Special Assessments										
Cash Resources	\$680,655	\$684,647	\$651,429	\$618,610	\$575,855	\$567,882	\$597,044	\$718,923	\$914,708	\$881,050
Reserve Components										
Building Remediation										
Concrete Foundations							\$9,500			
Balcony / Deck Hand Railings		\$42,650	\$44,150	\$45,706	\$47,300					
Balcony / Deck Vinyl Membrane		\$101,300	\$104,850	\$108,538	\$112,350					
Waterproof Membranes	\$126,954									
Brick Veneer		\$8,850								
Caulking			\$4,850	\$5,050						
Wood Trim	\$6,100							\$7,750	\$8,050	
Building Exterior Lights			\$6,800							
Eaves & Downspouts										
Exterior Doors										
Garage Door(s)			\$4,231							
Garage Door(s)									\$10,216	
Painting: Stucco						\$140,227				
Skylights										
Sliding Doors										
Stucco										
Windows										
Concrete Tile									\$4,050	
Metal Trim-Capping										
Modified Bitumen Membrane										\$356,600
Interior Doors	\$9,050					\$10,700				
Metal Hand Railings		\$1,000								
Flooring: Carpet - Hallways									\$79,872	
Flooring: Carpet - Lobby				\$10,791						
Flooring: Vinyl										
Mailboxes				\$7,976						
Painting: Interior									\$35,478	
Elevator Cab Refurbish					\$24,280					
Elevator(s)										
Plumbing & Heating Systems			\$28,200				\$32,350			
Back Flow Preventers										
Boiler High Efficiency									\$83,587	
Exhaust Fans										
Hot Water Storage Tank							\$10,404			
Sewer Stack Cleaning & Repairs			\$2,569				\$2,948			
Interior Lighting - Parkade			\$2,600						\$3,200	
Life Safety Systems		\$9,950							\$12,700	
Access Intercom							\$13,872			
Fire Alarm / Annunciator Panel(s)	\$17,632									
Interior Lighting										

Room Modernization										
Concrete Works				\$21,350						\$26,250
Landscaping			\$3,600			\$4,000			\$4,400	
Underground Services - Major Repairs		\$36,500								
Exterior Lighting				\$17,204						
Signage					\$2,428					
Underground Services - Scoping and Flushing			\$1,511				\$1,734			
Total Expenses	\$159,736	\$200,250	\$203,361	\$216,615	\$186,358	\$154,927	\$70,808	\$7,750	\$241,553	\$382,850
Closing Balance	\$520,919	\$484,397	\$448,068	\$401,995	\$389,497	\$412,955	\$526,236	\$711,173	\$673,155	\$498,200
Planned Contributions	\$143,800	\$148,100	\$152,500	\$157,100	\$161,800	\$166,700	\$171,700	\$176,900	\$182,200	\$187,700
Avg Inc. Per Unit Per Month	\$15	\$10	\$10	\$10	\$11	\$11	\$11	\$12	\$12	\$12
Year End	2032-09-30	2033-09-30	2034-09-30	2035-09-30	2036-09-30	2037-09-30	2038-09-30	2039-09-30	2040-09-30	2041-09-30



**Projected Cash Flow - Model 30 Years - 10 Year Normalization
- Adequate Funding Level - Sealed Face Replacement Final
Englesea Manor II - Apartment - NW 2765**

**Stabilized Long Term Inflation Rate - 3.50%
Stabilized Long Term Interest Rate - 3.00%
First Five Year Interest Rate - 2.00%**

Year Beginning	2041-10-01	2042-10-01	2043-10-01	2044-10-01	2045-10-01	2046-10-01	2047-10-01	2048-10-01	2049-10-01	2050-10-01	2051-10-01
Year	20	21	22	23	24	25	26	27	28	29	30
Opening Balance	\$498,200	\$229,536	\$379,122	\$587,246	\$809,063	\$992,870	\$1,183,206	\$1,421,352	\$1,361,039	\$1,572,617	\$1,871,896
Planned Contributions	\$193,300	\$199,100	\$205,100	\$211,300	\$217,600	\$224,100	\$230,800	\$237,700	\$244,800	\$252,100	\$259,700
Interest Income	\$14,946	\$6,886	\$11,374	\$17,617	\$24,272	\$29,786	\$35,496	\$42,641	\$40,831	\$47,179	\$56,157
Special Assessments											
Cash Resources	\$706,446	\$435,522	\$595,596	\$816,163	\$1,050,935	\$1,246,756	\$1,449,502	\$1,701,693	\$1,646,670	\$1,871,896	\$2,187,753
Reserve Components											
Building Remediation											
Concrete Foundations							\$13,350				
Balcony / Deck Hand Railings											
Balcony / Deck Vinyl Membrane											
Waterproof Membranes											
Brick Veneer							\$14,800				
Caulking			\$6,850	\$7,100							
Wood Trim											
Building Exterior Lights											
Eaves & Downspouts	\$21,291										
Exterior Doors											
Garage Door(s)											
Garage Door(s)											
Painting: Stucco											\$234,929
Skylights											
Sliding Doors											
Stucco											
Windows											
Concrete Tile								\$5,550			
Metal Trim-Capping	\$31,240										
Modified Bitumen Membrane	\$369,106										
Interior Doors	\$12,750					\$15,100					\$17,950
Metal Hand Railings			\$1,500								
Flooring: Carpet - Hallways											\$120,692
Flooring: Carpet - Lobby									\$18,079		
Flooring: Vinyl											
Mailboxes											
Painting: Interior											\$53,610
Elevator Cab Refurbish											
Elevator(s)								\$329,104			
Plumbing & Heating Systems	\$37,150				\$42,600				\$48,900		
Back Flow Preventers											\$11,789
Boiler High Efficiency											
Exhaust Fans											
Hot Water Storage Tank											
Sewer Stack Cleaning & Repairs	\$3,383				\$3,882			\$4,454			
Interior Lighting - Parkade					\$3,900						\$4,800
Life Safety Systems						\$16,150					
Access Intercom											
Fire Alarm / Annunciator Panel(s)											

Interior Lighting											
Room Modernization											
Concrete Works						\$32,300					
Landscaping		\$4,900		\$5,400				\$6,000		\$6,650	
Underground Services - Major Repairs		\$51,500									
Exterior Lighting											
Signage											
Underground Services - Scoping and Flushing	\$1,990				\$2,283				\$2,620		
Total Expenses	\$476,910	\$56,400	\$8,350	\$7,100	\$58,065	\$63,550	\$28,150	\$340,654	\$74,053	\$0	\$450,420
Closing Balance	\$229,536	\$379,122	\$587,246	\$809,063	\$992,870	\$1,183,206	\$1,421,352	\$1,361,039	\$1,572,617	\$1,871,896	\$1,737,333
Planned Contributions	\$193,300	\$199,100	\$205,100	\$211,300	\$217,600	\$224,100	\$230,800	\$237,700	\$244,800	\$252,100	\$259,700
Avg Inc. Per Unit Per Month	\$13	\$13	\$14	\$14	\$14	\$15	\$15	\$16	\$16	\$16	\$17
Year End	2042-09-30	2043-09-30	2044-09-30	2045-09-30	2046-09-30	2047-09-30	2048-09-30	2049-09-30	2050-09-30	2051-09-30	2052-09-30



RECOMMENDATIONS

In order for the strata corporation to carry out all major repairs and replacements necessary to maintain the property, the corporation must be sufficiently funded. To achieve this level of funding, the corporation should comply with the following guidelines:

1. The corporation can prepare and implement a long-term reserve fund plan similar to that laid out in one of the three Projected Cash Flow Analysis or can decide on their own funding direction.
2. To ensure that the reserve fund is sufficiently funded over the study horizon, it will be necessary to contribute the annual amounts noted in the Projected Cash Flow Analysis. The annual contributions may increase at different rates as noted in the Cash Flow Analysis. Applying these figures, the reserve fund should be able to meet the projected expenditures over the study horizon.
3. The reserve fund should be invested in securities. It is assumed that over the study horizon the average of the interest rates actually achieved by the strata corporation will equal the Long-Term Stabilized Interest Rate noted in the Cash Flow Analysis herein. If there is any variance between the Long-Term Stabilized Interest Rate utilized herein and the average of the interest rates actually achieved by the strata corporation, then the data, analyses, and conclusions contained herein may require adjustment.
4. The corporation should use the reserve fund to perform major repairs and replacements to the common elements. The reserve funds should not be commingled with any other funds of the corporation.
5. The corporation should review the reserve fund every year to ensure that the underlying assumptions are still valid and that the estimates remain current.
6. Three funding models were provided for the Corporations consideration:
 - Cash Flow Model – 10-year normalization, Rain Screen Replacement – Recommended
 - Cash Flow Model – 10-year normalization, lower funding levels, Rain Screen Replacement
 - Cash Flow Model – 10-year normalization, adequate funding levels, Sealed Face Replacement – Not Recommended



QUALIFICATIONS OF PLANNERS

Daniel B. Jablonski, CRP

Mr. Jablonski's qualifications as a reserve fund planner are based on Education and Experience in the fields of reserve fund planning, real estate appraisal, accounting system development, and consulting.

Daniel Jablonski has been involved in the real estate industry since 2005 and has experience in insurance appraisals, and depreciated costing of improvements for commercial and residential properties. He has experience with accounting, and statistic systems since 1997, developing various systems for tracking and analysis of real estate, consumer goods, human resources, and services.



CERTIFICATION

Englesea Manor II
1225 Merklin Street White Rock BC
CONDOMINIUM #NW 2765

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

- 1) The statements of fact contained in this report are true and correct.
- 2) The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions. These are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- 3) I have no interest, present or prospective, in the property or its management and I have no personal interest with respect to the parties involved. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- 4) Neither the employment to prepare this Depreciation Report nor the compensation are contingent upon the amount of reserve fund estimates reported herein. My compensation is not contingent upon an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report. Moreover, I am solely responsible for the reserve fund estimates reported herein.
- 5) My analyses, opinions, and conclusions were developed, and this report was prepared, in conformity with the standards for reserve fund studies published by the Real Estate Institute of Canada.
- 6) I have the knowledge and experience to complete the assignment competently.
- 7) The undersigned personally inspected the within described property. The nature and extent of the property inspection is set forth within the report.

Daniel B. Jablonski, CRP

Report Date: November 17, 2022