NLD CONSULTING

RESERVE FUND ADVISORS

A Division of Niemi LaPorte & Dowle Appraisals Ltd.

www.reserveadvisors.ca

DEPRECIATION REPORT

BCS 2637 - "CORUS"
5989 WALTER GAGE ROAD
VANCOUVER, BC
YEAR 2013

January 30, 2013

The Owners, BCS 2637 - "CORUS"

c/o AWM Alliance Real Estate Group Ltd.
401 - 958 West 8th Avenue
Vancouver BC V5Z 1E5

Dear Sir/Madam:

Depreciation Report/Reserve Fund Study
BCS 2637 - "CORUS"
5989 Walter Gage Road, Vancouver, BC

Pursuant to your request for a depreciation report for the described strata development, we have prepared and submit to you this report.

The depreciation report describes the reserve fund concepts and major reserve fund items. It provides current and future replacement reserve estimates and recommends reserve fund actions. The depreciation report has been completed to the legislated requirements of the BC Strata Property Amendment Act, 2009 brought into force December 13, 2011. The depreciation report is a complex document and should be reviewed in detail within the context of this report.

We recommend that a reserve fund plan be adopted with contingency reserve fund contributions adjusted to $45,000 per annum in 2014, and further increased as per the "Cash Flow Table – Adequate Funding". This allows for expected expenses over the horizon of our projections, though it does have the drawback of not funding for all anticipated depreciation.

NLD Consulting - Reserve Fund Advisors would be pleased to provide you with complete review and depreciation report updating services for the reserve fund of the corporation, as required in the future. We appreciate the opportunity to perform this depreciation report for you. If you have any questions, please do not hesitate to contact the undersigned.

Respectfully submitted,
NLD Consulting - Reserve Fund Advisors

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

TABLE OF CONTENTS

EXECUTIVE SUMMARY OF FACTS AND CONCLUSIONS

This executive summary has been prepared as a quick reference of pertinent facts and estimates of this Depreciation Report/Reserve Fund Study, and it is provided as convenience only. Readers are advised to refer to the full text of this Depreciation Report for detailed information.

Client **The Owners, BCS 2637 - "CORUS"**
c/o AWM Alliance Real Estate Group Ltd.
1701 - 1166 Alberni Street
Vancouver BC, V5Z 1E5

Date of Study **December 2012** (Inspection Date: November 9, 2012)

Property **BCS 2637 - "CORUS"**
5989 Walter Gage Road
Vancouver, BC

CPI Rate 1.7%
Construction Inflation Factor 3.0%
Interest Rate 3.1% see note pg. 21

Short-Term Deficiency Analysis:

	2013
Opening Balance	$144,740
Current Budgeted Reserve Fund Contribution	$38,117
Tax-Free Interest Income	$2,171
Special Assessments	$0
Less: Estimated Reserve Fund Expenditures	$0
Projected Closing Balance	$185,028
Less: Fully Funded Closing Balance Requirement	($987,523)
Estimated Reserve Fund Surplus	**($802,495)**

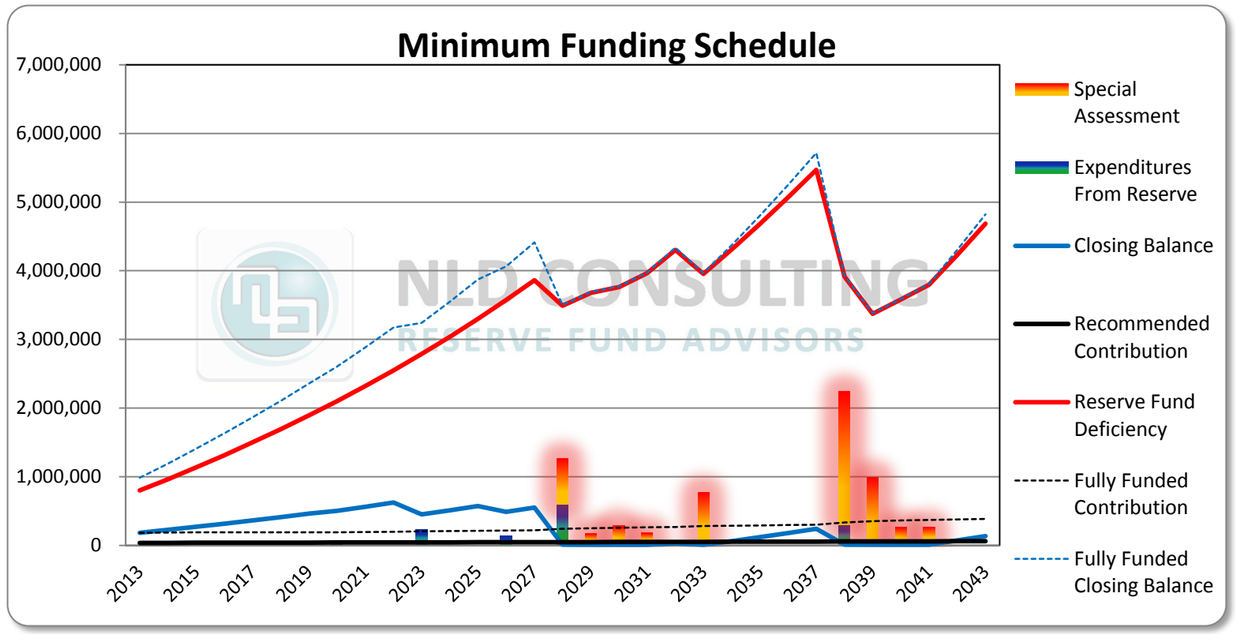
Cash Flow Table - Minimum Funding

NLD Consulting - Reserve Fund Advisors has prepared the following Cash Flow Table, which projects minimal annual funding requirements proposed to meet estimated Reserve Fund expenditures

File # R-1024 Corus

Cash Flow Table Minimum Funding

Year	Opening Balance	Recommended Annual Contribution	Special Assessments	Estimated Inflation Adjusted Expenditures	Estimated Interest Earned	Percentage Increase in Annual Contributions	Closing Balance
2013	144,740	38,117	-	-	2,171	N/A	185,028
2014	185,028	38,765	-	-	3,269	1.70%	227,062
2015	227,062	39,424	-	-	4,617	1.70%	271,103
2016	271,103	40,094	-	-	6,235	1.70%	317,432
2017	317,432	40,776	-	-	8,147	1.70%	366,356
2018	366,356	41,469	-	7,168	10,177	1.70%	410,834
2019	410,834	42,174	-	-	12,736	1.70%	465,744
2020	465,744	42,891	-	18,970	13,850	1.70%	503,514
2021	503,514	43,620	-	-	15,609	1.70%	562,743
2022	562,743	44,362	-	-	17,445	1.70%	624,550
2023	624,550	45,116	-	230,722	12,209	1.70%	451,152
2024	451,152	45,883	-	-	13,986	1.70%	511,020
2025	511,020	46,663	-	-	15,842	1.70%	573,525
2026	573,525	47,456	-	145,175	13,279	1.70%	489,085
2027	489,085	48,263	-	-	15,162	1.70%	552,509
2028	552,509	49,083	661,616	1,253,208	-	1.70%	10,000
2029	10,000	49,918	115,389	165,306	-	1.70%	10,000
2030	10,000	50,766	224,991	275,757	-	1.70%	10,000
2031	10,000	51,629	123,744	175,374	-	1.70%	10,000
2032	10,000	52,507	-	27,047	-	1.70%	35,460
2033	35,460	53,400	687,940	766,800	-	1.70%	10,000
2034	10,000	54,307	-	-	310	1.70%	64,617
2035	64,617	55,231	-	-	2,003	1.70%	121,851
2036	121,851	56,170	-	-	3,777	1.70%	181,798
2037	181,798	57,124	-	-	5,636	1.70%	244,558
2038	244,558	58,096	1,941,105	2,233,759	-	1.70%	10,000
2039	10,000	59,083	927,139	986,222	-	1.70%	10,000
2040	10,000	60,088	194,098	254,185	-	1.70%	10,000
2041	10,000	61,109	200,702	261,811	-	1.70%	10,000
2042	10,000	62,148	-	-	310	1.70%	72,458
2043	72,458	63,204	-	-	2,246	1.70%	137,909



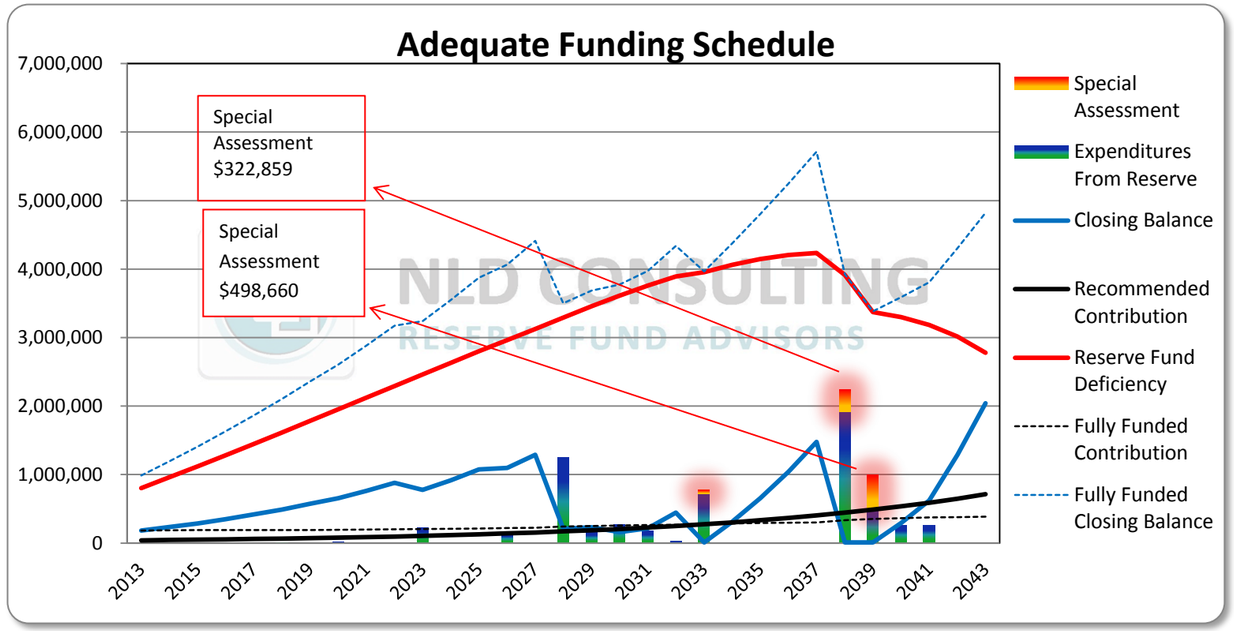
Cash Flow Table - Adequate Funding

NLD Consulting - Reserve Fund Advisors has prepared the following Cash Flow Table, which projects adequate annual funding requirements proposed to meet estimated Reserve Fund expenditures

File # R-1024 Corus

Cash Flow Table Adequate Funding

Year	Opening Balance	Recommended Annual Contribution	Special Assessments	Estimated Inflation Adjusted Expenditures	Estimated Interest Earned	Percentage Increase in Annual Contributions	Closing Balance
2013	144,740	38,117	-	-	2,171	N/A	185,028
2014	185,028	45,000	-	-	3,269	18.06%	233,297
2015	233,297	49,500	-	-	4,744	10.00%	287,541
2016	287,541	54,450	-	-	6,613	10.00%	348,604
2017	348,604	59,895	-	-	8,948	10.00%	417,446
2018	417,446	65,885	-	7,168	11,625	10.00%	487,788
2019	487,788	72,473	-	-	15,121	10.00%	575,382
2020	575,382	79,720	-	18,970	17,249	10.00%	653,381
2021	653,381	87,692	-	-	20,255	10.00%	761,328
2022	761,328	96,461	-	-	23,601	10.00%	881,390
2023	881,390	106,108	-	230,722	20,171	10.00%	776,946
2024	776,946	116,718	-	-	24,085	10.00%	917,750
2025	917,750	128,390	-	-	28,450	10.00%	1,074,591
2026	1,074,591	141,229	-	145,175	28,812	10.00%	1,099,457
2027	1,099,457	155,352	-	-	34,083	10.00%	1,288,892
2028	1,288,892	170,887	-	1,253,208	1,106	10.00%	207,678
2029	207,678	187,976	-	165,306	1,314	10.00%	231,661
2030	231,661	206,774	-	275,757	-	10.00%	162,677
2031	162,677	227,451	-	175,374	-	10.00%	214,755
2032	214,755	250,196	-	27,047	5,819	10.00%	443,723
2033	443,723	275,216	57,861	766,800	-	10.00%	10,000
2034	10,000	302,737	-	-	310	10.00%	313,047
2035	313,047	333,011	-	-	9,704	10.00%	655,763
2036	655,763	366,312	-	-	20,329	10.00%	1,042,404
2037	1,042,404	402,944	-	-	32,315	10.00%	1,477,662
2038	1,477,662	443,238	322,859	2,233,759	-	10.00%	10,000
2039	10,000	487,562	498,660	986,222	-	10.00%	10,000
2040	10,000	536,318	-	254,185	-	10.00%	292,133
2041	292,133	589,950	-	261,811	940	10.00%	621,212
2042	621,212	648,945	-	-	19,258	10.00%	1,289,414
2043	1,289,414	713,839	-	-	39,972	10.00%	2,043,225



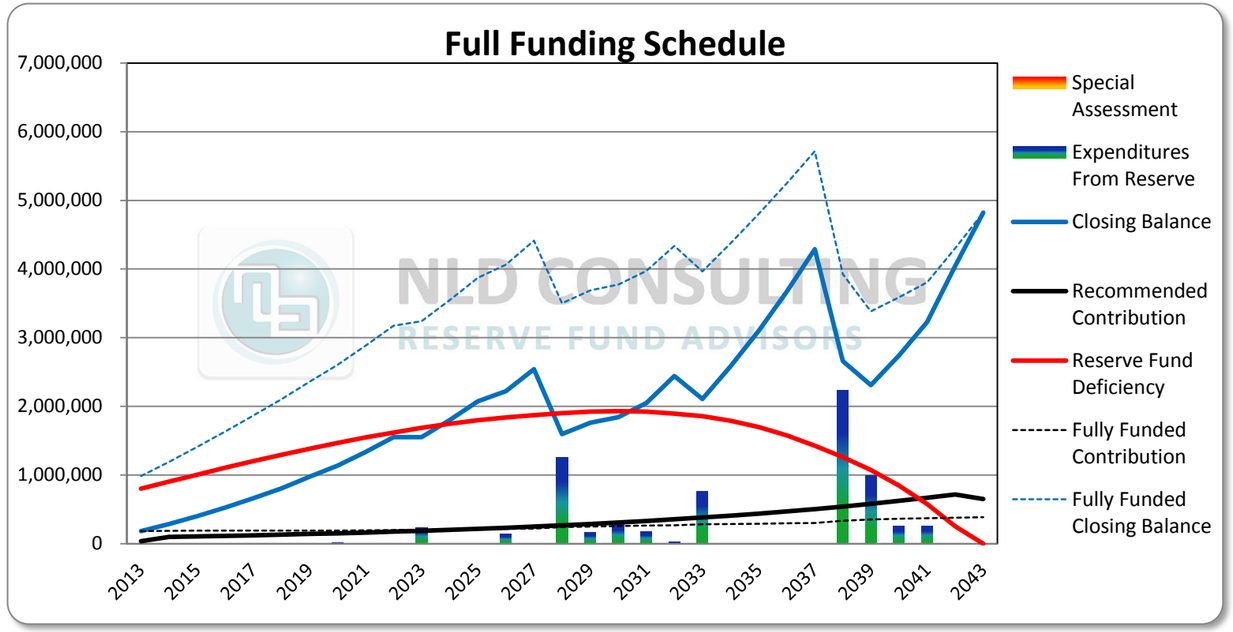
Cash Flow Table - Full Funding

NLD Consulting - Reserve Fund Advisors has prepared the following Cash Flow Table, which projects full annual funding requirements proposed to meet estimated Reserve Fund expenditures

File # R-1024 Corus

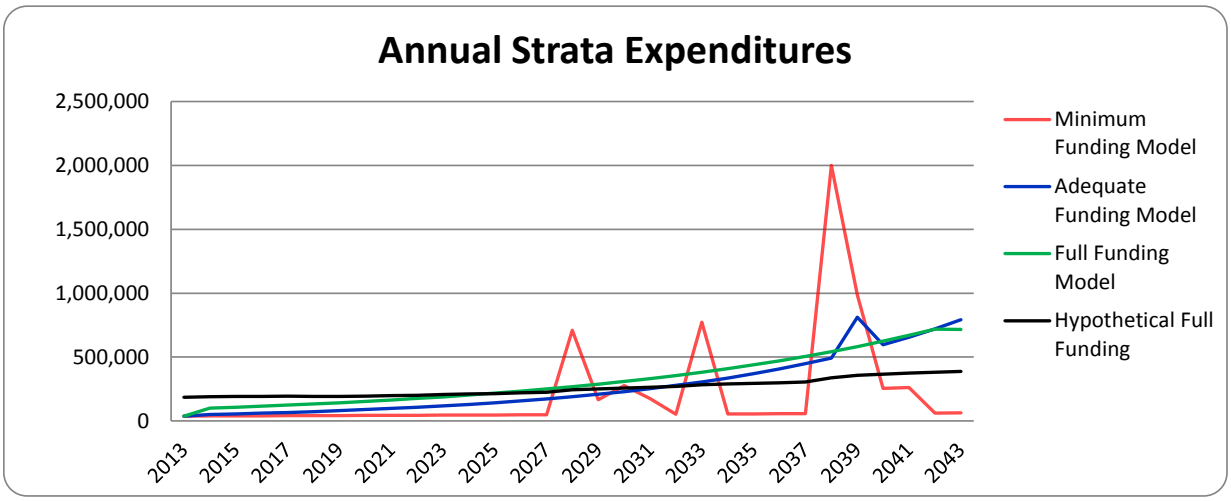
Cash Flow Table Full Funding

Year	Opening Balance	Recommended Annual Contribution	Special Assessments	Estimated Inflation Adjusted Expenditures	Estimated Interest Earned	Percentage Increase in Annual Contributions	Closing Balance
2013	144,740	38,117	-	-	2,171	N/A	185,028
2014	185,028	100,000	-	-	3,269	162.35%	288,297
2015	288,297	107,300	-	-	5,862	7.30%	401,459
2016	401,459	115,133	-	-	9,234	7.30%	525,825
2017	525,825	123,538	-	-	13,496	7.30%	662,859
2018	662,859	132,556	-	7,168	18,578	7.30%	806,825
2019	806,825	142,232	-	-	25,012	7.30%	974,069
2020	974,069	152,615	-	18,970	29,608	7.30%	1,137,322
2021	1,137,322	163,756	-	-	35,257	7.30%	1,336,335
2022	1,336,335	175,711	-	-	41,426	7.30%	1,553,472
2023	1,553,472	188,537	-	230,722	41,005	7.30%	1,552,292
2024	1,552,292	202,301	-	-	48,121	7.30%	1,802,714
2025	1,802,714	217,069	-	-	55,884	7.30%	2,075,667
2026	2,075,667	232,915	-	145,175	59,845	7.30%	2,223,252
2027	2,223,252	249,917	-	-	68,921	7.30%	2,542,090
2028	2,542,090	268,161	-	1,253,208	39,955	7.30%	1,596,998
2029	1,596,998	287,737	-	165,306	44,382	7.30%	1,763,811
2030	1,763,811	308,742	-	275,757	46,130	7.30%	1,842,926
2031	1,842,926	331,280	-	175,374	51,694	7.30%	2,050,526
2032	2,050,526	355,463	-	27,047	62,728	7.30%	2,441,670
2033	2,441,670	381,412	-	766,800	51,921	7.30%	2,108,204
2034	2,108,204	409,255	-	-	65,354	7.30%	2,582,814
2035	2,582,814	439,131	-	-	80,067	7.30%	3,102,012
2036	3,102,012	471,188	-	-	96,162	7.30%	3,669,362
2037	3,669,362	505,584	-	-	113,750	7.30%	4,288,697
2038	4,288,697	542,492	-	2,233,759	63,703	7.30%	2,661,133
2039	2,661,133	582,094	-	986,222	51,922	7.30%	2,308,927
2040	2,308,927	624,587	-	254,185	63,697	7.30%	2,743,025
2041	2,743,025	670,182	-	261,811	76,918	7.30%	3,228,314
2042	3,228,314	719,105	-	-	100,078	7.30%	4,047,496
2043	4,047,496	650,213	-	-	125,472	-9.58%	4,823,182

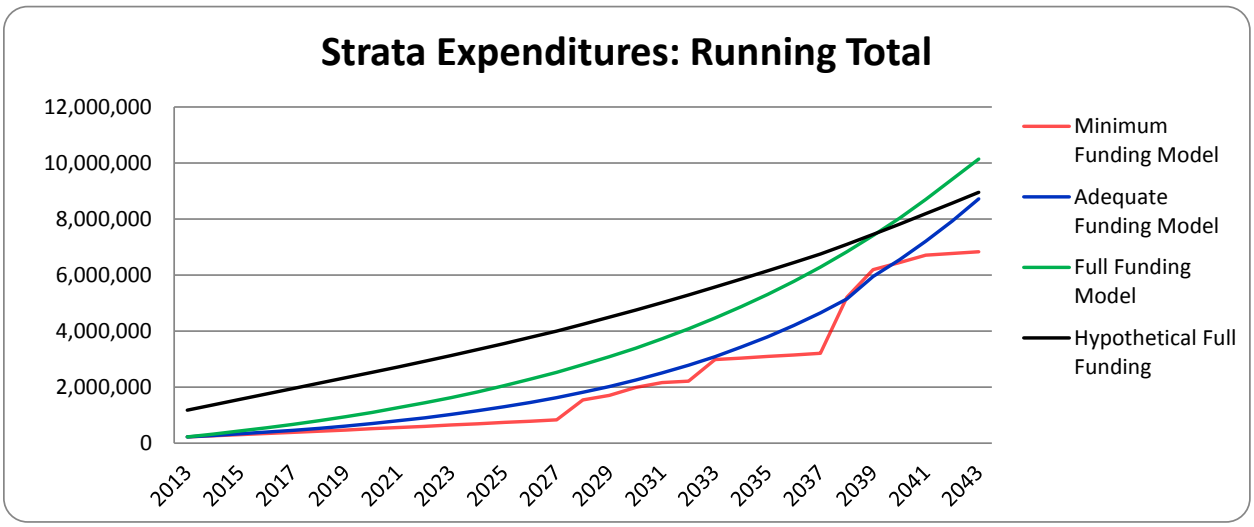


RECOMMENDATIONS

Three funding models are proposed in this report: Minimum, Adequate, and Full. Each model outlines a different way of funding the upcoming expenditures. The Minimum model relies heavily on special assessments, the Adequate model balances equity and practicality, and the Full model favors equitable payments in a risk-averse manner. The following graph shows the total annual payments of all three funding models (regular contributions and special assessments).



Ignoring interest, each funding model contributes the exact same amount over the life of the building. Due to foregone interest, however, the model that has the greatest deficiency for the longest time will pay the most in the end. The following graph shows a running total of nominal dollars. Note that though the Minimum Funding Model pays the least over 30 years, it will end up paying the most by the end of the building's life.



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

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

The "Fully Funded Model" focusses primarily on factor 2 and 3, which minimizes the likelihood of special assessments and reaches full funding by the end of the 30 year projection, but does not address factor 1 effectively. This funding model will typically see the most significant near term increases in annual reserve contributions in order to avoid significant special assessments and eliminate the built-up reserve fund deficiency. One drawback of this model is that by following a fully funded contributions schedule, there is the risk of over-funding if: the projections are found to overstate the eventual replacement costs, the actual replacement dates occur after the proposed dates in the 30 year projection, or both. This could mean that in retrospect, future owners in some years may have over-contributed. However, this of course would only become apparent after the fact – once the projection period has run its course.

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

The "Minimum Funding Model" meets the bare minimum requirements of the Strata Property Amendment Act, which requires annual contributions to be at least the lesser of: 10% of the annual operating budget, or those dollars required to bring the reserve fund balance to a minimum of 25% of the annual operating budget. This has often been the approach adopted by most strata corporations in BC in the past, prior to the depreciation report requirements.

Following this model places all of the emphasis on factor 1, with no consideration for factor 2 or 3. Further, this model will result in guaranteed special assessments in the future – this is a common symptom of minimum funding. Additionally, the reserve fund deficiency will continue to build – which at some point will need to be paid back, with significantly higher future contributions. It is important to remember that there can be no deficiency by the end of building life, so steps towards reducing the deficiency must occur far in advance of end of life.

Based upon the above rationale, it is our opinion that the "Adequate Funding Model" is the preferred funding formula to address the 3 described factors in a balanced approach. Therefore, due to inadequate previous contributions, the reserve fund for *BCS 2637 - "CORUS"* requires an increase in funding in order to meet expenditure requirements anticipated in the short to mid-term. This deficiency should be reduced over time in order to meet the recommended adequacy requirement.

NLD Consulting – Reserve Fund Advisors recommendations, set out below and detailed in this report, will assist the corporation to achieve and maintain an adequate reserve fund. In our opinion, the current reserve fund balance, recommended annual contributions and earned investment income will adequately fund immediate and future reserve fund expenditures.

1. The corporation should prepare and implement a long-term reserve fund strategy.

2. Major repairs and replacements should be recorded in, and funded from, a reserve fund account.

3. The reserve fund contribution should be increased to $45,000 per annum in 2014 and thereafter by the amounts detailed in the "Cash Flow Table – Adequate Funding", each subsequent year, in order to achieve a funding plan which minimizes the potential for multiple special assessments.

4. The reserve fund should be fully invested in guaranteed long-term securities per the strata property act, at the maximum available rate.

5. The corporation should make such expenditures as necessary to maintain the property in optimum condition.

6. The reserve fund should be reviewed every year to ensure that the underlying assumptions are still valid and that the estimates remain current.

7. The corporation should update the Depreciation Report every three (3) years, as per the regulations of the BC Strata Property Amendment Act, 2009 unless future regulation requires an alternate schedule of updates.

CERTIFICATION

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

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions;
- I (we) have no present interest in the issue that is the subject of this report, and no personal interest with respect to the parties involved;
- I (we) have no bias with respect to the issue that is the subject matter of this report or to the parties involved with this assignment;
- My (our) compensation is not contingent on an action or an event resulting from the analyses, opinions, or conclusions in, or the use of, this report;
- My (our) analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice;
- I (we) have the knowledge and experience to complete the assignment competently, and hereby certify that I am a qualified person empowered to conduct reserve fund studies;
- I, (we) have personally inspected the within described property, and that I/(we) have personally examined the building plans and/or documents as identified herein. To the best of my knowledge and belief, the information and data used herein are true and correct;
- No one provided significant professional assistance to the person(s) signing this report.
- As of the date of this report the undersigned has (have) fulfilled the requirements of The Appraisal Institute of Canada Continuing Professional Development Program for members. The undersigned is (are) members in good standing with the Appraisal Institute of Canada and carry current errors and omission insurance through Travellers Guarantee Company of Canada / Martin Merry & Reid Ltd.
- The Depreciation Report was prepared in conformity with the requirements of the BC Strata Property Amendment Act, 2009 as well as the Reserve Fund Study Standards, published by the Real Estate Institute of Canada.

_____

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

March 12, 2013

THIS REPORT IS SUBJECT TO THE FOLLOWING ASSUMPTIONS & LIMITING CONDITIONS

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

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

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

The building components were assessed visually. No intrusive or destructive testing, specialized imaging, or aerial inspections of elevated areas have been undertaken. The consultant(s) accept no liability for conditions not visible at the time of the building and site review.

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

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

These include the supply/demand of contractors at the time replacements occur as well as the potential for changes in construction methods and materials over time.

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

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

The estimates herein must not be extracted or used in conjunction with any other depreciation report/reserve fund study and may be invalid if so used. Additionally, the Strata Property Amendment Act of British Columbia requires a form B Information Certificate to include a copy of the depreciation report, where applicable. The user is cautioned to request this copy directly from the author, in order to ensure the depreciation report is complete, current, and authentic. Electronic copies should include a digital signature of the author. NLD Consulting uses Notarius™ Digital Signatures which are ISO 27001:2005 certified. No responsibility is accepted where a claim arises from a copy of this report which has either been distributed by a 3rd party, or is not originally or digitally signed.

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

The consultant(s) are not liable for the failure of any sale to close as a result of information contained in this report. The consultant(s) have no authority to compel any action on the part of the Strata Corporation and can accept no responsibility for the corporation's actions or failures to act.

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

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

1. Purpose of the Depreciation Report/Reserve Fund Study

This Depreciation Report is a financial document. The purpose of a Depreciation Report is to provide cost estimates for various reserve components that are subject to major repairs and/or replacement over the lifetime of the property, and to estimate the funding required for such major repairs and replacement in accordance with the provisions of Section 93, 94 and 95 of the Strata Property Act Amendment Act, 2009.

This depreciation report applies as of

January 2013

1.1 Strata Property Amendment Act, 2009 – "Depreciation Report"

This Reserve Fund Study complies with the depreciation report provisions of The Strata Property Amendment Act, 2009 to wit:

Strata Property Regulation - Depreciation Report

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

(a) a physical component inventory and evaluation that complies with subsection (2);

(b) a summary of repairs and maintenance work for common expenses respecting the items listed in subsection (2) (b) that usually occur less often than once a year or that do not usually occur;

(c) a financial forecasting section that complies with subsection (3);

(d) the name of the person from whom the depreciation report was obtained and a description of

(i) that person's qualifications,

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

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

(e) the date of the report;

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

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

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

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

(i) the building's structure;

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

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

(iv) common amenities and facilities;

(v) parking facilities and roadways;

(vi) utilities, including water and sewage;

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

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

(ix) green building components;

(x) balconies and patios, and

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

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

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

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

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

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

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

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

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

(b) special levies;

(c) borrowings.

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

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

(7) The following periods are prescribed:

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

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

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

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

[en. B.C. Reg. 238/2011, Sch. 1, s. 2.]

2. Methodology

2.1 Depreciation Report

A Depreciation Report is a financial document, which provides the basis for funding major repairs and replacement of the common elements and assets of the corporation.

This Depreciation Report comprises the following elements:

(1) it identifies the reserve components and assesses their quality, normal life span, and present condition;

(2) it estimates the remaining serviceable years for each of the reserve components and proposes a time schedule for repairs and/or replacement;

(3) it provides current replacement cost estimates including the cost of removing worn-out items and special safety provisions;

(4) it projects the future value of current replacement costs at an appropriate and compounded inflation rate;

(5) it projects the future value of current reserve funds compounded at a long term interest rate;

(6) it calculates current reserve fund contributions required and to be invested in interest bearing securities in order to fund future reserve fund expenditures.

The Depreciation Report is a practical guide to assist the Strata Corporation to plan budgets and maintenance programs.

2.2 NLD Consulting Reserve Fund Planning Standards

Strata Property Act Regulation 6.2 recommends that a reserve fund consist of a physical analysis and a financial analysis.

NLD Consulting – Reserve Fund Advisors has adopted Reserve Fund Planning Standards that exceed the regulatory requirements and are now recognized and emulated across Canada. These standards, presented throughout this Report, consist of investigations, analyses and calculations that provide realistic and supportable reserve fund estimates.

2.3 General Conditions and Assumptions

Reserve fund estimates are subjective, and they are based on an understanding of the life cycle of building components and our experience gained from observing buildings over a 30 year period. It must be appreciated that reserve fund budgeting and projections are not exact sciences. They are, at best, prudent provisions for all possible contingencies, if, as and when they arise. Reserve fund requirements are subject to change and must be reviewed and modified over time, at least every three years.

2.4 Reserve Fund Projection Factors

It is recommended that the financial analysis include the following:

- the estimated difference between the purchasing power of one dollar now compared to each of the next 30 years based on an annual inflation rate,
- the annual inflation rate described above,
- the estimated cost of major repair or replacement of the common elements and assets of the corporation at the estimated time of the repair or replacement based on an annual inflation rate,
- the annual inflation rate described above,
- the estimated interest that will be earned on the reserve fund based on an annual interest rate, and
- the annual interest rate described above.

In our opinion, what is required is an objective basis for any estimates of inflation factors and interest rates. Inflation factors and interest rates must be derived from an economic analysis of the marketplace.

The estimated inflation factor and the selected interest rate are powerful factors in projecting reserve fund contributions and requirements. They can vary dramatically over time and must be periodically reviewed to ensure their relevance and accuracy.

Because the Depreciation Report requires a reserve fund plan to be projected over a period of 30 consecutive years, a long-term horizon in every respect, reserve fund projection factors should also be based on long-term economic conditions and eliminate short-term volatility.

The reserve fund projection factors must be periodically reviewed and adjusted in accordance with changing economic conditions as part of the reserve fund updating process.

Long-term economic forecasting is an imprecise exercise. Our goal is to forecast as accurately as possible, given the data available today. While the actual inflation factors and interest rates will certainly be different than our estimated values, we are confident that our estimates are reasonable and valuable.

Construction Cost Inflation Factors

Inflation measurement in reserve fund projections must be based on trends in construction costs only, as opposed to the Consumer Price Index (CPI), which measures the cost of an overall basket of consumer goods including, but not limited to, construction costs.

We have elected to use data from Statistics Canada, as well as the Marshall & Swift / Boeckh pricing guides.

Statistics Canada

The Non-residential Building Construction Price Index (NRBCPI) is a quarterly series measuring the changes in contractors' selling prices of non-residential building construction (i.e. commercial, industrial and institutional). The indexes relate to both general and trade contractors' work and exclude the cost of land, land assembly, design, development, and real estate fees.

Average Expected construction index increase for the next 30 years: **3.49%**

This average increase is used to forecast expected increases in the cost of construction over the next 30 years. Supporting data and explanation for this projection estimate may be found at Appendix C.

Marshall & Swift / Boeckh (MSB)

MSB publishes its Time-Location Multipliers quarterly for principal Canadian cities (markets). These multipliers express how the construction cost of specific types of buildings have changed over time in specific cities.

"These multipliers are computer-compiled by combining currently researched wage rates and material prices with "weighted schedules" that specify how much of each basic cost is in the models."

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

Average Expected Index increase for Class D (wood or steel studs/wood frame) buildings for the next 30 years: **2.17%**

Composite Rate

Data from Statistics Canada were used to forecast a long-term construction rate of inflation for apartments in Vancouver, BC. These data are very relevant to the expected construction costs of the subject property. Note–the only residential category for Statistics Canada is Apartment. The calculated rate is considered to be the most relevant for the subject property.

Data from Marshall & Swift / Boeckh were used to forecast a long-term construction rate of inflation for Class B (Reinforced Concrete frame) buildings in the region of Vancouver BC. While applicable, these data also reflect buildings that are not residential in nature, therefore this rate is given supportive weight in the final analysis.

We have averaged the two rates to conclude a result of **2.8%** for annual construction inflation in calculating the future replacement costs hereinafter.

Interest Rates

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

Reserve fund investments must be directly or indirectly guaranteed by governments. Bank deposits and various investment instruments are insured by the Canada Deposit Insurance Corporation up to a maximum of $100,000, covering principal and interest.

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

Because there are so many variables at play, the ideal method of determining a likely rate of return on a strata corporation's investments is to review past performance of the corporation's investments. In the absence of such data, the reserve fund planner must select a rate which can take into consideration factors such as management policies, historical investment returns, and the size of the reserve fund available for investment.

Investment opportunities are widely advertised, ranging from bank deposits, term deposits and guaranteed investment certificates (GICs) to money market instruments and government bonds. We are not financial planners and cannot advise you how to best invest your money. It is strongly recommended that you consult an investment professional. Long-term economic forecasting is imprecise at best.

Cashable GICs are GICs that allow the investor to withdraw some or all of their funds before the maturity date at no penalty. They typically offer very good returns for their flexibility. We have conducted a historical study of a sample of cashable GICs with the goal of projecting their average expected return over the next 30 years.

Average Expected Interest Rate on cashable GICs for the next 30 years: **3.06%**

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

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

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

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

Note: Considering that there is limited available data on the historical performance of the strata corporation as outlined in the reserve fund operation, and furthermore that the long term average estimated return is not currently attainable based on a survey of current GIC offerings through several Chartered Banks and Credit Unions, we have selected a **1.5%** interest rate in calculating the future investment performance of the strata corporation's reserve fund. This rate "ramps up" over 6 years in a linear progression to the average expected 30 year rate on cashable GICs. This rate should be reviewed at the time of the 3 year update in order to determine if a figure closer to the estimated average long term expected interest rate is attainable.

3. Property Information

3.1 Property Description

BCS 2637 - "CORUS"
5989 Walter Gage Road, Vancouver, B.C.

Designed and constructed in 2006/2007, and registered as a strata corporation on November 16, 2007. The Strata Corporation consists of one - 17 storey residential towers constructed over residential parking structure. There are a total of 61 residential strata units in the Corporation.

This residential development is located on the north side of Walter Gage Road in Vancouver.

The overall construction, materials and workmanship are of standard/good residential quality. The property appears in good condition comparative to the dates of construction.

AWM Alliance Real Estate Group Ltd., a firm with many years of experience managing residential, industrial and commercial properties, manages the property.

3.2 Building Plans

The following plans were examined in the performance of the depreciation report:

Project Name	BCS 2637 - "CORUS"
Architectural Plans:	Hancock Bruckner Eng. + Write Architects
Mechanical & Electrical Plans:	John Bryson & Partners Structural Engineers
Strata Plan:	Bennett Land Surveying Ltd. (BC Land Surveyor)

The plans were used for quantifying building components and other improvements. There were complete drawings (combination printed and electronic files) for the development and the available drawings were in good condition. Some quantities were estimated or measured off the strata plans or on site and are considered estimates. The building and site improvements were inspected on November 9, 2013. Various construction details, facilities, equipment installations and improvements have been noted for consideration in the cost estimates herein.

3.3 Property Data, Site Plan and Basic Construction

Project Data

The following data and information have been compiled from the available plans, and the inspection of the buildings and improvements. The data have been calculated using dimensions taken from the plans.

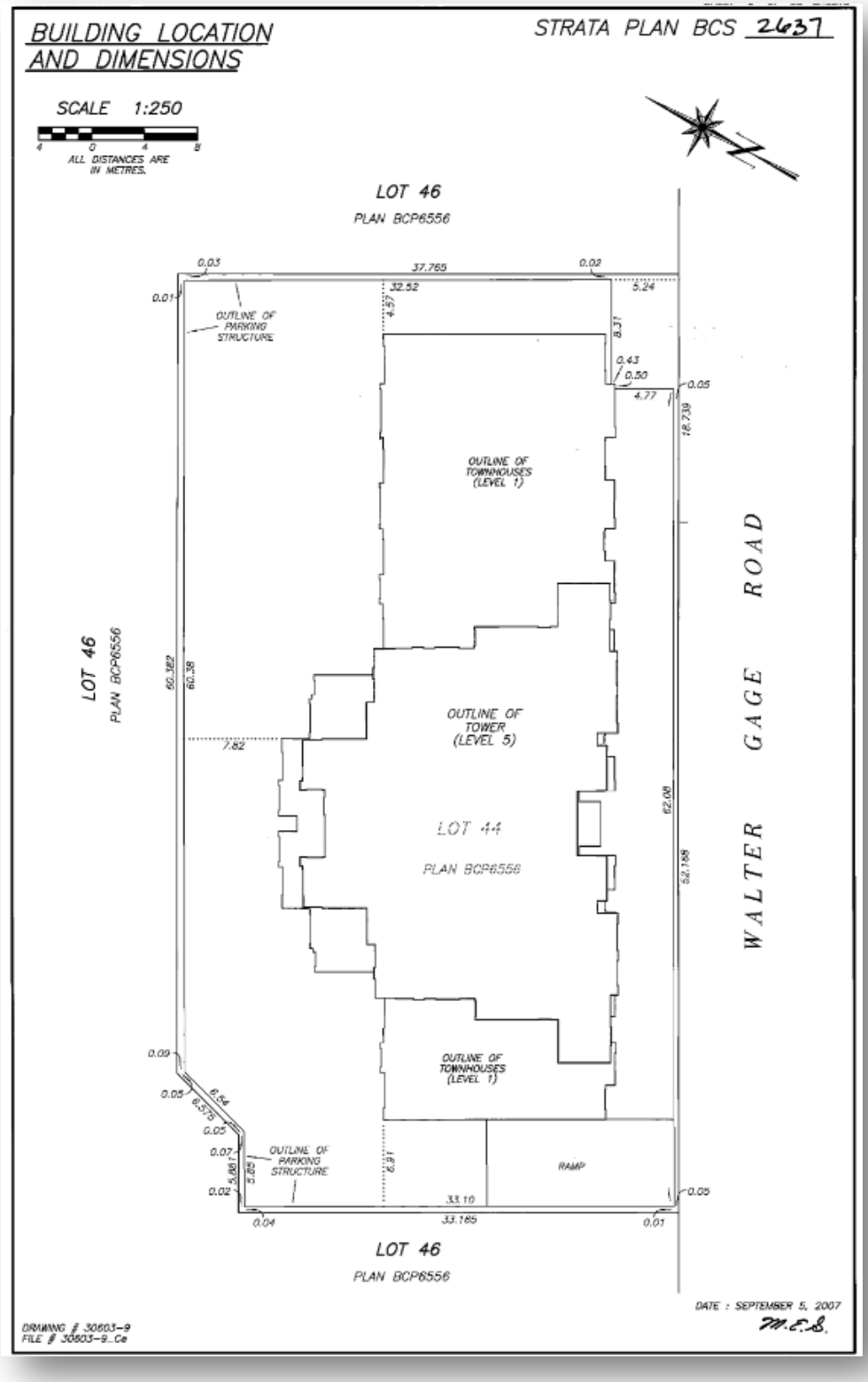
Property Statistics:

Site Area	28,439.8	Square Feet
Building Coverage	30%	
Parking	110	Stalls
Landscape Area	28,000	Square Feet
Building Gross Floor Area	79,631.4	Square Feet
Building Height	17	Storey's
Occupancy	61	Strata units

Site Improvements:

Pavement Area	56,000	Square Feet
Site Services	1	Allowance
Outdoor Lighting	1	Allowance

Site Sketch – BCS 2637



3.4 Bylaw Review

Our review of the bylaws for the strata corporation has found they are fairly typical of BC Strata Corporations with the following important notes:

Sections and Types

Addressed in part 3.5 below.

Repair and Maintenance

Our reading of the bylaws has found that they are very typical in terms of which items are the strata corporation's responsibilities to repair and maintain. We have used the bylaws as our basis for determining which items to consider in our review and recommendations.

The subject bylaws describe the responsibilities of the strata corporation with regards to funding reserve components, as well as the responsibility of owners for any non-reserve components, in Division 2 – Powers and Duties of Strata Corporation, Part 8 - Repair and Maintenance of Property by Strata Corporation. The reserve components are described further in Appendix E – Reserve Components Description and Analysis.

The non-reserve components forming part of the common and/or limited common property, as per the bylaws, are as follows:

- The Bylaws do not indicate any non-reserve components which need to be excluded from the study.

For further details related to the bylaws, please refer to the original bylaw document(s) as amended to date.

3.5 Sections and Types

Sections

Under Part 11 of the Strata Property Amendment Act, different types of strata lots can be organized into formal groups, which are called sections, with the section representing the interests of the strata lots owners of that section. With respect to matters that relate solely to the section, the section will operate independent of other sections. Strata corporations with sections still elect a strata council to administer functions which relate to the operations of the strata corporation as a whole.

Only specific types of strata lots can form sections, such as residential and non-residential strata lots comprising a single strata corporation, or non-residential strata lots of a single strata corporation which are used for significantly different purposes. Residential strata lots may only be divided into different residential sections if they comprise the following types of strata lots:

- apartment style;
- townhouse style; and
- detached houses

Sections operate under an elected body referred to as the section executive, which functions similarly to a strata council with respect to the issues specific to that section. The section bylaws can provide for an election process for the executive and its powers and duties. With respect to matters relating solely to a section, the section is a corporation and has the same powers as the strata corporation to:

- establish its own operating fund and contingency reserve fund for common expenses of the section including expenses relating to limited common property designated for the exclusive use of all the strata lots in that section;
- prepare a section budget and require section owners to pay strata fees and special levies for expenditures the section authorizes;
- enter contracts in the name of the section;
- sue or arbitrate in the name of the section;
- acquire and dispose of land and other property in the name of or on behalf of the section; and
- enforce bylaws and rules.

Separate sections within a strata corporation have a duty to establish their own operating fund and CRF for common expenses that relate exclusively to that section. Common expenses shared by different sections cannot be included in section budgets, but rather must be included in the strata corporation budget.

Common expenses shared by different sections cannot be included in section budgets, but rather must be included in the strata corporation budget. Therefore for sectioned strata corporations, the depreciation report schedules (benchmark and 30 year projection models) must separate the reserve components into separate section schedules, and a separate strata corporation schedule. The Cash Flow Funding Models will segregate the funding requirements for each section and the strata corporation separately.

Types

Section 6.4(2) of the Strata Property Act regulations permits strata corporations to allocate operating expenses within a strata corporation if the expenses relates solely to a "type of strata lot" and a bylaw or resolution creating the type of strata lot has been created. The creation of different types of strata lots does not create sections; as sections are independent organizations within the strata corporation with their own powers and duties – strata lot types do not have these independent powers and duties.

Types only provide for a mechanism to allocate operating expenses specific to different types of strata lots. As such, where different types exist in a strata corporation, the depreciation report does not address different types of strata lots, as there are no different reserve requirements or a separate contingency reserve fund required or allowed for strata types.

Subject Strata Corporation

The subject strata corporation comprises only residential strata lots in a single residential section. Therefore, only one set of depreciation report schedules will be created, pertaining to the strata corporation as a whole, as follows:

- A set of schedules comprising a benchmark schedule and three 30 year projection models for components which will be funded through the CRF;
- Three Cash Flow Funding Models, which will present in a table format the annual funding requirements of the strata corporation.

4. Reserve Component Analysis and Estimated Costs

4.1 Property Inspection

The property was inspected for the purposes of preparing this report on November 9, 2013, by Terry Dowle, CRP, AACI, P. App., RI. The inspection included a visual on-site inspection of the reserve components, where practical, but not an exhaustive inspection of all areas of each component, as per the requirements of the Act.

4.2 Depreciation Reports/Reserve Fund Studies

There were no previous depreciation reports/reserve fund studies provided for review.

4.3 Component Classification

Reserve Fund Components are conveniently classified in terms of building groups, common element facilities and site improvements. The component inventory consists of the reserve components, described and analyzed hereinafter, and shown in Appendix E.

There are 47 reserve components, comprising 19 building and architectural components, 8 building finishes components, 7 mechanical systems, 5 electrical systems, 3 amenities component, and 5 site improvement components.

4.4 Life Span Analysis

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

- Type of Component
- Utilization
- Material
- Workmanship
- Quality
- Exposure to Weather Conditions
- Functional Obsolescence
- Environmental Factors

- Regular Maintenance
- Preventive Maintenance
- Observed Condition

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

- Actual age of the component
- Maintenance of the component
- Observed deficiencies of the component
- Repair and replacement experience
- Probability of hidden conditions

The Life Span Analysis culminates in component life span estimates, as follows:

1. Expected Lifespan

This is the typical life expectancy for each reserve component. This number is generally the same for all similar components, with adjustments to reflect a component's unique situation made under Effective Age. The CMHC Capital Replacement Planning Manual – Appendix F: Life Expectancy Guidelines is a good resource for general service life estimates, however, this data must be modified to reflect local and site specific conditions, the experience of the consultant, and the overall guidance of other consultants and tradespersons encountered, to achieve an estimate that represents a realistic planning guideline.

2. Effective Age

This is the critical analysis of a reserve component and consists of determining the effective age of the reserve component within its normal life cycle. Working from the actual age of the component, the reserve planner observes and assesses the condition of the component to determine if it should be modified. As the component gets closer to replacement, the planner may work with the strata council and/or property manager to fix a date for future work so that near term use of the reserve fund to pay for the replacement can be planned.

3. Remaining Lifespan

Is equal to: Expected lifespan minus Effective Age

A life span analysis is a subjective assessment of the life cycle of a reserve component. Furthermore, the effective age of a reserve component is subject to change due to numerous factors.

4.5 Current Cost Estimates

Reserve Fund component assessments and current cost estimates are based on our investigation, observation, analyses and our extensive experience in performing reserve fund studies.

Cost data have been calculated using the current year RSMeans Commercial Renovation Cost Data, modified as to time, location and quality of construction.

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

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

Quality of construction

Replacement cost estimates are based on the assumption of using quality materials, as specified or built, or in the case of older developments, as required under current building code regulations, at contractors' prices, using union labour and current construction techniques, and including contractors' overhead and profit.

Cost Factors

The costs of repairs and/or replacements of many reserve components are invariably higher than original building costs when contractors have considerable latitude in planning their work and can utilize economies of scale to keep costs within construction budgets. In contrast, repair work must frequently be performed in an expedient manner with additional safety precautions.

Cost estimates are factored to take into account increases in cost to reflect special construction, safety installations, limited access, noise abatements, dust suppression, the need to cut and patch existing materials, and the convenience of the occupants.

Demolition and Disposal Costs

The estimates herein include provisions for demolition and disposal costs including dumping fees.

Harmonized Sales Tax

The Harmonized Sales Tax ("HST") applies to all repairs and replacements including disposal costs. Therefore, these costs are included in the reserve fund estimates hereinafter.

Contingency

Costs generally include an individual contingency allowance to reflect uncertainties in the final costing and timing of work. This number typically varies from 5% to 25% depending on the overall expense of the component, the level of detail that was put into measuring and estimating, and the comfort level of the planner.

It is frequently impossible to forecast the incidence of repairs or replacements of various reserve components, particularly, major components, such as road pavement, sewer and water systems. Therefore, reserve estimates are of a contingency nature, and as such, they are subject to changing conditions and repair experience over time.

4.6 Reserve Component Descriptions and Analyses

Reserve Components may be found in Appendix E and includes the following information:

- Component Description
- Reserve Fund expenditure history
- Potential Deterioration
- Condition Analysis
- Life Cycle Analysis
- Funding Analysis (including Current Repair or Replacement Costs)
- Deficiency Analysis

5. Reserve Fund Component Estimates

5.1 Benchmark Analysis

The Benchmark Analysis combines the life cycle analysis and the cost estimate of each component on a single spreadsheet for convenient examination and easy reference. The cost estimates are pursuant to prudent reserve fund practices, which provide for inflationary cost increases over time and interest income from reserve fund investments.

The Benchmark Analysis is prepared without regard to the current financial position of the corporation or the current reserve fund contributions by unit owners, and as such, represents the optimum reserve fund operation, which assumes that the corporation has continuously assessed adequate reserve funding from the time the building was new.

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

The foregoing program represents a complete application of reserve fund budget planning and management. If applied as outlined, the reserve fund would cover anticipated reserve fund expenditures and any contingencies.

5.2 Schedule A –Reserve Fund Component Estimates

The following Schedule of Reserve Fund Component Estimates shows detailed computations for the various reserve items using the projection factors explained in Section 2.4 of this Report:

Projected Construction Inflation Rate:	3.00%
Projected Interest Rate:	3.1% - see note pg. 25 regarding selected rate.
Projected Inflation Rate (CPI):	1.70%

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

Schedule "A" –SCHEDULE OF RESERVE FUND ESTIMATES - BENCHMARK

File # R-1024
Corus
2013

Construction Inflation	3.00%
Current Interest Rate	1.50%
Inflation (CPI)	1.70%

	RESERVE COMPONENTS / BENCHMARK ANALYSIS	Year of Acquisition	Expected Lifespan Years	Observed Condition Years	Remaining Lifespan Years	Unit Quantity	Unit Measure	Unit Cost	Current Replacement Cost	Future Replacement Costs	Current Reserve Fund Requirements	Future Reserve Fund Accumulation	Future Reserve Fund Requirements	Current Reserve Fund Assessment	Reserve Fund Assessment Allocation
	Building - Structural and Architectural														
1	Substructure and Underground Garage	2007	20	5	15	1,000	LF	$ 104.86	$ 104,865	$ 163,376	$ 32,188	$ 40,243	$ 123,133	$ 6,573	3%
2	Common Door Assemblies - Wood	2007	30	5	25	95	Doors	$ 699.67	$ 66,468	$ 139,170	$ 15,595	$ 22,628	$ 116,542	$ 3,185	2%
3	Common Door Assemblies - Metal	2007	30	5	25	58	Doors	$ 83.47	$ 4,841	$ 10,137	$ 1,136	$ 1,648	$ 8,488	$ 232	0%
4	Garage Door Assemblies - Metal	2007	40	5	35	17	Doors	$ 3,451.69	$ 58,679	$ 165,114	$ 11,839	$ 19,935	$ 145,179	$ 2,418	1%
5	Overhead Security Gate	2007	20	5	15	2	Doors	$ 12,118.88	$ 24,238	$ 37,762	$ 7,440	$ 9,301	$ 28,460	$ 1,519	1%
6	Wall Assemblies - Brick Siding	2007	25	5	20	4,500	SF	$ 8.35	$ 37,591	$ 67,893	$ 9,884	$ 13,313	$ 54,580	$ 2,018	1%
7	Wall Assemblies - Concrete Siding (Phase 1)	2007	20	5	15	3,000	SF	$ 34.34	$ 103,013	$ 160,492	$ 31,620	$ 39,533	$ 120,959	$ 6,457	3%
8	Wall Assemblies - Concrete Siding (Phase 2)	2007	20	4	16	3,000	SF	$ 34.34	$ 103,013	$ 165,306	$ 25,645	$ 32,543	$ 132,764	$ 6,539	3%
9	Wall Assemblies - Concrete Siding (Phase 3)	2007	20	3	17	3,000	SF	$ 34.34	$ 103,013	$ 170,266	$ 19,499	$ 25,114	$ 145,151	$ 6,623	3%
10	Wall Assemblies - Concrete Siding (Phase 4)	2007	20	2	18	3,000	SF	$ 34.34	$ 103,013	$ 175,374	$ 13,178	$ 17,228	$ 158,145	$ 6,708	3%
11	Wall Assemblies - Window Wall (Phase 1)	2007	30	5	25	5,000	SF	$ 22.89	$ 114,431	$ 239,594	$ 26,849	$ 38,956	$ 200,638	$ 5,483	3%
12	Wall Assemblies - Window Wall (Phase 2)	2007	30	4	26	5,000	SF	$ 22.89	$ 114,431	$ 246,782	$ 21,775	$ 32,068	$ 214,713	$ 5,553	3%
13	Wall Assemblies - Window Wall (Phase 3)	2007	30	3	27	5,000	SF	$ 22.89	$ 114,431	$ 254,185	$ 16,556	$ 24,748	$ 229,437	$ 5,624	3%
14	Wall Assemblies - Window Wall (Phase 4)	2007	30	2	28	5,000	SF	$ 22.89	$ 114,431	$ 261,811	$ 11,190	$ 16,977	$ 244,834	$ 5,696	3%
15	Canopy - Glass	2007	30	5	25	1,800	SF	$ 173.44	$ 312,191	$ 653,659	$ 73,249	$ 106,280	$ 547,379	$ 14,958	7%
16	Caulking and Weather-Stripping	2007	18	5	13	10,000	LF	$ 1.77	$ 17,660	$ 25,934	$ 5,860	$ 7,112	$ 18,822	$ 1,197	1%
17	Balcony Floor Construction - Concrete	2007	50	5	45	18,000	SF	$ 16.19	$ 291,373	$ 1,101,857	$ 53,919	$ 105,370	$ 996,487	$ 11,010	5%
18	Common Exterior Railings - Metal	2007	30	5	25	3,600	LF	$ 7.43	$ 26,734	$ 55,976	$ 6,273	$ 9,101	$ 46,874	$ 1,281	1%
19	Roof Assembly - Single Ply Membrane	2007	20	5	15	5,700	SF	$ 6.39	$ 36,395	$ 56,702	$ 11,171	$ 13,967	$ 42,735	$ 2,281	1%
	Building - Finishes and Decoration														
20	Exterior Building Painting	2007	18	5	13	12,000	SF	$ 6.77	$ 81,197	$ 119,240	$ 26,945	$ 32,700	$ 86,541	$ 5,502	3%
21	Interior Stairwell Painting	2007	25	5	20	40,000	SF	$ 3.43	$ 137,354	$ 248,077	$ 36,116	$ 48,644	$ 199,434	$ 7,375	4%
22	Underground Garage Markings	2007	12	5	7	48,000	Stalls	$ 0.32	$ 15,425	$ 18,970	$ 7,073	$ 7,850	$ 11,120	$ 1,444	1%
23	Interior Common Corridor Painting	2007	15	5	10	38,000	SF	$ 1.08	$ 41,220	$ 55,396	$ 15,755	$ 18,284	$ 37,112	$ 3,217	2%
24	Interior Common Corridor Flooring	2007	15	5	10	4,800	SF	$ 21.52	$ 103,294	$ 138,819	$ 39,480	$ 45,818	$ 93,000	$ 8,062	4%
25	Interior Common Area Lighting	2007	20	5	15	90	Lights	$ 744.37	$ 66,994	$ 104,374	$ 20,564	$ 25,710	$ 78,664	$ 4,199	2%
26	Lobby Renovation	2007	22	5	17	365	SF	$ 46.83	$ 17,091	$ 28,250	$ 4,902	$ 6,313	$ 21,936	$ 1,001	0%
27	Elevator Cab Renovation	2007	22	5	17	2	Cabs	$ 23,366.36	$ 46,733	$ 77,242	$ 13,402	$ 17,262	$ 59,980	$ 2,737	1%
	Building - Mechanical Systems														
28	Domestic Water Supply	2007	20	5	15	1	System	$ 102,087.29	$ 102,087	$ 159,049	$ 31,336	$ 39,177	$ 119,872	$ 6,399	3%
29	Sprinkler System	2007	25	5	20	1	System	$ 72,057.16	$ 72,057	$ 130,143	$ 18,947	$ 25,519	$ 104,624	$ 3,869	2%
30	Hot Water Storage Tanks	2007	15	5	10	3	Tanks	$ 3,063.99	$ 9,192	$ 12,353	$ 3,513	$ 4,077	$ 8,276	$ 717	0%
31	Terminal & Packaged Units - Air Handling	2007	20	5	15	12	Units	$ 4,446.33	$ 53,356	$ 83,127	$ 16,378	$ 20,476	$ 62,651	$ 3,344	2%
32	Special and Exhaust Equipment	2007	20	5	15	1	System	$ 6,928.46	$ 6,928	$ 10,794	$ 2,127	$ 2,659	$ 8,135	$ 434	0%
33	Elevator Replacement - Traction (Phase 1)	2007	30	5	25	1	Elevator	$ 342,874.56	$ 342,875	$ 717,903	$ 80,448	$ 116,726	$ 601,177	$ 16,428	8%
34	Elevator Replacement - Traction (Phase 2)	2007	30	4	26	1	Elevator	$ 342,874.56	$ 342,875	$ 739,440	$ 65,245	$ 96,087	$ 643,353	$ 16,638	8%
	Building - Electrical Systems														
35	Electrical Distribution System and Fixtures	2007	20	5	15	1	System	$ 61,847.33	$ 61,847	$ 96,356	$ 18,984	$ 23,735	$ 72,622	$ 3,877	2%
36	Entry System - Intercom	2007	20	5	15	1	System	$ 20,180.96	$ 20,181	$ 31,441	$ 6,195	$ 7,745	$ 23,697	$ 1,265	1%
37	Security / Surveillance System	2007	10	5	5	1	System	$ 6,183.10	$ 6,183	$ 7,168	$ 3,310	$ 3,566	$ 3,602	$ 676	0%
38	Emergency Generator	2007	40	5	35	1	Generator	$ 17,651.48	$ 17,651	$ 49,669	$ 3,561	$ 5,997	$ 43,672	$ 727	0%
39	Fire Alarm System	2007	15	5	10	1	System	$ 17,973.34	$ 17,973	$ 24,155	$ 6,870	$ 7,972	$ 16,182	$ 1,403	1%
	Building - Amenities														
40	Storage Lockers	2007	30	5	25	1	Locker	$ 8,094.53	$ 8,095	$ 16,948	$ 1,899	$ 2,756	$ 14,193	$ 388	0%
41	Mailboxes	2007	25	5	20	1	Mailbox	$ 830.74	$ 831	$ 1,500	$ 218	$ 294	$ 1,206	$ 45	0%
42	Amenity Room	2007	20	5	15	625	SF	$ 45.40	$ 28,373	$ 44,204	$ 8,709	$ 10,888	$ 33,315	$ 1,778	1%
	Common Site Improvements														
43	Site Services - Sewer and Water	2007	30	5	25	1	Allowance	$ 13,357.73	$ 13,358	$ 27,968	$ 3,134	$ 4,547	$ 23,421	$ 640	0%
44	Concrete Paving and Curbs	2007	25	5	20	56,500	SF	$ 3.13	$ 176,726	$ 319,186	$ 46,469	$ 62,587	$ 256,599	$ 9,489	5%
45	Concrete Pavers Assembly	2007	20	5	15	15,000	SF	$ 6.58	$ 98,677	$ 153,736	$ 30,289	$ 37,868	$ 115,868	$ 6,185	3%
46	Exterior Lighting	2007	20	5	15	90	Lights	$ 904.38	$ 81,394	$ 126,810	$ 24,984	$ 31,236	$ 95,574	$ 5,102	2%
47	Exterior Landscaping	2007	20	5	15	1	Allowance	$ 9,854.61	$ 9,855	$ 15,353	$ 3,025	$ 3,782	$ 11,571	$ 618	0%
	TOTAL RESERVES								$ 3,830,637	$ 7,709,060	$ 934,745	$ 1,286,342	$ 6,422,719	$ 208,911	100%

5.3 Summary of Reserve Fund Estimates

The Reserve Fund position and estimated requirements of BCS 2637 - "CORUS" are as follows:

Current Replacement Reserves or Costs

which are provisions for all major repairs and replacements at current prices **$ 3,830,637**

Future Replacement Reserves or Costs

which are provisions for all major repair and replacement costs in the future at the end of the expected life span **$ 7,709,060**

Current Reserve Fund Requirements

which are reserve fund estimates based on the notion of effective age and should have been contributed by unit owners **$ 934,745**

Future Reserve Fund Accumulations

which are the current reserve fund requirements together with interest compounded over the remaining life span **$ 1,286,342**

Future Reserve Fund Requirements

which are to be funded by unit owners' payments to the reserve fund plus any interest earned **$ 6,422,719**

Annual Reserve Fund Assessment (2013)

which are the annual reserve fund payments to be made by unit owners **$ 208,911**

In accordance with these estimates, if the reserve fund were fully funded, the corporation would have **$ 934,745** in its reserve fund account at the end of its current fiscal year, and the assessed annual contributions to the fund should be **$208,911** in the current year, based on the stated assumptions.

6. Analysis of Reserve Fund Operations

Reviewing and analyzing the reserve fund operation of BCS 2637 - "CORUS", we have examined the budget for the strata corporation for its operations which ended December 31, 2013.

The property management company at the time, AWM Alliance Real Estate Group Ltd. prepared the budget. Unaudited balance sheets from 2010 through 2013 were also reviewed. We have received the budget for 2013/2013 for examination.

While the reserve fund account is separate from the operating account, the corporation has not set up separate account codes for reserve fund expenditures. This makes it unclear if expenditures are being made from the reserve fund account and if so in what amounts.

The balance sheet indicates expenditure totals, reserve fund account totals, and investments held by the corporation.

6.1 Corporation's Financial Statements

Information available indicates that current contributions in the reserve fund to date are $38,117. The current CRF balance is $185,028.

A significant increase is required to the contribution next year to fund upcoming expenditures and reduce the benchmark deficiency. Impacts of the HST tax are also contributing to higher costs, although it is anticipated the HST will be replaced with GST in the spring of 2013.

We recommend that separate G/L codes are set up for the reserve expenditures and that the reserve expenditures are taken from reserve accounts.

6.2 Schedule "B"

Statement of Reserve Fund Operations - Historical

HISTORICAL ANALYSIS Corus		2012	2013
OPENING BALANCE		$ -	$ 144,740
Reserve Fund Contributions			38,117
Special Assessment			
Transfer To Operating			
Other Income			
Interest Income			2,171
Computed Interest Rate			
Total Cash Resources		-	185,028
RESERVE FUND EXPENDITURES			
	Building - Structural and Architectural		
1	Substructure and Underground Garage		
2	Common Door Assemblies - Wood		
3	Common Door Assemblies - Metal		
4	Garage Door Assemblies - Metal		
5	Overhead Security Gate		
6	Wall Assemblies - Brick Siding		
7	Wall Assemblies - Concrete Siding (Phase 1)		
8	Wall Assemblies - Concrete Siding (Phase 2)		
9	Wall Assemblies - Concrete Siding (Phase 3)		
10	Wall Assemblies - Concrete Siding (Phase 4)		
11	Wall Assemblies - Window Wall (Phase 1)		
12	Wall Assemblies - Window Wall (Phase 2)		
13	Wall Assemblies - Window Wall (Phase 3)		
14	Wall Assemblies - Window Wall (Phase 4)		
15	Canopy - Glass		
16	Caulking and Weather-Stripping		
17	Balcony Floor Construction - Concrete		
18	Common Exterior Railings - Metal		
19	Roof Assembly - Single Ply Membrane		
	Building - Finishes and Decoration		
20	Exterior Building Painting		
21	Interior Stairwell Painting		
22	Underground Garage Markings		
23	Interior Common Corridor Painting		
24	Interior Common Corridor Flooring		
25	Interior Common Area Lighting		
26	Lobby Renovation		
27	Elevator Cab Renovation		
	Building - Mechanical Systems		
28	Domestic Water Supply		
29	Sprinkler System		
30	Hot Water Storage Tanks		
31	Terminal & Packaged Units - Air Handling		
32	Special and Exhaust Equipment		
33	Elevator Replacement - Traction (Phase 1)		
34	Elevator Replacement - Traction (Phase 2)		
	Building - Electrical Systems		
35	Electrical Distribution System and Fixtures		
36	Entry System - Intercom		
37	Security / Surveillance System		
38	Emergency Generator		
39	Fire Alarm System		
	Building - Amenities		
40	Storage Lockers		
41	Storage Lockers - Painting		
42	Mailboxes		
43	Amenity Room		
	Common Site Improvements		
44	Site Services - Sewer and Water		
45	Concrete Paving and Curbs		
46	Concrete Pavers Assembly		
47	Exterior Lighting		
48	Exterior Landscaping		
	Miscellaneous		
	Non-Specifc Reserve Fund Draws		
	Total Expenditures	-	-
	TOTAL RESERVES	144,740	185,028

6.3 Benchmark Deficiency Analysis

The Benchmark Deficiency Analysis shows the difference between the actual reserve fund balance and the current reserve fund requirement, as calculated in the Benchmark Analysis.

The current reserve fund requirement is an estimate of a fully funded reserve fund, based on the Benchmark calculation.

The Benchmark Deficiency Analysis has been developed by NLD Consulting - Reserve Fund Advisors as a guide for property managers and the strata council to ensure that the reserve fund is neither under-funded nor over-funded.

The reserve fund of BCS 2637 - "CORUS" is showing a shortfall as of December 31, 2013, as shown below:

	2013
Opening Balance	$144,740
Current Budgeted Reserve Fund Contribution	$38,117
Tax-Free Interest Income	$2,171
Special Assessments	$0
Less: Estimated Reserve Fund Expenditures	$0
Projected Closing Balance	$185,028
Less: Fully Funded Closing Balance Requirement	($987,523)
Estimated Reserve Fund Surplus	**($802,495)**

While current contributions meet legal requirements in BC, the current state of affairs will lead directly to special assessments in the future. Our current recommendation of adequate funding will avoid special assessments for the near future. To avoid the possibility of special assessments entirely, we suggest that the strata adopt a plan to achieve a state of full funding.

6.4 Adequacy of Reserve Fund

Adequacy of Reserve Fund may be defined as the reserve fund balance together with regular contributions and investment income, which constitutes sufficient cash resources available for anticipated reserve fund expenditures in terms of repairing or replacing common property assets of the corporation when needed.

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

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

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

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

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

Therefore, a reserve fund deficiency or shortfall does not automatically mean that the reserve fund is not adequate. It is the judgment of the reserve fund planner to conclude whether the reserve fund is adequate or not. In our opinion, the current reserve fund and proposed contributions for BCS 2637 - "CORUS" under the cash flow table for "Adequate Funding", will be sufficient to fund all future repairs and replacements of the common elements and assets of the strata corporation.

7. Reserve Fund Management – 30 Year Projections

7.1 Schedule C – 30 Year Projected Cash Flow and Deficiency Analysis

The Reserve Fund - Projected Cash Flow and Deficiency Analysis presents a 30 year reserve fund projection showing cash positions, cash flows and cash expenditures in a form and detail, which conforms to financial statement presentation of reserve fund operations.

Opening Cash Balance

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

Cash Flows

These are the regular reserve fund contributions, special assessments, and interest income based on 1.50% of the opening balance.

Opening Cash Funds

These represent the total cash resources available in any fiscal year and include the current year's cash flow.

Cash Expenditures

These are annual expenditures listed in the categories established by the Reserve Fund Study. Records or ledger accounts of these expenditure categories should be kept showing reserve fund allocations and charges in a chronological order for control and reference.

Closing Cash Fund

This is the reserve fund position at the end of each and every fiscal year, which is carried forward to the next year.

Deficiency Analysis

The Reserve Deficiency has been projected by formula taking into account the inflation factor, interest rates and reserve fund expenditures. Therefore, any reserve fund expenditures will not affect the reserve fund deficiency because such expenditures will also affect the reserve requirements.

Schedule "C" - Minimum Funding - 30 Year Reserve Fund Cash Flow Projection and Deficiency Analysis

RESERVE FUND PROJECTION - 30 YEAR - MIMINUM FUNDING

Study Year:	2013
Construction:	2007
Number of Years in Study:	30

Construction Inflation	3.00%
Rate	3.10%
Inflation (CPI)	1.70%
Strata Year End (M	May 15

File # R-1024
Corus

Lowest RF Balance Allowed $ 10,000.00
Default Contribution Increase 1.70%

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
OPENING BALANCE	**144,740**	**185,028**	**227,062**	**271,103**	**317,432**	**366,356**	**410,834**	**465,744**	**503,514**	**562,743**	**624,550**	**451,152**	**511,020**	**573,525**	**489,085**	**552,509**
Recommended Annual Contribution Increase	N/A	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Recommended Annual Contribution	38,117	38,765	39,424	40,094	40,776	41,469	42,174	42,891	43,620	44,362	45,116	45,883	46,663	47,456	48,263	49,083
Loan Draws	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Special Assessment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	661,616
Interest Rate	1.50%	1.77%	2.03%	2.30%	2.57%	2.83%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%
Interest Income	2,171	3,269	4,617	6,235	8,147	10,177	12,736	13,850	15,609	17,445	12,209	13,986	15,842	13,279	15,162	0
Total Cash Resources	**185,028**	**227,062**	**271,103**	**317,432**	**366,356**	**418,002**	**465,744**	**522,485**	**562,743**	**624,550**	**681,874**	**511,020**	**573,525**	**634,260**	**552,509**	**1,263,208**

	RESERVE COMPONENTS	Expected Lifespan (years)	Observed Condition (years)	Current Replacement Cost	PROJECTED FUTURE EXPENDITURES														
1	Substructure and Underground Garage	20	5	104,865															163,376
2	Common Door Assemblies - Wood	30	5	66,468															
3	Common Door Assemblies - Metal	30	5	4,841															
4	Garage Door Assemblies - Metal	40	5	58,679															
5	Overhead Security Gate	20	5	24,238															37,762
6	Wall Assemblies - Brick Siding	25	5	37,591															
7	Wall Assemblies - Concrete Siding (Phase 1)	20	5	103,013															160,492
8	Wall Assemblies - Concrete Siding (Phase 2)	20	4	103,013															
9	Wall Assemblies - Concrete Siding (Phase 3)	20	3	103,013															
10	Wall Assemblies - Concrete Siding (Phase 4)	20	2	103,013															
11	Wall Assemblies - Window Wall (Phase 1)	30	5	114,431															
12	Wall Assemblies - Window Wall (Phase 2)	30	4	114,431															
13	Wall Assemblies - Window Wall (Phase 3)	30	3	114,431															
14	Wall Assemblies - Window Wall (Phase 4)	30	2	114,431															
15	Canopy - Glass	30	5	312,191															
16	Caulking and Weather-Stripping	18	5	17,660														25,934	
17	Balcony Floor Construction - Concrete	50	5	291,373															
18	Common Exterior Railings - Metal	30	5	26,734															
19	Roof Assembly - Single Ply Membrane	20	5	36,395															56,702
20	Exterior Building Painting	18	5	81,197														119,240	
21	Interior Stairwell Painting	25	5	137,354															
22	Underground Garage Markings	12	5	15,425							18,970								
23	Interior Common Corridor Painting	15	5	41,220										55,396					
24	Interior Common Corridor Flooring	15	5	103,294										138,819					
25	Interior Common Area Lighting	20	5	66,994															104,374
26	Lobby Renovation	22	5	17,091															
27	Elevator Cab Renovation	22	5	46,733															
28	Domestic Water Supply	20	5	102,087															159,049
29	Sprinkler System	25	5	72,057															
30	Hot Water Storage Tanks	15	5	9,192										12,353					
31	Terminal & Packaged Units - Air Handling	20	5	53,356															83,127
32	Special and Exhaust Equipment	20	5	6,928															10,794
33	Elevator Replacement - Traction (Phase 1)	30	5	342,875															
34	Elevator Replacement - Traction (Phase 2)	30	4	342,875															
35	Electrical Distribution System and Fixtures	20	5	61,847															96,356
36	Entry System - Intercom	20	5	20,181															31,441
37	Security / Surveillance System	10	5	6,183					7,168										9,633
38	Emergency Generator	40	5	17,651															
39	Fire Alarm System	15	5	17,973										24,155					
40	Storage Lockers	30	5	8,095															
41	Mailboxes	25	5	831															
42	Amenity Room	20	5	28,373															44,204
43	Site Services - Sewer and Water	30	5	13,358															
44	Concrete Paving and Curbs	25	5	176,726															
45	Concrete Pavers Assembly	20	5	98,677															153,736
46	Exterior Lighting	20	5	81,394															126,810
47	Exterior Landscaping	20	5	9,855															15,353
	Loan Repayment				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Expenditures				**0**	**0**	**0**	**0**	**0**	**7,168**	**0**	**18,970**	**0**	**0**	**230,722**	**0**	**0**	**145,175**	**0**	**1,253,208**
	Closing Balance				**185,028**	**227,062**	**271,103**	**317,432**	**366,356**	**410,834**	**465,744**	**503,514**	**562,743**	**624,550**	**451,152**	**511,020**	**573,525**	**489,085**	**552,509**	**10,000**
	DEFICIENCY ANALYSIS																			
	Hypothetical Annual Contribution if Fully Funded From Day 1				**184,387**	**187,813**	**190,338**	**191,893**	**192,407**	**191,897**	**190,099**	**193,575**	**196,866**	**200,213**	**206,595**	**210,107**	**213,679**	**219,183**	**222,909**	**242,834**
	Fully Funded Closing Balance				**987,523**	**1,192,782**	**1,407,373**	**1,631,636**	**1,865,922**	**2,103,296**	**2,358,597**	**2,605,730**	**2,883,374**	**3,172,971**	**3,240,054**	**3,550,603**	**3,874,350**	**4,063,962**	**4,412,854**	**3,500,429**
	Reserve Fund Surplus				**-802,495**	**-965,720**	**-1,136,270**	**-1,314,203**	**-1,499,566**	**-1,692,462**	**-1,892,853**	**-2,102,216**	**-2,320,631**	**-2,548,422**	**-2,788,902**	**-3,039,582**	**-3,300,825**	**-3,574,877**	**-3,860,344**	**-3,490,429**

Schedule "C" - Minimum Funding - Continued

RESERVE FUND PROJECTION - 30 YEAR - MIMINUM FUNDING (CONTINUED)

Study Year:	2013
Construction:	2007
Number of Years in Study:	30

	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
OPENING BALANCE	10,000	10,000	10,000	10,000	35,460	10,000	64,617	121,851	181,798	244,558	10,000	10,000	10,000	10,000	72,458
Recommended Annual Contribution Increase	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Recommended Annual Contribution	49,918	50,766	51,629	52,507	53,400	54,307	55,231	56,170	57,124	58,096	59,083	60,088	61,109	62,148	63,204
Loan Draws	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Special Assessment	115,389	224,991	123,744	0	687,940	0	0	0	0	1,941,105	927,139	194,098	200,702	0	0
Interest Rate	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%
Interest Income	0	0	0	0	0	310	2,003	3,777	5,636	0	0	0	0	310	2,246
Total Cash Resources	175,306	285,757	185,374	62,507	776,800	64,617	121,851	181,798	244,558	2,243,759	996,222	264,185	271,811	72,458	137,909

	RESERVE COMPONENTS	Expected Lifespan (years)	Observed Condition (years)	Current Replacement Cost	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
1	Substructure and Underground Garage	20	5	104,865															
2	Common Door Assemblies - Wood	30	5	66,468										139,170					
3	Common Door Assemblies - Metal	30	5	4,841										10,137					
4	Garage Door Assemblies - Metal	40	5	58,679															
5	Overhead Security Gate	20	5	24,238															
6	Wall Assemblies - Brick Siding	25	5	37,591					67,893										
7	Wall Assemblies - Concrete Siding (Phase 1)	20	5	103,013															
8	Wall Assemblies - Concrete Siding (Phase 2)	20	4	103,013	165,306														
9	Wall Assemblies - Concrete Siding (Phase 3)	20	3	103,013		170,266													
10	Wall Assemblies - Concrete Siding (Phase 4)	20	2	103,013			175,374												
11	Wall Assemblies - Window Wall (Phase 1)	30	5	114,431										239,594					
12	Wall Assemblies - Window Wall (Phase 2)	30	4	114,431											246,782				
13	Wall Assemblies - Window Wall (Phase 3)	30	3	114,431												254,185			
14	Wall Assemblies - Window Wall (Phase 4)	30	2	114,431													261,811		
15	Canopy - Glass	30	5	312,191										653,659					
16	Caulking and Weather-Stripping	18	5	17,660															
17	Balcony Floor Construction - Concrete	50	5	291,373															
18	Common Exterior Railings - Metal	30	5	26,734										55,976					
19	Roof Assembly - Single Ply Membrane	20	5	36,395															
20	Exterior Building Painting	18	5	81,197															
21	Interior Stairwell Painting	25	5	137,354					248,077										
22	Underground Garage Markings	12	5	15,425				27,047											
23	Interior Common Corridor Painting	15	5	41,220										86,305					
24	Interior Common Corridor Flooring	15	5	103,294										216,275					
25	Interior Common Area Lighting	20	5	66,994															
26	Lobby Renovation	22	5	17,091		28,250													
27	Elevator Cab Renovation	22	5	46,733		77,242													
28	Domestic Water Supply	20	5	102,087															
29	Sprinkler System	25	5	72,057					130,143										
30	Hot Water Storage Tanks	15	5	9,192										19,246					
31	Terminal & Packaged Units - Air Handling	20	5	53,356															
32	Special and Exhaust Equipment	20	5	6,928															
33	Elevator Replacement - Traction (Phase 1)	30	5	342,875										717,903					
34	Elevator Replacement - Traction (Phase 2)	30	4	342,875											739,440				
35	Electrical Distribution System and Fixtures	20	5	61,847															
36	Entry System - Intercom	20	5	20,181															
37	Security / Surveillance System	10	5	6,183										12,946					
38	Emergency Generator	40	5	17,651															
39	Fire Alarm System	15	5	17,973										37,632					
40	Storage Lockers	30	5	8,095										16,948					
41	Mailboxes	25	5	831					1,500										
42	Amenity Room	20	5	28,373															
43	Site Services - Sewer and Water	30	5	13,358										27,968					
44	Concrete Paving and Curbs	25	5	176,726					319,186										
45	Concrete Pavers Assembly	20	5	98,677															
46	Exterior Lighting	20	5	81,394															
47	Exterior Landscaping	20	5	9,855															
	Loan Repayment				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Expenditures				165,306	275,757	175,374	27,047	766,800	0	0	0	0	2,233,759	986,222	254,185	261,811	0	0
	Closing Balance				10,000	10,000	10,000	35,460	10,000	64,617	121,851	181,798	244,558	10,000	10,000	10,000	10,000	72,458	137,909
	DEFICIENCY ANALYSIS																		
	Hypothetical Annual Contribution if Fully Funded From Day 1				249,091	256,874	263,499	268,328	282,736	287,543	292,431	297,402	302,458	336,244	354,590	363,873	373,412	379,760	386,216
	Fully Funded Closing Balance				3,687,602	3,774,486	3,974,184	4,337,826	3,964,464	4,374,905	4,802,958	5,249,252	5,714,437	3,924,823	3,384,288	3,591,009	3,805,816	4,303,556	4,823,182
	Reserve Fund Surplus				-3,677,602	-3,764,486	-3,964,184	-4,302,366	-3,954,464	-4,310,288	-4,681,107	-5,067,454	-5,469,879	-3,914,823	-3,374,288	-3,581,009	-3,795,816	-4,231,098	-4,685,274

Schedule "C" - Adequate Funding - 30 Year Reserve Fund Cash Flow Projection and Deficiency Analysis

RESERVE FUND PROJECTION - 30 YEAR - ADEQUATE FUNDING

Study Year:	2013
Construction:	2007
Number of Years in Study:	30

Construction Inflation	3.00%
Rate	3.10%
Inflation (CPI)	1.70%
Strata Year End (M	May 15

© NLD Consulting
File # R-1024
Corus

Lowest RF Balance Allowed 10000
Default Contribution Increase 10.00%

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
OPENING BALANCE	**144,740**	**185,028**	**233,297**	**287,541**	**348,604**	**417,446**	**487,788**	**575,382**	**653,381**	**761,328**	**881,390**	**776,946**	**917,750**	**1,074,591**	**1,099,457**	**1,288,892**
Recommended Annual Contribution Increase	N/A	18%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Recommended Annual Contribution	38,117	45,000	49,500	54,450	59,895	65,885	72,473	79,720	87,692	96,461	106,108	116,718	128,390	141,229	155,352	170,887
Loan Draws	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Special Assessment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Rate	1.50%	1.77%	2.03%	2.30%	2.57%	2.83%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%
Interest Income	2,171	3,269	4,744	6,613	8,948	11,625	15,121	17,249	20,255	23,601	20,171	24,085	28,450	28,812	34,083	1,106
Total Cash Resources	**185,028**	**233,297**	**287,541**	**348,604**	**417,446**	**494,956**	**575,382**	**672,351**	**761,328**	**881,390**	**1,007,669**	**917,750**	**1,074,591**	**1,244,632**	**1,288,892**	**1,460,886**

	RESERVE COMPONENTS	Expected Lifespan (years)	Observed Condition (years)	Current Replacement Cost	PROJECTED FUTURE EXPENDITURES															
1	Substructure and Underground Garage	20	5	104,865																163,376
2	Common Door Assemblies - Wood	30	5	66,468																
3	Common Door Assemblies - Metal	30	5	4,841																
4	Garage Door Assemblies - Metal	40	5	58,679																
5	Overhead Security Gate	20	5	24,238																37,762
6	Wall Assemblies - Brick Siding	25	5	37,591																
7	Wall Assemblies - Concrete Siding (Phase 1)	20	5	103,013																160,492
8	Wall Assemblies - Concrete Siding (Phase 2)	20	4	103,013																
9	Wall Assemblies - Concrete Siding (Phase 3)	20	3	103,013																
10	Wall Assemblies - Concrete Siding (Phase 4)	20	2	103,013																
11	Wall Assemblies - Window Wall (Phase 1)	30	5	114,431																
12	Wall Assemblies - Window Wall (Phase 2)	30	4	114,431																
13	Wall Assemblies - Window Wall (Phase 3)	30	3	114,431																
14	Wall Assemblies - Window Wall (Phase 4)	30	2	114,431																
15	Canopy - Glass	30	5	312,191																
16	Caulking and Weather-Stripping	18	5	17,660															25,934	
17	Balcony Floor Construction - Concrete	50	5	291,373																
18	Common Exterior Railings - Metal	30	5	26,734																
19	Roof Assembly - Single Ply Membrane	20	5	36,395																56,702
20	Exterior Building Painting	18	5	81,197															119,240	
21	Interior Stairwell Painting	25	5	137,354																
22	Underground Garage Markings	12	5	15,425								18,970								
23	Interior Common Corridor Painting	15	5	41,220												55,396				
24	Interior Common Corridor Flooring	15	5	103,294												138,819				
25	Interior Common Area Lighting	20	5	66,994																104,374
26	Lobby Renovation	22	5	17,091																
27	Elevator Cab Renovation	22	5	46,733																
28	Domestic Water Supply	20	5	102,087																159,049
29	Sprinkler System	25	5	72,057																
30	Hot Water Storage Tanks	15	5	9,192												12,353				
31	Terminal & Packaged Units - Air Handling	20	5	53,356																83,127
32	Special and Exhaust Equipment	20	5	6,928																10,794
33	Elevator Replacement - Traction (Phase 1)	30	5	342,875																
34	Elevator Replacement - Traction (Phase 2)	30	4	342,875																
35	Electrical Distribution System and Fixtures	20	5	61,847																96,356
36	Entry System - Intercom	20	5	20,181																31,441
37	Security / Surveillance System	10	5	6,183					7,168											9,633
38	Emergency Generator	40	5	17,651																
39	Fire Alarm System	15	5	17,973												24,155				
40	Storage Lockers	30	5	8,095																
41	Mailboxes	25	5	831																
42	Amenity Room	20	5	28,373																44,204
43	Site Services - Sewer and Water	30	5	13,358																
44	Concrete Paving and Curbs	25	5	176,726																
45	Concrete Pavers Assembly	20	5	98,677																153,736
46	Exterior Lighting	20	5	81,394																126,810
47	Exterior Landscaping	20	5	9,855																15,353
	Loan Repayment				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Expenditures				**0**	**0**	**0**	**0**	**0**	**7,168**	**0**	**18,970**	**0**	**0**	**230,722**	**0**	**0**	**145,175**	**0**	**1,253,208**
	Closing Balance				**185,028**	**233,297**	**287,541**	**348,604**	**417,446**	**487,788**	**575,382**	**653,381**	**761,328**	**881,390**	**776,946**	**917,750**	**1,074,591**	**1,099,457**	**1,288,892**	**207,678**
	DEFICIENCY ANALYSIS																			
	Hypothetical Annual Contribution if Fully Funded From Day 1				**184,387**	**187,813**	**190,338**	**191,893**	**192,407**	**191,897**	**190,099**	**193,575**	**196,866**	**200,213**	**206,595**	**210,107**	**213,679**	**219,183**	**222,909**	**242,834**
	Fully Funded Closing Balance				**987,523**	**1,192,782**	**1,407,373**	**1,631,636**	**1,865,922**	**2,103,296**	**2,358,597**	**2,605,730**	**2,883,374**	**3,172,971**	**3,240,054**	**3,550,603**	**3,874,350**	**4,063,962**	**4,412,854**	**3,500,429**
	Reserve Fund Surplus				**-802,495**	**-959,485**	**-1,119,832**	**-1,283,032**	**-1,448,475**	**-1,615,508**	**-1,783,215**	**-1,952,349**	**-2,122,046**	**-2,291,581**	**-2,463,107**	**-2,632,852**	**-2,799,760**	**-2,964,505**	**-3,123,961**	**-3,292,751**

Schedule "C" - Adequate Funding - Continued

RESERVE FUND PROJECTION - 30 YEAR - ADEQUATE FUNDING (CONTINUED)

Study Year:	2013
Construction:	2007
Number of Years in Study:	30

RESERVE COMPONENTS	Expected Lifespan (years)	Observed Condition (years)	Current Replacement Cost	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
OPENING BALANCE				**207,678**	**231,661**	**162,677**	**214,755**	**443,723**	**10,000**	**313,047**	**655,763**	**1,042,404**	**1,477,662**	**10,000**	**10,000**	**292,133**	**621,212**	**1,289,414**
Recommended Annual Contribution Increase				10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Recommended Annual Contribution				187,976	206,774	227,451	250,196	275,216	302,737	333,011	366,312	402,944	443,238	487,562	536,318	589,950	648,945	713,839
Loan Draws				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Special Assessment				0	0	0	0	57,861	0	0	0	0	322,859	498,660	0	0	0	0
Interest Rate				3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%
Interest Income				1,314	0	0	5,819	0	310	9,704	20,329	32,315	0	0	0	940	19,258	39,972
Total Cash Resources				**396,967**	**438,435**	**390,129**	**470,770**	**776,800**	**313,047**	**655,763**	**1,042,404**	**1,477,662**	**2,243,759**	**996,222**	**546,318**	**883,022**	**1,289,414**	**2,043,225**
1 Substructure and Underground Garage	20	5	104,865															
2 Common Door Assemblies - Wood	30	5	66,468										139,170					
3 Common Door Assemblies - Metal	30	5	4,841										10,137					
4 Garage Door Assemblies - Metal	40	5	58,679															
5 Overhead Security Gate	20	5	24,238															
6 Wall Assemblies - Brick Siding	25	5	37,591					67,893										
7 Wall Assemblies - Concrete Siding (Phase 1)	20	5	103,013															
8 Wall Assemblies - Concrete Siding (Phase 2)	20	4	103,013	165,306														
9 Wall Assemblies - Concrete Siding (Phase 3)	20	3	103,013		170,266													
10 Wall Assemblies - Concrete Siding (Phase 4)	20	2	103,013			175,374												
11 Wall Assemblies - Window Wall (Phase 1)	30	5	114,431										239,594					
12 Wall Assemblies - Window Wall (Phase 2)	30	4	114,431											246,782				
13 Wall Assemblies - Window Wall (Phase 3)	30	3	114,431												254,185			
14 Wall Assemblies - Window Wall (Phase 4)	30	2	114,431													261,811		
15 Canopy - Glass	30	5	312,191										653,659					
16 Caulking and Weather-Stripping	18	5	17,660															
17 Balcony Floor Construction - Concrete	50	5	291,373															
18 Common Exterior Railings - Metal	30	5	26,734										55,976					
19 Roof Assembly - Single Ply Membrane	20	5	36,395															
20 Exterior Building Painting	18	5	81,197															
21 Interior Stairwell Painting	25	5	137,354					248,077										
22 Underground Garage Markings	12	5	15,425				27,047											
23 Interior Common Corridor Painting	15	5	41,220										86,305					
24 Interior Common Corridor Flooring	15	5	103,294										216,275					
25 Interior Common Area Lighting	20	5	66,994															
26 Lobby Renovation	22	5	17,091		28,250													
27 Elevator Cab Renovation	22	5	46,733		77,242													
28 Domestic Water Supply	20	5	102,087															
29 Sprinkler System	25	5	72,057					130,143										
30 Hot Water Storage Tanks	15	5	9,192										19,246					
31 Terminal & Packaged Units - Air Handling	20	5	53,356															
32 Special and Exhaust Equipment	20	5	6,928															
33 Elevator Replacement - Traction (Phase 1)	30	5	342,875										717,903					
34 Elevator Replacement - Traction (Phase 2)	30	4	342,875											739,440				
35 Electrical Distribution System and Fixtures	20	5	61,847															
36 Entry System - Intercom	20	5	20,181															
37 Security / Surveillance System	10	5	6,183										12,946					
38 Emergency Generator	40	5	17,651															
39 Fire Alarm System	15	5	17,973										37,632					
40 Storage Lockers	30	5	8,095										16,948					
41 Mailboxes	25	5	831					1,500										
42 Amenity Room	20	5	28,373															
43 Site Services - Sewer and Water	30	5	13,358										27,968					
44 Concrete Paving and Curbs	25	5	176,726					319,186										
45 Concrete Pavers Assembly	20	5	98,677															
46 Exterior Lighting	20	5	81,394															
47 Exterior Landscaping	20	5	9,855															
Loan Repayment				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures				**165,306**	**275,757**	**175,374**	**27,047**	**766,800**	**0**	**0**	**0**	**0**	**2,233,759**	**986,222**	**254,185**	**261,811**	**0**	**0**
Closing Balance				**231,661**	**162,677**	**214,755**	**443,723**	**10,000**	**313,047**	**655,763**	**1,042,404**	**1,477,662**	**10,000**	**10,000**	**292,133**	**621,212**	**1,289,414**	**2,043,225**
DEFICIENCY ANALYSIS																		
Hypothetical Annual Contribution if Fully Funded From Day 1				**249,091**	**256,874**	**263,499**	**268,328**	**282,736**	**287,543**	**292,431**	**297,402**	**302,458**	**336,244**	**354,590**	**363,873**	**373,412**	**379,760**	**386,216**
Fully Funded Closing Balance				**3,687,602**	**3,774,486**	**3,974,184**	**4,337,826**	**3,964,464**	**4,374,905**	**4,802,958**	**5,249,252**	**5,714,437**	**3,924,823**	**3,384,288**	**3,591,009**	**3,805,816**	**4,303,556**	**4,823,182**
Reserve Fund Surplus				**-3,455,941**	**-3,611,808**	**-3,759,429**	**-3,894,103**	**-3,954,464**	**-4,061,858**	**-4,147,195**	**-4,206,848**	**-4,236,775**	**-3,914,823**	**-3,374,288**	**-3,298,877**	**-3,184,604**	**-3,014,142**	**-2,779,957**

Schedule "C" - Full Funding - 30 Year Reserve Fund Cash Flow Projection and Deficiency Analysis

RESERVE FUND PROJECTION - 30 YEAR - FULL FUNDING

Study Year:	2013
Construction:	2007
Number of Years in Study:	30

Construction Inflation	3.00%
Rate	3.10%
Inflation (CPI)	1.70%
Strata Year End (M	May 15

© NLD Consulting
File # R-1024
Corus

Lowest RF Balance Allowed 10000
Default Contribution Increase 7.30%

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
OPENING BALANCE	**144,740**	**185,028**	**288,297**	**401,459**	**525,825**	**662,859**	**806,825**	**974,069**	**1,137,322**	**1,336,335**	**1,553,472**	**1,552,292**	**1,802,714**	**2,075,667**	**2,223,252**	**2,542,090**
Recommended Annual Contribution Increase	N/A	162%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Recommended Annual Contribution	38,117	100,000	107,300	115,133	123,538	132,556	142,232	152,615	163,756	175,711	188,537	202,301	217,069	232,915	249,917	268,161
Loan Draws	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Special Assessment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Rate	1.50%	1.77%	2.03%	2.30%	2.57%	2.83%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%
Interest Income	2,171	3,269	5,862	9,234	13,496	18,578	25,012	29,608	35,257	41,426	41,005	48,121	55,884	59,845	68,921	39,955
Total Cash Resources	**185,028**	**288,297**	**401,459**	**525,825**	**662,859**	**813,993**	**974,069**	**1,156,292**	**1,336,335**	**1,553,472**	**1,783,015**	**1,802,714**	**2,075,667**	**2,368,427**	**2,542,090**	**2,850,207**

	RESERVE COMPONENTS	Expected Lifespan (years)	Observed Condition (years)	Current Replacement Cost	PROJECTED FUTURE EXPENDITURES															
1	Substructure and Underground Garage	20	5	104,865																163,376
2	Common Door Assemblies - Wood	30	5	66,468																
3	Common Door Assemblies - Metal	30	5	4,841																
4	Garage Door Assemblies - Metal	40	5	58,679																
5	Overhead Security Gate	20	5	24,238																37,762
6	Wall Assemblies - Brick Siding	25	5	37,591																
7	Wall Assemblies - Concrete Siding (Phase 1)	20	5	103,013																160,492
8	Wall Assemblies - Concrete Siding (Phase 2)	20	4	103,013																
9	Wall Assemblies - Concrete Siding (Phase 3)	20	3	103,013																
10	Wall Assemblies - Concrete Siding (Phase 4)	20	2	103,013																
11	Wall Assemblies - Window Wall (Phase 1)	30	5	114,431																
12	Wall Assemblies - Window Wall (Phase 2)	30	4	114,431																
13	Wall Assemblies - Window Wall (Phase 3)	30	3	114,431																
14	Wall Assemblies - Window Wall (Phase 4)	30	2	114,431																
15	Canopy - Glass	30	5	312,191																
16	Caulking and Weather-Stripping	18	5	17,660															25,934	
17	Balcony Floor Construction - Concrete	50	5	291,373																
18	Common Exterior Railings - Metal	30	5	26,734																
19	Roof Assembly - Single Ply Membrane	20	5	36,395																56,702
20	Exterior Building Painting	18	5	81,197															119,240	
21	Interior Stairwell Painting	25	5	137,354																
22	Underground Garage Markings	12	5	15,425							18,970									
23	Interior Common Corridor Painting	15	5	41,220										55,396						
24	Interior Common Corridor Flooring	15	5	103,294										138,819						
25	Interior Common Area Lighting	20	5	66,994																104,374
26	Lobby Renovation	22	5	17,091																
27	Elevator Cab Renovation	22	5	46,733																
28	Domestic Water Supply	20	5	102,087																159,049
29	Sprinkler System	25	5	72,057																
30	Hot Water Storage Tanks	15	5	9,192										12,353						
31	Terminal & Packaged Units - Air Handling	20	5	53,356																83,127
32	Special and Exhaust Equipment	20	5	6,928																10,794
33	Elevator Replacement - Traction (Phase 1)	30	5	342,875																
34	Elevator Replacement - Traction (Phase 2)	30	4	342,875																
35	Electrical Distribution System and Fixtures	20	5	61,847																96,356
36	Entry System - Intercom	20	5	20,181																31,441
37	Security / Surveillance System	10	5	6,183					7,168											9,633
38	Emergency Generator	40	5	17,651																
39	Fire Alarm System	15	5	17,973										24,155						
40	Storage Lockers	30	5	8,095																
41	Mailboxes	25	5	831																
42	Amenity Room	20	5	28,373																44,204
43	Site Services - Sewer and Water	30	5	13,358																
44	Concrete Paving and Curbs	25	5	176,726																
45	Concrete Pavers Assembly	20	5	98,677																153,736
46	Exterior Lighting	20	5	81,394																126,810
47	Exterior Landscaping	20	5	9,855																15,353
	Loan Repayment				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Expenditures				**0**	**0**	**0**	**0**	**0**	**7,168**	**0**	**18,970**	**0**	**0**	**230,722**	**0**	**0**	**145,175**	**0**	**1,253,208**
	Closing Balance				**185,028**	**288,297**	**401,459**	**525,825**	**662,859**	**806,825**	**974,069**	**1,137,322**	**1,336,335**	**1,553,472**	**1,552,292**	**1,802,714**	**2,075,667**	**2,223,252**	**2,542,090**	**1,596,998**
	DEFICIENCY ANALYSIS																			
	Hypothetical Annual Contribution if Fully Funded From Day 1				**184,387**	**187,813**	**190,338**	**191,893**	**192,407**	**191,897**	**190,099**	**193,575**	**196,866**	**200,213**	**206,595**	**210,107**	**213,679**	**219,183**	**222,909**	**242,834**
	Fully Funded Closing Balance				**987,523**	**1,192,782**	**1,407,373**	**1,631,636**	**1,865,922**	**2,103,296**	**2,358,597**	**2,605,730**	**2,883,374**	**3,172,971**	**3,240,054**	**3,550,603**	**3,874,350**	**4,063,962**	**4,412,854**	**3,500,429**
	Reserve Fund Surplus				**-802,495**	**-904,485**	**-1,005,914**	**-1,105,811**	**-1,203,063**	**-1,296,471**	**-1,384,528**	**-1,468,408**	**-1,547,039**	**-1,619,499**	**-1,687,761**	**-1,747,888**	**-1,798,683**	**-1,840,710**	**-1,870,764**	**-1,903,430**

Schedule "C" - Full Funding - Continued

RESERVE FUND PROJECTION - 30 YEAR - FULL FUNDING (CONTINUED)

Study Year:	2013
Construction:	2007
Number of Years in Study:	30

	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
OPENING BALANCE	1,596,998	1,763,811	1,842,926	2,050,526	2,441,670	2,108,204	2,582,814	3,102,012	3,669,362	4,288,697	2,661,133	2,308,927	2,743,025	3,228,314	4,047,496
Recommended Annual Contribution Increase	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	-10%
Recommended Annual Contribution	287,737	308,742	331,280	355,463	381,412	409,255	439,131	471,188	505,584	542,492	582,094	624,587	670,182	719,105	650,213
Loan Draws	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Special Assessment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Rate	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%
Interest Income	44,382	46,130	51,694	62,728	51,921	65,354	80,067	96,162	113,750	63,703	51,922	63,697	76,918	100,078	125,472
Total Cash Resources	1,929,118	2,118,683	2,225,900	2,468,718	2,875,004	2,582,814	3,102,012	3,669,362	4,288,697	4,894,892	3,295,149	2,997,211	3,490,125	4,047,496	4,823,182

	RESERVE COMPONENTS	Expected Lifespan (years)	Observed Condition (years)	Current Replacement Cost	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
1	Substructure and Underground Garage	20	5	104,865															
2	Common Door Assemblies - Wood	30	5	66,468										139,170					
3	Common Door Assemblies - Metal	30	5	4,841										10,137					
4	Garage Door Assemblies - Metal	40	5	58,679															
5	Overhead Security Gate	20	5	24,238															
6	Wall Assemblies - Brick Siding	25	5	37,591					67,893										
7	Wall Assemblies - Concrete Siding (Phase 1)	20	5	103,013															
8	Wall Assemblies - Concrete Siding (Phase 2)	20	4	103,013	165,306														
9	Wall Assemblies - Concrete Siding (Phase 3)	20	3	103,013		170,266													
10	Wall Assemblies - Concrete Siding (Phase 4)	20	2	103,013			175,374												
11	Wall Assemblies - Window Wall (Phase 1)	30	5	114,431										239,594					
12	Wall Assemblies - Window Wall (Phase 2)	30	4	114,431											246,782				
13	Wall Assemblies - Window Wall (Phase 3)	30	3	114,431												254,185			
14	Wall Assemblies - Window Wall (Phase 4)	30	2	114,431													261,811		
15	Canopy - Glass	30	5	312,191										653,659					
16	Caulking and Weather-Stripping	18	5	17,660															
17	Balcony Floor Construction - Concrete	50	5	291,373															
18	Common Exterior Railings - Metal	30	5	26,734										55,976					
19	Roof Assembly - Single Ply Membrane	20	5	36,395															
20	Exterior Building Painting	18	5	81,197															
21	Interior Stairwell Painting	25	5	137,354					248,077										
22	Underground Garage Markings	12	5	15,425				27,047											
23	Interior Common Corridor Painting	15	5	41,220										86,305					
24	Interior Common Corridor Flooring	15	5	103,294										216,275					
25	Interior Common Area Lighting	20	5	66,994															
26	Lobby Renovation	22	5	17,091		28,250													
27	Elevator Cab Renovation	22	5	46,733		77,242													
28	Domestic Water Supply	20	5	102,087															
29	Sprinkler System	25	5	72,057					130,143										
30	Hot Water Storage Tanks	15	5	9,192										19,246					
31	Terminal & Packaged Units - Air Handling	20	5	53,356															
32	Special and Exhaust Equipment	20	5	6,928															
33	Elevator Replacement - Traction (Phase 1)	30	5	342,875										717,903					
34	Elevator Replacement - Traction (Phase 2)	30	4	342,875											739,440				
35	Electrical Distribution System and Fixtures	20	5	61,847															
36	Entry System - Intercom	20	5	20,181															
37	Security / Surveillance System	10	5	6,183										12,946					
38	Emergency Generator	40	5	17,651															
39	Fire Alarm System	15	5	17,973										37,632					
40	Storage Lockers	30	5	8,095										16,948					
41	Mailboxes	25	5	831					1,500										
42	Amenity Room	20	5	28,373															
43	Site Services - Sewer and Water	30	5	13,358										27,968					
44	Concrete Paving and Curbs	25	5	176,726					319,186										
45	Concrete Pavers Assembly	20	5	98,677															
46	Exterior Lighting	20	5	81,394															
47	Exterior Landscaping	20	5	9,855															
	Loan Repayment				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Expenditures				165,306	275,757	175,374	27,047	766,800	0	0	0	0	2,233,759	986,222	254,185	261,811	0	0
	Closing Balance				1,763,811	1,842,926	2,050,526	2,441,670	2,108,204	2,582,814	3,102,012	3,669,362	4,288,697	2,661,133	2,308,927	2,743,025	3,228,314	4,047,496	4,823,182
	DEFICIENCY ANALYSIS																		
	Hypothetical Annual Contribution if Fully Funded From Day 1				249,091	256,874	263,499	268,328	282,736	287,543	292,431	297,402	302,458	336,244	354,590	363,873	373,412	379,760	386,216
	Fully Funded Closing Balance				3,687,602	3,774,486	3,974,184	4,337,826	3,964,464	4,374,905	4,802,958	5,249,252	5,714,437	3,924,823	3,384,288	3,591,009	3,805,816	4,303,556	4,823,182
	Reserve Fund Surplus				-1,923,790	-1,931,560	-1,923,657	-1,896,155	-1,856,260	-1,792,091	-1,700,946	-1,579,890	-1,425,740	-1,263,691	-1,075,361	-847,984	-577,502	-256,060	0

7.2 Future Reserve Fund Management

Strata Property Act

Plan for Future Funding

The Act provides that the Strata Council are obliged to contribute to a plan for future funding of the reserve fund, however they are not bound by the recommendations of the reserve fund planner, to wit:

Contributions to contingency reserve fund

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

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

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

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

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

This means that the Strata Council can vary the recommended funding. In the subject instance, instead of increasing reserve fund contributions, the Council may levy a special assessment or several assessments to pay for expenditures from the reserve fund.

Projected Reserve Fund Expenditures

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

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

8. Recommendations

NLD Consulting - Reserve Fund Advisors recommendations, set out below and detailed in this report, will assist the corporation to achieve and maintain an adequate reserve fund. In our opinion, the current reserve fund balance, recommended annual contributions and earned investment income will adequately fund immediate and future reserve fund expenditures.

1. **The corporation should prepare and implement a long-term reserve fund strategy.**

2. **Major repairs and replacements should be recorded in, and funded from, a reserve fund account.**

3. **The reserve fund contribution should be increased to $45,000 per annum in 2014 and thereafter by the amounts detailed in the "Cash Flow Table – Adequate Funding", each subsequent year, in order to achieve a funding plan which minimizes the potential for multiple special assessments.**

4. **The reserve fund should be fully invested in guaranteed long-term securities per the strata property act, at the maximum available rate.**

5. **The corporation should make such expenditures as necessary to maintain the property in optimum condition.**

6. **The reserve fund should be reviewed every year to ensure that the underlying assumptions are still valid and that the estimates remain current.**

7. **The corporation should update the Depreciation Report every three (3) years, as per the regulations of the BC Strata Property Amendment Act, 2009 unless future regulation requires an alternate schedule of updates.**

Appendix A - Qualifications

Terry Dowle, Principle
NLD Consulting – Reserve Advisors

Education:

- Langara Community College 1989
  - Realty Appraisal Program
- Langara Community College 1989
  - Real Estate Management
- Langara Community College 1991
  - Real Estate Sales and Marketing
- Langara Community College 1995
  - Business Communications
- University of British Columbia 1997
  - Faculty of Commerce and Business Administration – Real Estate Division
  - Advanced Real Estate Management
- University of British Columbia 1997
  - Faculty of Commerce and Business Administration – Real Estate Division
  - Real Estate Agent (9.15)
- University of British Columbia 2005
  - Sauder School of Business
  - BUSI – Foundations of Real Estate Appraisal
- Real Estate Institute of Canada 2011
  - Institute of Real Estate Studies

Designations and Certificates:

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

Professional Experience:

- Royal LePage – Commercial Appraisal Division 1989 – 1991
  - Real Estate Consulting and Appraisal of IC&I properties
- Campbell & Pound (1961) Ltd. 1991 – 1996
  - Real Estate Consulting and Appraisal of IC&I properties
- Niemi LaPorte & Dowle Appraisals Ltd. 1996– Current
  - Real Estate Consulting and Appraisal of IC&I properties
  - Management of Staff
  - Development of Business
- Niemi LaPorte & Dowle Whistler Appraisal Group Ltd. 1999– Current
  - Real Estate Consulting and Appraisal of IC&I properties
  - Management of Staff
  - Development of Business
- Niemi LaPorte & Dowle Appraisals Ltd - Victoria. 2011– Current
  - Real Estate Consulting and Appraisal of IC&I properties
  - Management of Staff
  - Development of Business
- NLD Consulting – Reserve Advisors 2011– Current
  - Depreciation Report Consulting
  - Management of Staff
  - Development of Business

Publications & Volunteer Services:

- Vancouver Chapter Executive - AICBC 2001– Current
  - Currently serving as Chair
  - Past Secretary for 10 years
- Seminar Presenter – Langara Community College 2002
  - Valuation of Leaky Condo's
- Provincial Board of Examiners - BCAIC 2003– Current
  - Designated interviewer – BDI/STARS

Memberships:

❖ Professional association of Managing Agents	2010– Current
❖ Condominium Home Owners Association	2010– Current
❖ Strata Property Agents of BC	2010– Current
❖ Expropriation Association of BC.	2010– Current
❖ Real Estate Institute of Canada	2010– Current

Memberships (cont.)

❖ Mortgage Investment Brokers Association of BC.	2008– Current
❖ Real Estate Institute of BC	1998– Current
❖ Mortgage Brokers Association of BC.	1998– Current
❖ Appraisal Institute of Canada	1989– Current

Court Experience:

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

Clients:

- ❖ AWM Alliance Real Estate Ltd
- ❖ BC Housing
- ❖ Dorset Realty Group Ltd.
- ❖ Dodwell Realty and Strata Management Ltd.
- ❖ Ascent Real Estate Management
- ❖ Profile Properties Ltd.
- ❖ Pacific Quorum Properties Ltd.
- ❖ Martello Property Services Ltd.
- ❖ I.J.M. Properties Ltd.
- ❖ Polygon Ltd.
- ❖ Baywest Management Group Ltd.
- ❖ Crossroads Management Ltd.
- ❖ R.Jang & Associates Ltd.
- ❖ Self Managed Strata's
- ❖ Richmond Caring House (Non-profit)
- ❖ Various Co-op properties

Appendix B
Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP)

Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP)

CUSPAP comprises four standards, each containing rules, comments, practice notes and definitions. These Standards are the Ethics Standard, Appraisal Standard, Review Standard, and Consulting Standard. A Reserve Fund Study falls under the Consulting Standard of the Appraisal Institute of Canada (AIC) CUSPAP rules. More specifically, CUSPAP Section 11.11 states that in performing a reserve fund study, a consultant must:

11.11.1.i.	define and delineate the pertinent components to be covered by the Reserve Fund Study;
11.11.1.ii.	prepare a benchmark analysis;
11.11.1.iii.	prepare a cash flow projection;
11.11.1.iv.	consider and report on any apparent deficiency in reserve fund contributions;
11.11.1.v.	prepare a reserve fund model.

The Practice Notes section of CUSPAP States:

12.48.1 "Since Reserve Fund Studies are completed to provide financial planning advice, the consulting service should consider the stated policies in the condominium corporation defining those components to be covered by the study and incorporate a comprehensive benchmark analysis including life cycle analysis, current and future replacement costs and future reserve fund accumulations. The Study should provide comments on any apparent deficiency in the reserve fund account or in future reserve fund accumulation, along with a cash flow model covering an appropriate time frame."

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

Consulting Standard Rules:

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

- Identify the client and other intended users by name:

  Client: BCS 2637 - "CORUS", c/o AWM Alliance Real Estate Group Ltd.

- Identify the intended use of the opinions and conclusions:

  For the Strata Council to implement a long range reserve fund strategy.

- Identify the purpose of the consultation:

  To provide the Strata Corporation with a funding plan based on a 30 year reserve fund study.

- Identify the real estate/property under consideration, if any:

  5989 Walter Gage Road, VANCOUVER BC
  BCS 2637 - "CORUS"

- Identify the effective date of the consulting service:

  November 2013

- Identify the date of the report:

  November 2013

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

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

- Identify all assumptions and limiting conditions:

  See attached assumptions and limiting conditions section.

- Identify any hypothetical conditions (including proposed improvements):

  No hypothetical conditions are invoked, unless otherwise indicated.

- Collect, verify, reconcile and report all pertinent data as may be required to complete the consulting service:

  This rule has been adhered to throughout the pertinent sections of the report.

- Describe and apply the consulting procedures relevant to the assignment:

  This rule has been adhered to throughout the pertinent sections of the report.

- Detail the reasoning that supports the analysis, opinions, and conclusions:

  This rule has been adhered to throughout the pertinent sections of the report.

- Report the consultant’s final conclusions/recommendations (if any):

  Please refer to the pertinent section(s) of the report.

- Include a signed certification:

  See signed certification page.

Appendix C Projections - Construction Cost Index, CPI, and Interest Rates

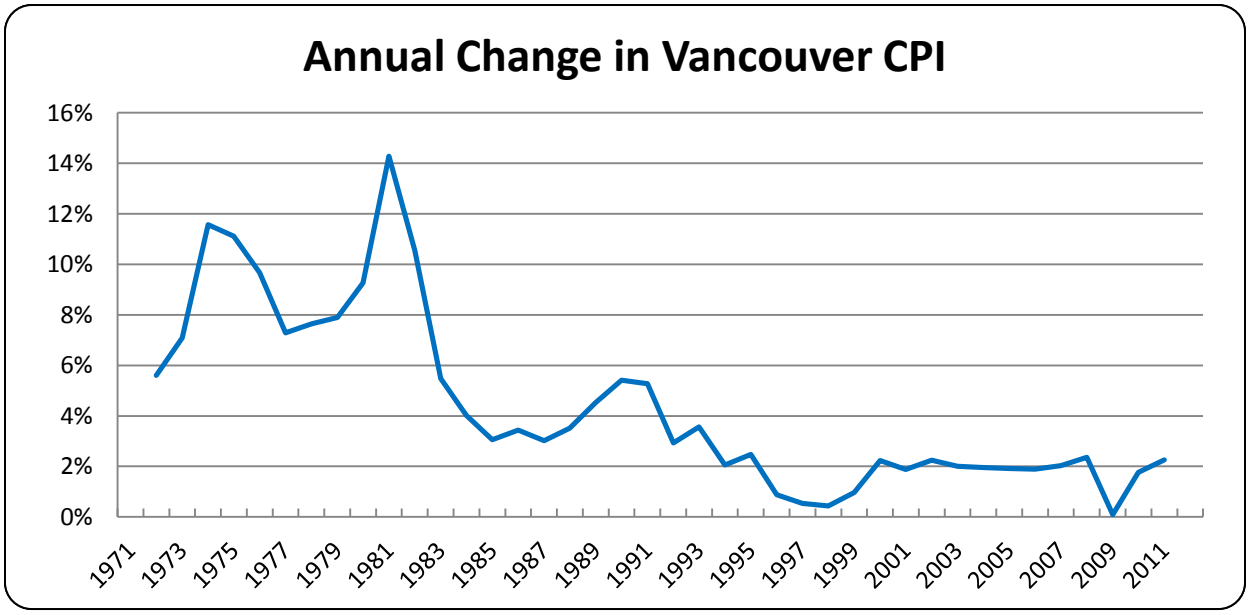
Appendix C, Part 1 - Forecasting the Consumer Price Index

Annual Data on the Consumer Price Index (CPI) for Vancouver, BC are available from 1971 to 2012. However, inflation data collected prior to 1992 are likely poor predictors of future inflation.

In 1991 the Government of Canada and the Bank of Canada set a goal to reduce national inflation from about 5% to 2% by 1995. Although national inflation climbed close to 7% in 1991, it dropped to 1.6% in 1992. Since then, the goal has been to keep national inflation between 1% and 3% with an average of 2%.

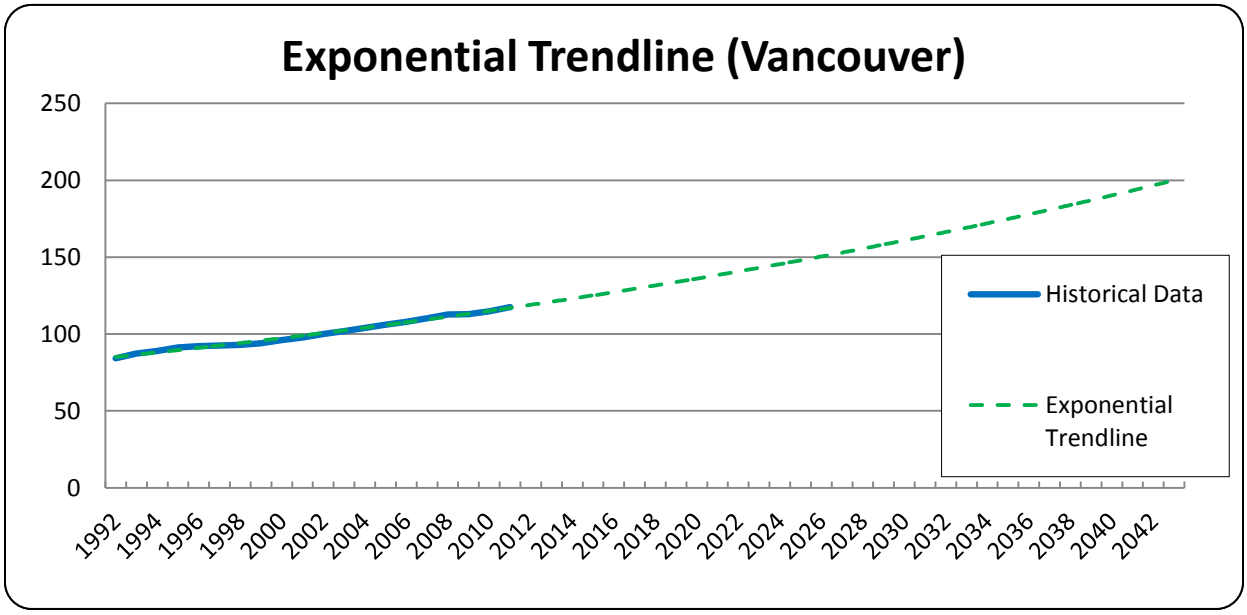
To reflect this important change in inflation policy, we have elected to use CPI data from 1992 to 2012.

The following graph illustrates how Vancouver CPI has changed since 1971



We computed an exponential line using a mathematical technique called Least Squares Regression on the indices since 1992. This minimizes the regression line's total distance from each point, giving an exponential line-of-best-fit. This exponential trendline was forecasted 31 years into the future.

The following graph illustrates the forecasted CPI indices for Vancouver, BC.



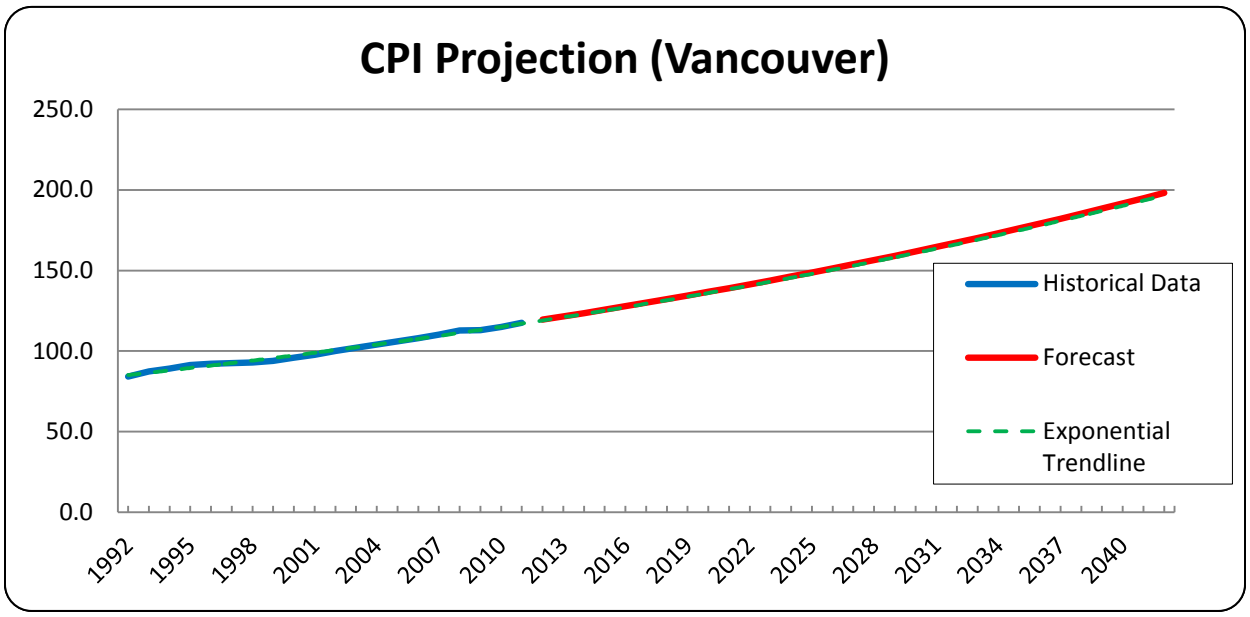
While the exponential trendline uses a constant rate of increase, we cannot simply use that rate as our expected annual rate of CPI increase. Doing so would place too much emphasis on the previous year's data.

Instead, we plotted our forecasted indices on the exponential trendline and calculated an average annual increase. When the current year's index is higher than expected this has a tendency to skew the next 30 years' indices slightly above the exponential trendline, and slightly below for the years after that. The reverse is true for years when the previous year's index is lower than expected. This discrepancy is usually very minor, and the technique can often be more accurate, given that annual inflation rates are not independent of one another.

We calculated an average annual CPI increase of 1.68% based on a year-one increase of -2.28% with subsequent increases of 1.75%.

This was adjusted qualitatively due to the imprecise nature of economic forecasting. Our average expected annual rate of CPI increase in Vancouver, BC for the next 31 years is **1.7%.**

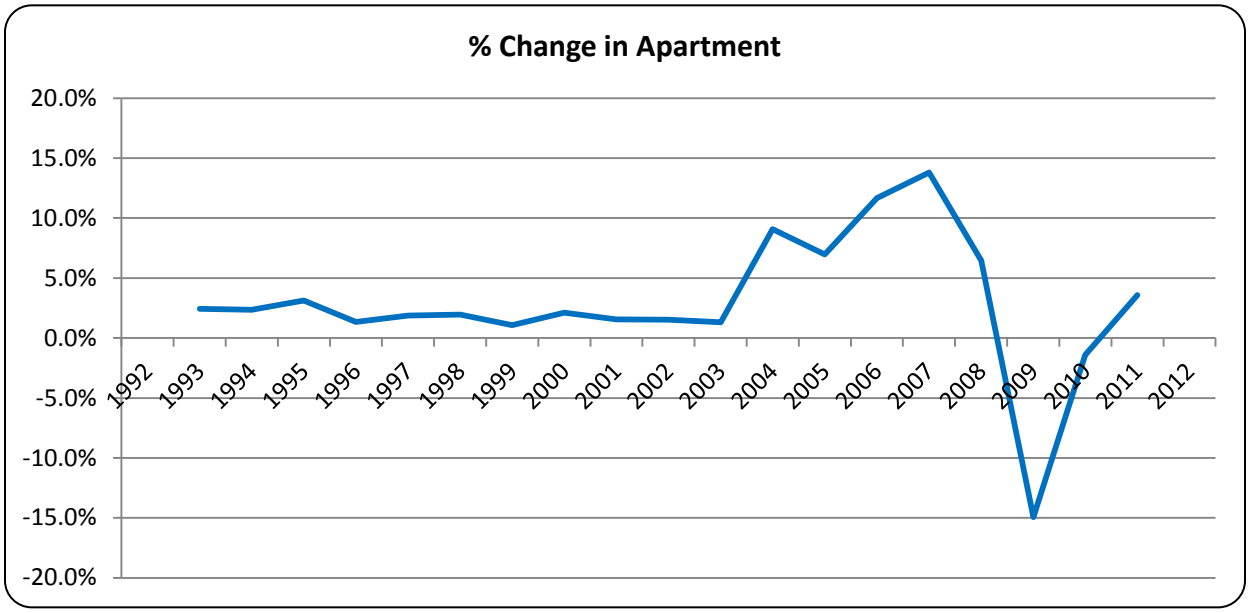
The following graph illustrates how our forecasted rate matches the exponential trendline.



Appendix C, Part 2 – Forecasting Construction Cost Inflation

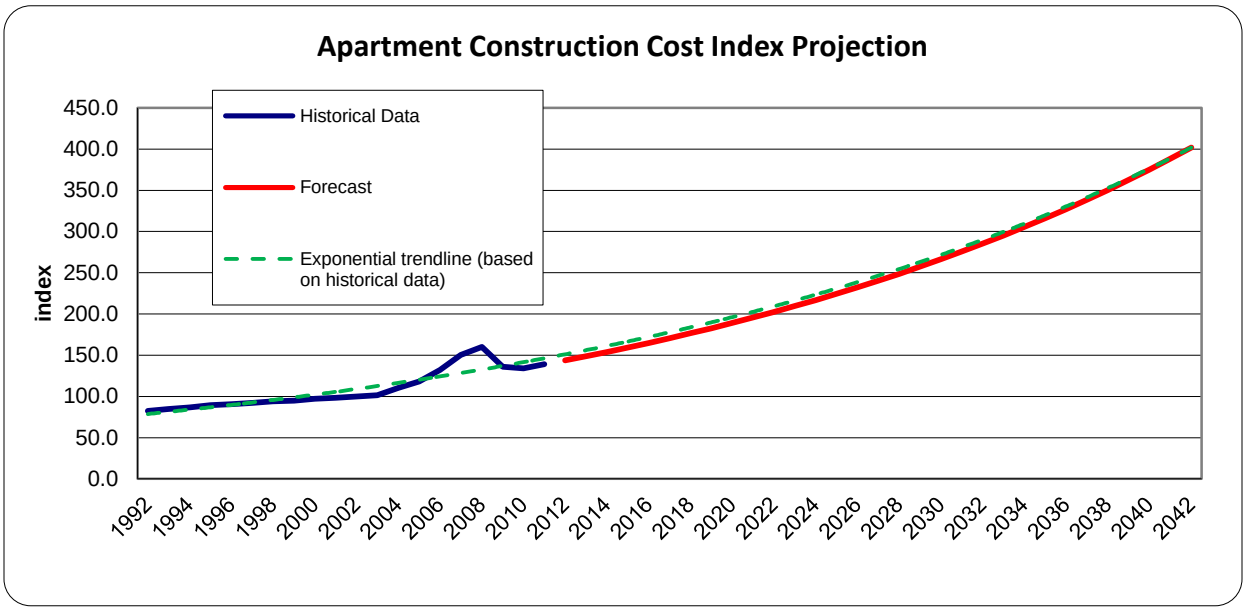
Statistics Canada

This data comes from the Non-residential Building Construction Price Index (NRBCPI), a quarterly series measuring the changes in contractors' selling prices of non-residential building construction (i.e. commercial, industrial and institutional). The indices relate to both general and trade contractors' work and exclude the cost of land, land assembly, design, development, and real estate fees. We obtained data on the price indices of Apartment Construction in Vancouver, British Columbia since 1992. Previous years' data were not used due to the significant change in inflation policy in 1992, as mentioned in Appendix C, Part 1. The following graph illustrates how the Apartment Construction Cost Index changed from year to year.



Using the same method we used to forecast CPI, we forecasted an average annual increase in Apartment Construction Costs of 3.49%, based on a year-one increase of 3.92% with subsequent increases of 3.3%.

The following graph illustrates this forecast. The dotted green line represents the mathematical forecast, while the solid red line represents our adjusted forecast: a 3.49% increase each year for 31 years.

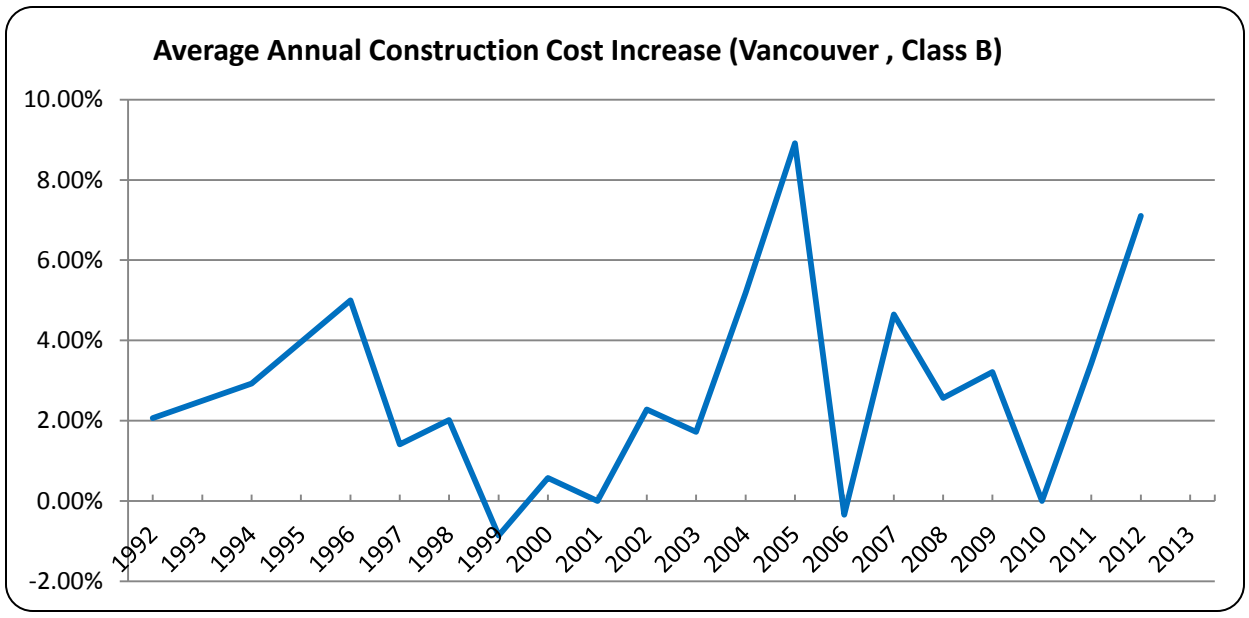


Marshall & Swift / Boeckh (MSB)

This data comes from quarterly Time-Location Multipliers for principal Canadian cities (markets). These multipliers express how the construction costs of specific types of buildings have changed over time in specific cities. Each building has its own unique combination of basic costs. MSB uses 83 basic types of costs necessary to build workable weighted schedules, comprising 19 building trades and 64 material types. We obtained comparative cost multipliers for Class B buildings in Vancouver since 1966. The following table describes Class B buildings.

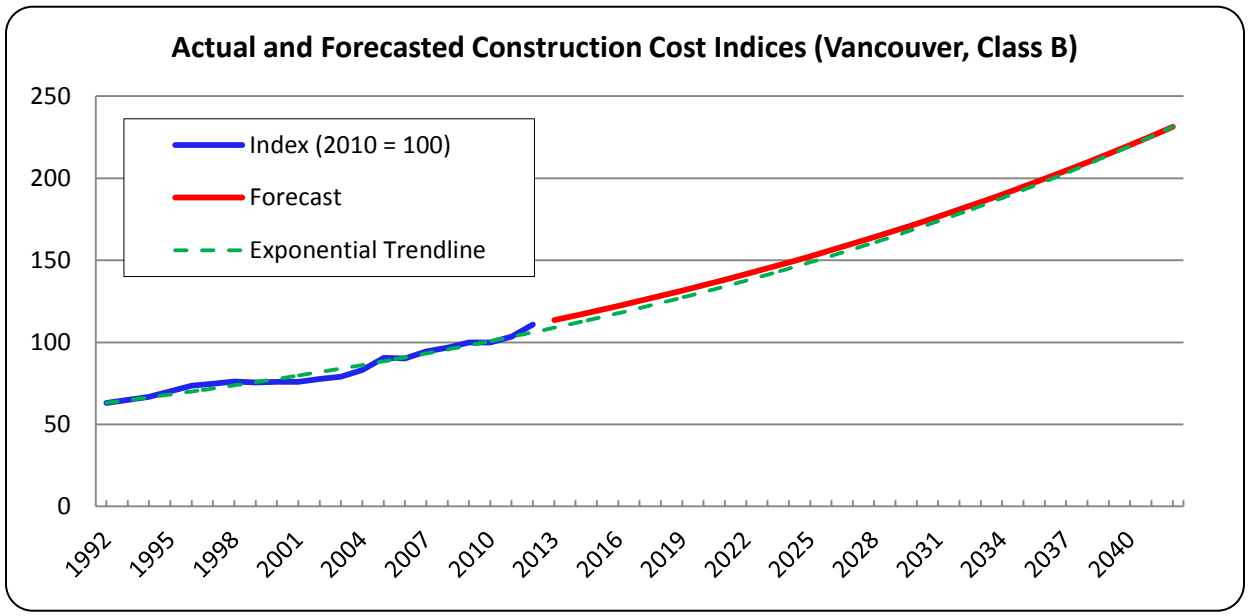
Class	Frame	Floor	Roof	Walls
B	Reinforced concrete columns and beams. Fire-resistant construction.	Concrete or concrete on steel deck, fireproofed.	Formed concrete, precast slabs, concrete or gypsum on steel deck, fireproofed.	Nonbearing curtain walls, masonry, concrete, metal and glass panels, stone, etc.

Only data since 1992 were used, to properly compare them to the Statistics Canada data.
The multipliers were converted to indices. The following graph illustrates how the indices changed from year to year.



Using the same method we used to forecast CPI and Statistics Canada data, we forecasted an average annual increase in Vancouver Class B construction costs of 2.49%, based on a year-one increase of 5.16% with subsequent increases of 2.59%.

The following graph illustrates this forecast. The dotted green line represents the mathematical forecast, while the solid red line represents our adjusted forecast: a 2.49% increase each year for 31 years.



Conclusion

The following table summarizes our adjusted values for average annual construction cost increases for the next 31 years.

Data Source	Calculated Rate
Statistics Canada	3.49%
MSB	2.49%
Average	**3.0%**

We have rounded this average to the nearest 0.1% to highlight the uncertainty in long-term economic forecasting. We have adopted a rate of 3% for annual construction inflation in calculating the future replacement costs hereinafter.

Appendix C, Part 3 – Forecasting Interest Rates

Strata corporations must invest in qualified low-risk investments. They often invest in cashable Guaranteed Investment Certificates (GICs). We are not financial planners and cannot advise you how to best invest your money; it is strongly recommended that you consult an investment professional. Long-term economic forecasting is imprecise at best.

Our goal is to forecast annual interest rates that strata corporations can conceivably expect to earn on their investments over the next 30 years.

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

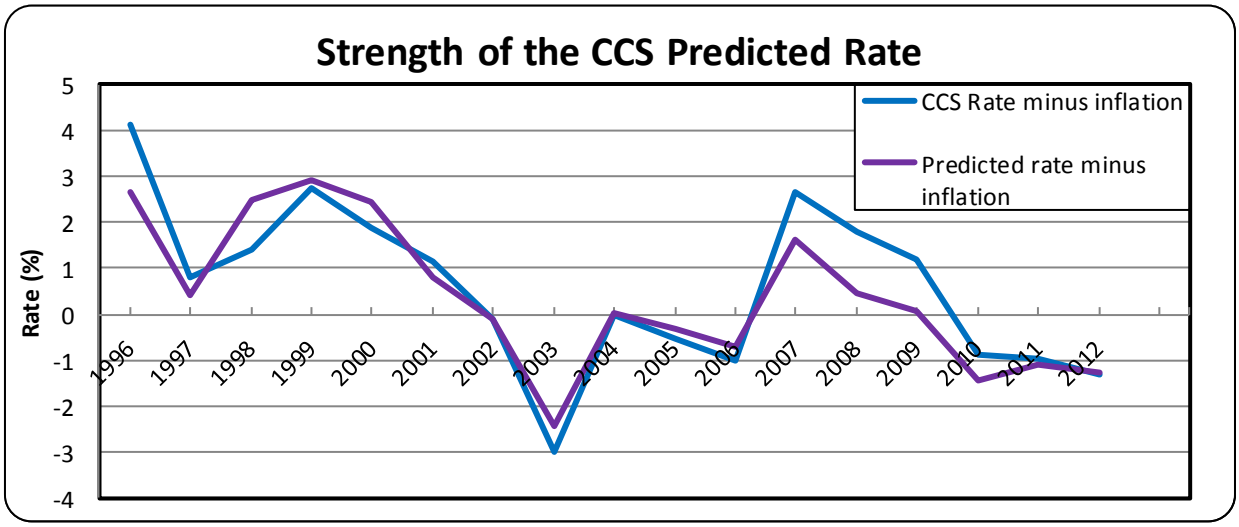
We also obtained historical interest rates on one-year cashable GICs:

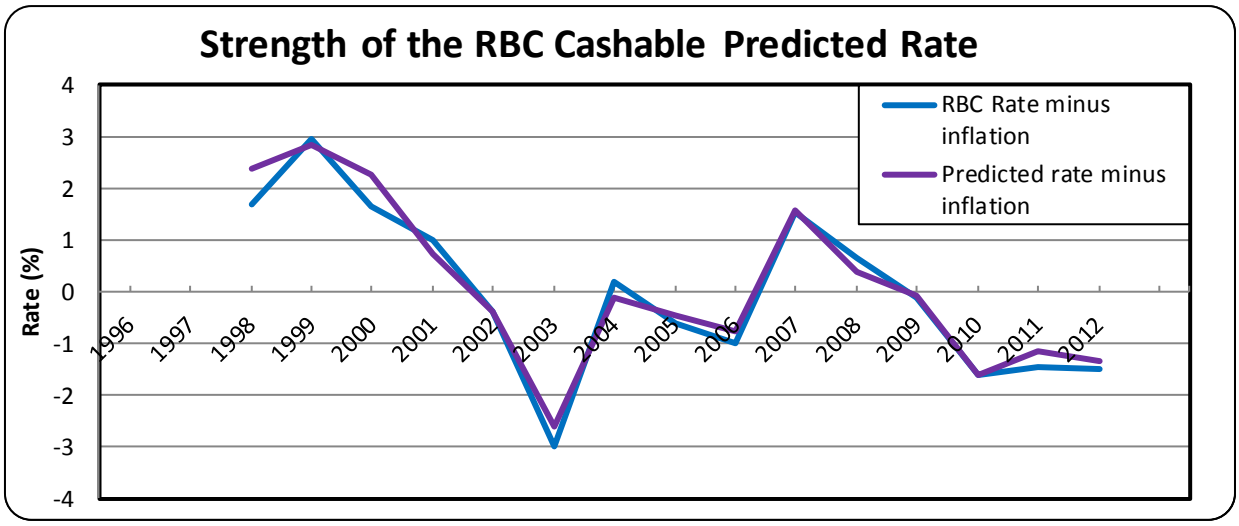
- Coast Capital Savings (CCS) 1 year redeemable GIC
    - Redeemable any time with full accrued interest after 30 days
    - $1000 minimum investment
    - Data available from 1996 to 2013
- Royal Bank of Canada (RBC) 1 year cashable GIC
    - Redeemable anytime with full interest after 30 days
    - $1000 minimum investment
    - Data available from 1998 to 2013
- RBC 1 year redeemable GIC, interest paid semi-annually or annually
    - Reduced rate if redeemed before maturity
    - $1000 minimum investment
    - Data available from 1997 to 2013

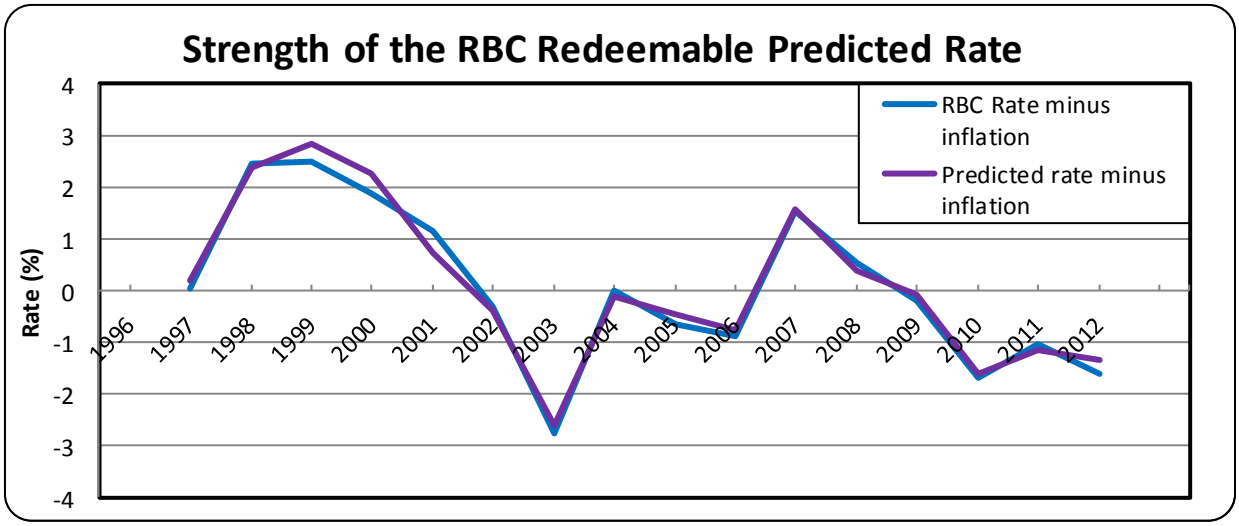
We would ideally like to start our dataset from 1992 when predicting future interest rates. However, although data on the Bank of Canada fixed-rate GICs are available that far back, data on the cashable GICs are not. Both data sets were compared in order to assess how the Bank of Canada's posted rates match personal banks' redeemable rates, and a predicted rate was generated in order to project an interest rate backwards in time to fill in the missing data.

The formula for each predicted rate is determined as follows. For all years with cashable GIC data, the spread above inflation for the Bank of Canada's 1, 3, and 5 year GICs are weighted such that the sum of their weights equals one. The sum of the weighted rates is added to a constant value. The weights and the constant value are determined such that the sum of the absolute values of the difference between this predicted spread above inflation and the cashable GIC's spread above inflation is minimized. Note that while this predictive formula uses multi-year GIC rates, it is only predictive of one-year GICs.

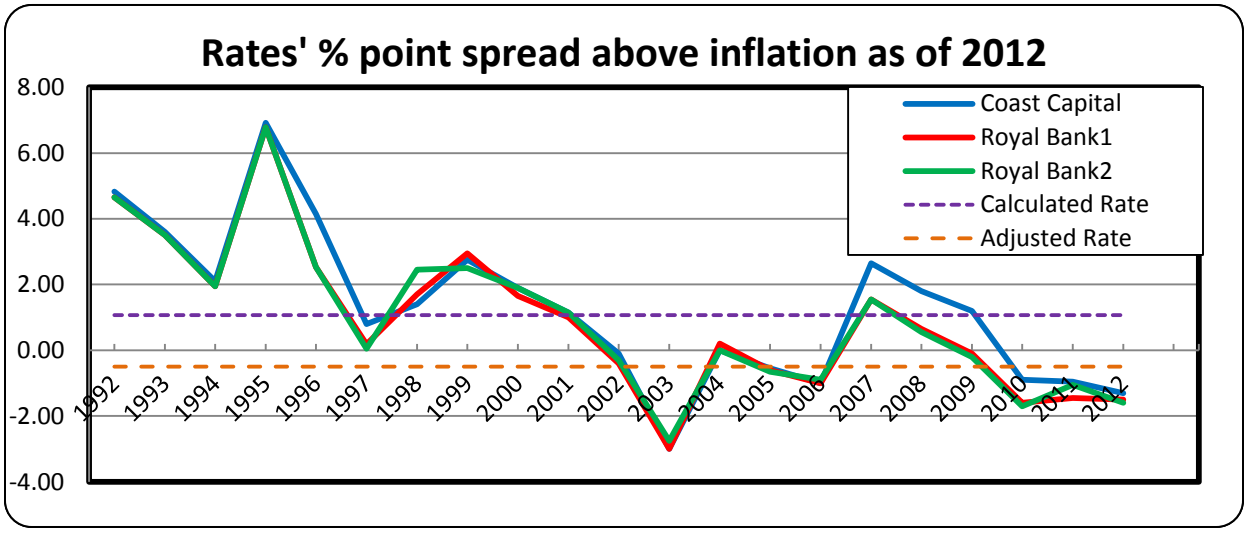
The following charts illustrate the strength of the predicted rate for each cashable GIC. The predicted rate uses the Bank of Canada's 1, 3, and 5 year GIC rates to predict the spread of each cashable GIC rate above inflation; this predictive formula is later applied to the Bank of Canada's posted rates since 1992 in order to fill in missing data.







The following graph illustrates each cashable GIC rate's spread above inflation. Predictive data are used where there are no actual data. The chart also shows two forecasting rates: the Calculated Rate averages each rate's average spread above inflation, and is the mathematical forecast of long-term cashable GIC rates; the Adjusted Rate is our best guess at short-term returns given very recent market trends.



These rates are very volatile. While any predicted rate will almost certainly be wrong from year to year, both our Calculated Rate and our Adjusted Rate have value. The Calculated Rate represents our best-guess at long-term cashable GIC rates; in other words, we find it as likely that the actual average flexible GIC rate over the next 30 years will be lower than the Calculated Rate as it will be higher. The Adjusted Rate is a subjective short-term rate that more closely represents our analysis of current interest rate trends. In our projections, we use the Adjusted

Rate to calculate this year's interest earned, and gradually increase that rate until it equals the Calculated Rate. This provides a more accurate short-term and long-term forecast.
The following chart numerically illustrates our Calculated Rate.

Average Cashable GICs' Spread Above Inflation	
CCS	1.31 % points
RBC Cash.	0.94 % points
RBC Red.	0.97 % points
Average	**1.07** % points

The Calculated Rate is 1.07 percentage points above expected inflation. With average national inflation expected to remain at 2%, this represents a long-term predicted interest rate of 3.07%. Our Adjusted Rate is 0.5 percentage points below expected inflation, representing a predicted rate of 1.5%. It gradually moves to the Calculated Rate over a period of 6 years.
We have selected a **conservative 3.1%** interest rate in calculating the future investment performance of the strata corporation's reserve fund, starting in 2019. This rate has been rounded, and is intentionally nonspecific to highlight the uncertainty in long-term economic forecasting. It is conservative because it assumes that strata councils need extremely high levels of flexibility in their investments, and because it averages the rates from available banks rather than choosing the highest.

NOTE:
We suggest a review of both the Calculated and Adjusted Rates as the performance of this strata council's invested funds is further examined.

Appendix D – Funding Future Components

Funding Models

An appropriate funding model requires a payment schedule that is both equitable and practical. Ideally, everyone would pay for each component as they use it: when you buy into a strata corporation you would pay a portion of the cost of the land and the building structure, and then you would constantly pay small amounts every day as you enjoy the benefits of the landscaping, caulking, roof, and so forth. This would lower the price of the property both upon purchase and upon sale. While this is arguably the most equitable solution for strata owners, the developer is not going to accept a lower price, and it is obviously impractical.

Another equitable solution is to pay for the current value of the components while funding repairs and replacements as they occur: when you buy into a strata corporation you pay a portion of the cost of the land and all parts of the building, and when you sell you get a price that includes the new current value of the components. Over time the components' sale value decreases, although it increases every time you fund a new repair or replacement. This is, in its simplest form, what tends to occur without government legislation. It, too, is not practical, because every time a component needs even the most minor repair or replacement it causes a special assessment.

We have conducted this Reserve Fund Study on the funding principal that current owners must save for future repairs and replacements, because component expenditures must be reserved for before they occur. This means that even though buyers pay for existing components while also saving for future components, they are returned the value of the future components when they sell the property or as they use them. This fosters equitable sale prices, incentivizes owners to properly maintain the property, and creates a stable payment schedule.

Given the level of uncertainty in economic forecasting, even fully-funded models are not perfectly equitable. When repairs are cheaper or later than expected, earlier owners bear too much of the cost; when repairs are more expensive or earlier than expected, later owners bear too much. Our fully-funded forecast features rates, timelines, and costs that we feel distribute equal risk of overpaying to earlier owners and later owners.

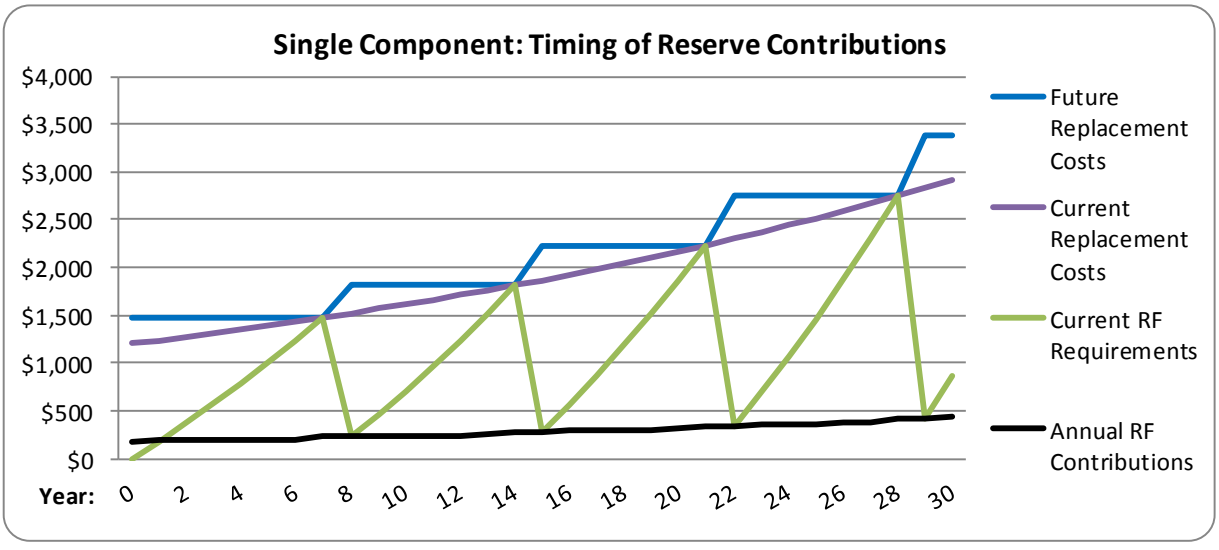
At any given time, current owners should be saving towards each component's next expenditure rather than towards all of its expenditures during the life of the building, or, worse yet, towards those expenditures that happen to fall in an arbitrary 30 year period. This protects against price fluctuations and, in the likely case where construction inflation differs from CPI inflation, ensures a more equitable payment schedule.

Also, component quality tends to upgrade over time; it is not equitable for current owners to pay for higher quality future components that they will never use and never be compensated for when they sell.

Funding With No Reserve Fund Deficiency

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

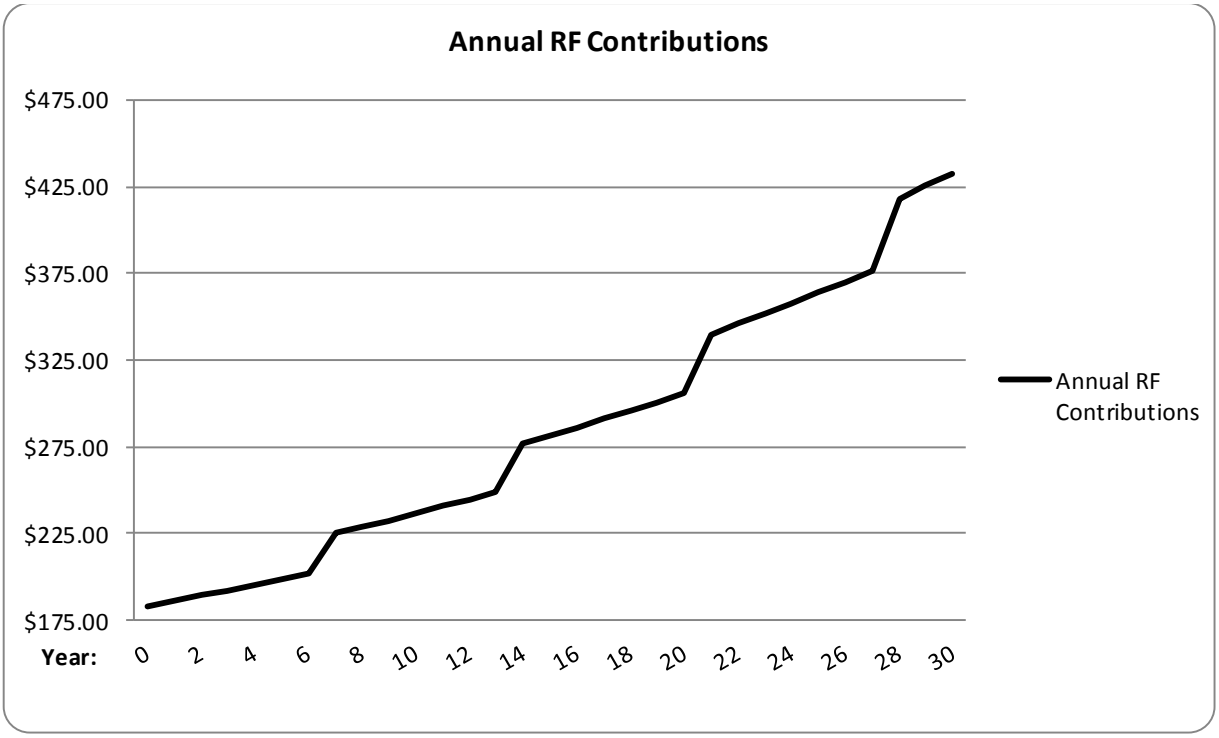
The graph below illustrates this with a hypothetical component that has an expected lifespan of seven years, an observed condition of zero years, and a Current Replacement Cost of $1,200. The Current Replacement Cost increases by construction inflation (3%) every year. The Future Replacement Cost is equal to the Current Replacement Cost every seven years, during the years of replacement. The Current RF Requirements is a running total of the Annual RF Contributions plus interest on the previous year's Current RF Requirements. The Annual RF Contributions are determined such that they increase with inflation every year, and when saved over the life of the component and combined with interest exactly equal the replacement cost when the component should be replaced.



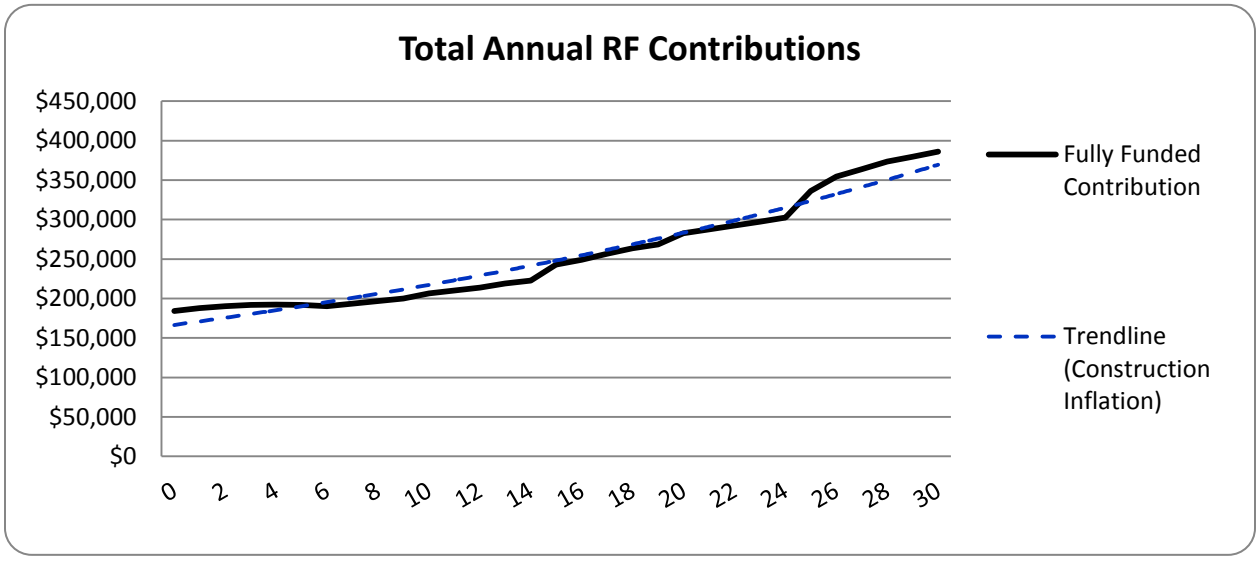
This graph is explained numerically in the table below. Note that interest (3.1%) is calculated conservatively: annual contributions are assumed to occur at the end of the year, earning no interest in the year that they are made, and all replacements are assumed to occur at the beginning of the year, eliminating interest income in replacement years.

Year	Current Replacement Costs	Future Replacement Costs	Current RF Requirements (Opening Bal.)	Annual RF Contributions	Interest	Closing Balance
0	$1,200	$1,476	$0	$182.83	$0.00	$183
1	$1,236	$1,476	$183	$185.94	$5.67	$374
2	$1,273	$1,476	$374	$189.10	$11.61	$575
3	$1,311	$1,476	$575	$192.31	$17.83	$785
4	$1,351	$1,476	$785	$195.58	$24.34	$1,005
5	$1,391	$1,476	$1,005	$198.91	$31.16	$1,235
6	$1,433	$1,476	$1,235	$202.29	$38.29	$1,476
7	$1,476	$1,476	$1,476	$224.86	$0.00	$225
8	$1,520	$1,815	$225	$228.68	$6.97	$461
9	$1,566	$1,815	$461	$232.57	$14.28	$707
10	$1,613	$1,815	$707	$236.52	$21.93	$966
11	$1,661	$1,815	$966	$240.54	$29.94	$1,236
12	$1,711	$1,815	$1,236	$244.63	$38.32	$1,519
13	$1,762	$1,815	$1,519	$248.79	$47.10	$1,815
14	$1,815	$1,815	$1,815	$276.54	$0.00	$277
15	$1,870	$2,232	$277	$281.24	$8.57	$566
16	$1,926	$2,232	$566	$286.03	$17.56	$870
17	$1,983	$2,232	$870	$290.89	$26.97	$1,188
18	$2,043	$2,232	$1,188	$295.83	$36.82	$1,520
19	$2,104	$2,232	$1,520	$300.86	$47.13	$1,868
20	$2,167	$2,232	$1,868	$305.98	$57.92	$2,232
21	$2,232	$2,232	$2,232	$340.11	$0.00	$340
22	$2,299	$2,746	$340	$345.90	$10.54	$697
23	$2,368	$2,746	$697	$351.78	$21.59	$1,070
24	$2,439	$2,746	$1,070	$357.76	$33.17	$1,461
25	$2,513	$2,746	$1,461	$363.84	$45.29	$1,870
26	$2,588	$2,746	$1,870	$370.02	$57.97	$2,298
27	$2,666	$2,746	$2,298	$376.31	$71.24	$2,746
28	$2,746	$2,746	$2,746	$418.30	$0.00	$418
29	$2,828	$3,377	$418	$425.41	$12.97	$857
30	$2,913	$3,377	$857	$432.64	$26.56	$1,316

The graph below shows a closer look at the Annual RF Contributions. Note that each year's payment increases by CPI's inflation (1.7%), though there is a larger increase after each component replacement. Taken on average, the annual payments increase with construction inflation. Each year's owners equitably save for the component's next replacement cost in this model.



Adding the Annual RF Contributions from every component gives us the total amount that should be saved each year. Saving less than this amount causes or increases a reserve fund deficiency; saving more than this amount reduces an existing deficiency or causes a reserve fund surplus (ignoring extra or forgone interest). The graph on the following page illustrates how the summed total of all components' Annual RF Contributions can change every year. The payments change sporadically from year to year when construction inflation differs from total inflation, though the payments increase with construction inflation on average.



Funding an Existing Reserve Fund Deficiency

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

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

Our Minimum Funding Model illustrates what will happen if the strata corporation makes no funding changes other than increasing the contributions by CPI inflation. Adequate Funding balances equity and practicality by providing a funding model with few or no special assessments, depending on the property's upcoming expenditures.

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

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

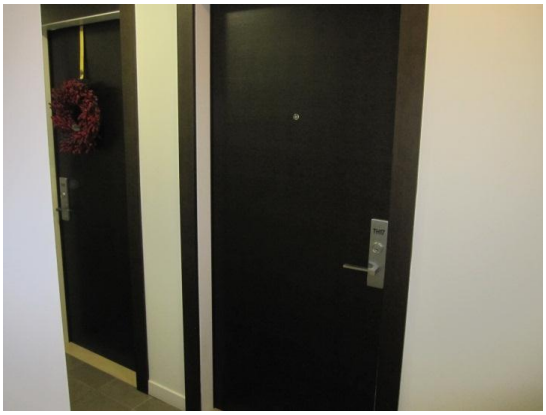
We recommend updating this reserve fund study either after a significant change to the component information and funding schedule, or after three years, whichever comes first. We recommend following the Funding Model proposed in the body of this report for the next three years, provided that this model continues to be accurate.

Appendix E - Reserve Component Descriptions and Analyses

Component 1	Building - Structural and Architectural	Substructure and Underground Garage

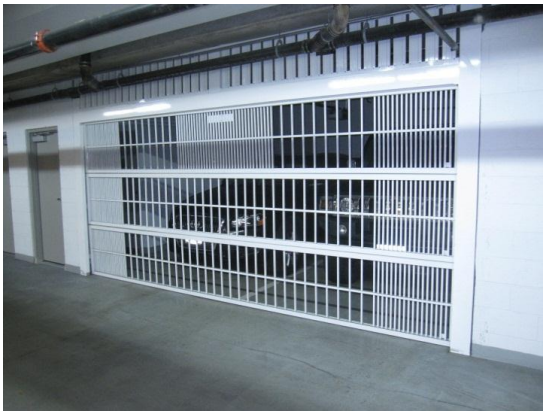
Component Description	This component includes all below-grade portions of the building including footings, basement floors, walls, ceilings, columns, membrane, and expansion joints. These are typically poured concrete or masonry block.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Potential deterioration includes water and road salt penetration of the surface of the concrete in the underground garage. Salt corrosion and water penetration of reinforcing rebar and freeze-thaw cycles could spall concrete in ceilings and walls in underground. Hydraulic pressure caused by poor drainage and settling could also cause concrete cracking. The membrane can be damaged by cracked concrete, wear and tear, and material breakdown due to age.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	20 years
	Effective Age	5 years
	Remaining Lifespan	15 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Remove finish material, clean and patch, perform slab edge repair if required including injection of sealant and resurface materials. A budget equal to 10% of the estimated cost of the component is provided for periodic major repairs every 20 years.
	Quantity	1,000 LF
	Job Cost	$104,864.88
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. The life of this component may be prolonged by effective maintenance which include regular visual inspection of the walls, columns, and slab edges for signs of cracking.	

Component 2	Building - Structural and Architectural	Common Door Assemblies - Wood



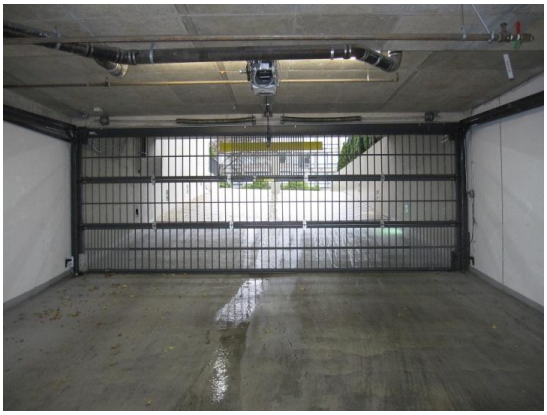
Component Description	Common door assemblies are generally manufactured or pre-hung fire-rated wood doors. These doors are manufactured to the standard fire prevention ratings of 20-minute, 45-minute, 60-minute, and 90-minute. Fire-rated doors are an integral part of not just the building's passive fire-protection system but the building's overall fire protection.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Door hardware is subject to failure due to the constant usage in high traffic areas, such as busy corridors. Constant usage can lead to misalignment. Other common issues are holes or openings in the door assembly, improper gaps, and failure to latch.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	30 years
	Effective Age	5 years
	Remaining Lifespan	25 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Entire door system can be replaced or door jams and hardware can be replaced as required.
	Quantity	95 Doors
	Job Cost	$66,468.49
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. The life of this component may be prolonged by effective maintenance and repairs as required.	

Component 4	Building - Structural and Architectural	Garage Door Assemblies - Metal



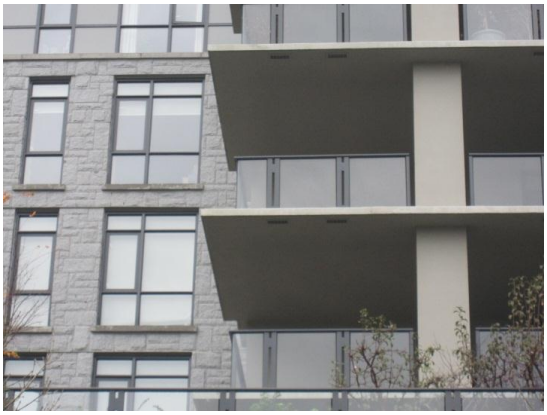
Component Description	Garage door assemblies may include single or double overhead wood / metal / fiberglass doors with automatic garage door openers, laser eye safety system and a pulley and spring system.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Deterioration may occur from exposure to the sun and atmospheric chemicals. Physical impacts should be addressed when they occur.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	40 years
	Effective Age	5 years
	Remaining Lifespan	35 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Removal and disposal of existing assembly, repairs or replacement as required. Appropriate safety precautions will be required.
	Quantity	17 Doors
	Job Cost	$58,678.80
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. The life of this component may be prolonged by effective maintenance which could include regular inspection of the door and track assembly.	

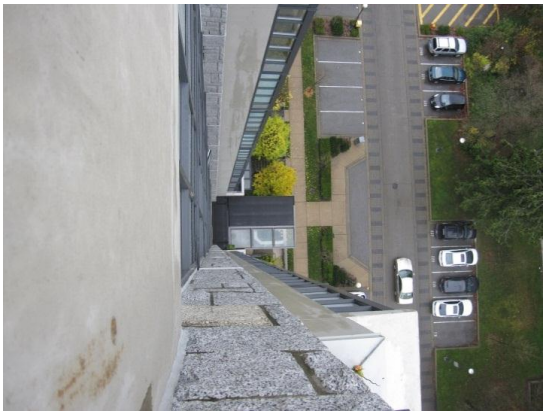
Component 5	Building - Structural and Architectural	Overhead Security Gate



Component Description	A typical overhead door consists of several panels hinged together that roll along a system of tracks guided by rollers. Security gates are used to control vehicle access to specific areas. Gates are typically operated electronically, either by remote control or through some type of secure access system such as an intercom or card / fob reader.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	The track and rolling mechanism is subject to wear and tear from continuous use. Electronic failure of controls and access equipment. Mechanical failure of wheels or operator. Accidental collision or physical damage from shifts in building envelope. Exposure to the elements including corrosion.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	20 years
	Effective Age	5 years
	Remaining Lifespan	15 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	The bearings, hinges, and rollers should be lubricated for proper and safe operation. Torsion springs should also be lubricated with a light coat of penetrating oil to reduce the friction between the coils and eliminate any noises and increase the life of the springs.
	Quantity	2 Doors
	Job Cost	$24,237.75
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. The life of this component may be prolonged by effective maintenance which could include new springs, rollers and tracks. Repairs as required.	

Component 6	Building - Structural and Architectural	Wall Assemblies - Brick Siding



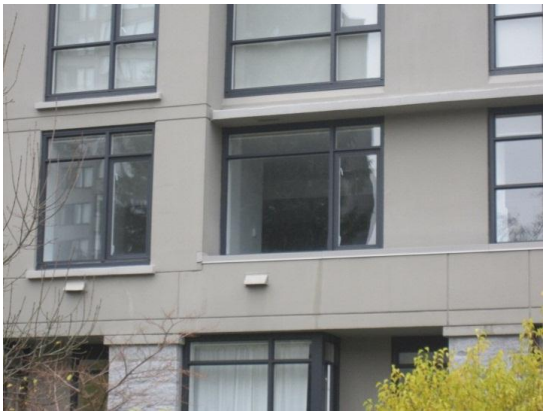


Component Description	Brick is primarily made from clay and shale which is then fired through a kiln at up to 2000 degrees. This process is called vitrification, which enables the clay particles to fuse together. Brick can last centuries and likely won't require patching or repairs for the first twenty-five years. Brick is a building material that has exceptional "thermal mass" properties. Thermal mass is the ability of a heavy, dense material to store heat and then slowly release it.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Because bricks are porous – they expand or contract according to moisture levels and thermal influences – water is the principal cause of deterioration in brick at the building envelope. Mortar joint deterioration common. Water infiltration may cause staining and efflorescence, cracking/spalling/displacement, and deterioration in mortar joints.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	25 years
	Effective Age	5 years
	Remaining Lifespan	20 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Typically the brick requires re-pointing. Install new mortar and tool to a concave surface to draw water away from brick. Damaged bricks can be chiseled out and replaced. A budget equal to 15% of the estimated cost of the component is provided for periodic major repairs every 25 years.
	Quantity	4,500 SF
	Job Cost	$37,590.54
Deficiency Analysis	The stone finish appears to be in good condition. There are several areas of motar joint weakness. This should be addressed. The life of this component may be prolonged by effective maintenance which could include spot re-pointing, application of a brick sealant at regular intervals, and repairs as required.	

Component 7	Building - Structural and Architectural	Wall Assemblies - Concrete Siding

Component Description	Poured in place concrete wall assemblies are commonly constructed of materials built up in layers. In addition the application of a sealant to the exterior surface is required to maintain concrete integrity. Concrete wall assemblies can also be "Pre-cast" when used as suport for Curtain wall construction.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	One of the most common problems with concrete walls is cracking. Cracks can be benign or serious, depending on the location of the crack, the size, and the direction of the crack. Earthquakes, impact and settling of the underlying ground can result in cracking of the concrete. Water ingress may cause further cracking and corrosion.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	20 years
	Effective Age	5 years
	Remaining Lifespan	15 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Provided damage is structural, the wall can be injected with a flexible sealant. Other repair options may include spot replacement of damaged concrete and patchwork. A budget equal to 10% of the estimated cost of the component is provided for periodic major repairs every 20 years.
	Quantity	3,000 SF
	Job Cost	$103,013.50
Deficiency Analysis	There are some areas of efflorescence on the concrete. This could be due to water ingress in some components. Some fasteners of canopies show corrosion at the concrete. There are some minor cracks in various areas. The life of this component may be prolonged by effective maintenance which include regular visual inspection of the walls for signs of cracking.	

Component 11	Building - Structural and Architectural	Wall Assemblies - Window Wall



Component Description	Window walls are composed of vertical and horizontal metal framing members containing operable windows. These are nonbearing glass walls attached to the building's exterior structural frame.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Windows are susceptible to the environment and weathering. Leaks can develop due to impact damage, seal deterioration, and improperly installed flashing.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	30 years
	Effective Age	5 years
	Remaining Lifespan	25 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Removing and replacing the damaged window. Flashing and seal materials for trim. A budget equal to 30% of the estimated cost of the component is provided for periodic major repairs every 30 years.
	Quantity	5,000 SF
	Job Cost	$114,431.39
Deficiency Analysis	Some window wall seals appear to be weak or missing. Some plastic caps are missing. The life of this component may be prolonged by effective maintenance which could include applying new sealant regularly, and repairs as required.	

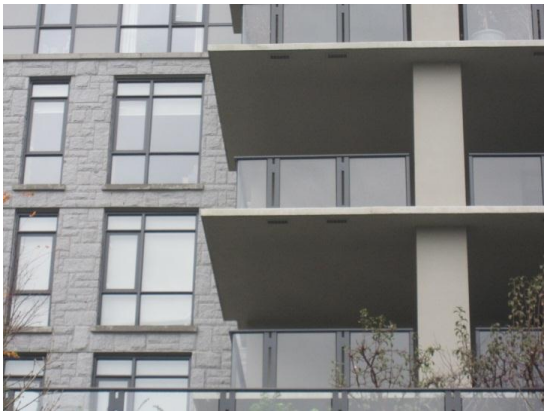
Component 15	Building - Structural and Architectural	Canopy - Glass

Component Description	This component is a glass canopy system. The component consists of a metal support structure with glazing. These are affixed to the side of the building with metal fasteners and bolts. System includes sealant and gaskets for limiting moisture ingress.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Physical impacts can break glass. Exposure to elements can undermine connectors and metal. Metal fatigue, seismic pressures and corrosion can affect structures stability. Seals and gaskets can deteriorate from UV light and exposure to elements.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	30 years
	Effective Age	5 years
	Remaining Lifespan	25 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Remove and replace as required. Ensure connection to building envelop remains sealed.
	Quantity	1,800 SF
	Job Cost	$312,191.33
Deficiency Analysis	Some corrosion noticed at the junction of the concrete and metal canopy. The life of this component may be prolonged by effective maintenance which could include new caulking and sealant at regular intervals, and repairs as required.	

Component 16	Building - Structural and Architectural	Caulking and Weather-Stripping

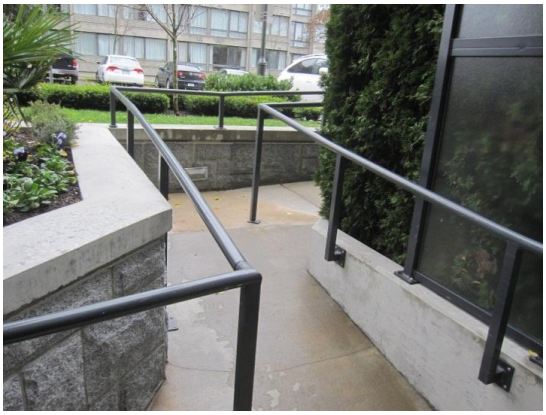
Component Description	This component consists of all building caulking, silicone, weather-stripping, and polyurethane elastomeric sealant. It is applied around windows, exterior doors, roof flashing, rooftop equipment, and parapet walls. It would also include the sealant around moving components such as windows and doors.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Sealants or gaskets can dry out and crack as a result of drying and thermal expansion / contraction. Caulking relies on flexibility to maintain seals between building materials and gradually succumbs to elements such as sunlight, rain, and temperature fluctuations. The caulking hardens and cracks allowing water penetration and heat loss.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	18 years
	Effective Age	5 years
	Remaining Lifespan	13 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Removal of existing caulking, installation of new caulking. Appropriate safety precautions will be required including, safety harness and any require scaffolding. A budget equal to 50% of the estimated cost of the component is provided for periodic major repairs every 18 years.
	Quantity	10,000 LF
	Job Cost	$17,659.95
Deficiency Analysis	Some caulking is drying out and brittle. Some areas of transition are not sufficiently caulked or sealed. Regular upkeep of seals will prevent problems as a result of moisture infiltrating the building envelope and window assemblies and can extend the overall life of protected assemblies.	

Component 17	Building - Structural and Architectural	Balcony Floor Construction - Concrete



Component Description	Exposed balconies should have a durable floor surface such as concrete, tile, timber, or composite flooring with the appropriate seal / coating or stain. Smaller balconies may be an extension of the floor beams or slab and have the same support structure. Larger balconies may need to be propped up with columns or posts.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Includes exposure to the elements which may cause water seepage leading to subsequent weakening of the membrane. Physical damage may occur from debris, moss and algae, and impact damage.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	50 years
	Effective Age	5 years
	Remaining Lifespan	45 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Removal and disposal of existing assembly, repairs or replacement as required. Appropriate safety precautions will be required.
	Quantity	18,000 SF
	Job Cost	$291,373.42
Deficiency Analysis	Some membrane on the Concrete eyebrows should be reviewed. The life of this component may be prolonged by effective maintenance which could include regular inspection for moisture seepage and keeping the floor free from debris.	

Component 18	Building - Structural and Architectural	Common Exterior Railings - Metal



Component Description	Railings are an integral part of the building safety structure. Typical construction includes a rail system with posts bolted to the floor and wall.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Railings can suffer from various deterioration, due primarily to exposure to the elements. Water can cause the metal to rust and weaken, penetration into concrete will weaken fasteners. Impacts can break glazing and dent metals. Railings can be replaced for aesthetic reasons.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	30 years
	Effective Age	5 years
	Remaining Lifespan	25 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Remove and dispose of deficient material. Replace railing system with appropriate new components. Assure fasteners are secure and safety precautions are taken. Working from scaffolding where required. A budget equal to 10% of the estimated cost of the component is provided for periodic major repairs every 30 years.
	Quantity	3,600 LF
	Job Cost	$26,734.33
Deficiency Analysis	Metal railings should be inspected regularly. Some fasteners are loose and some corrosion noted. The life of this component may be prolonged by effective maintenance which could include replacing worn fasteners or damaged railings as required.	

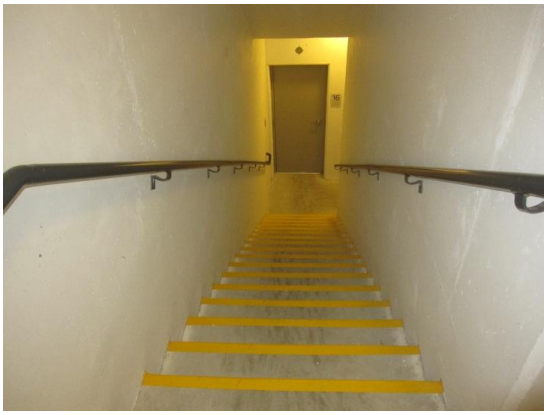
Component 19	Building - Structural and Architectural	Roof Assembly - Single Ply Membrane

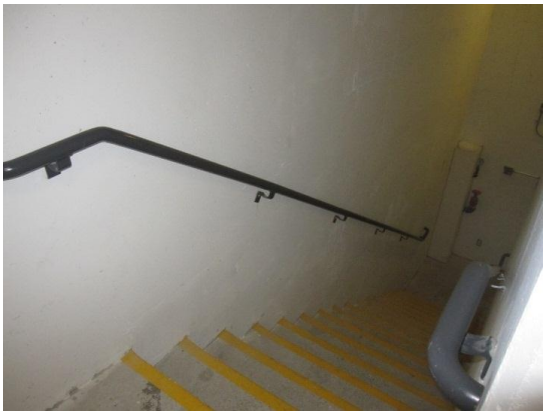
Component Description	A roof system in which the principal roof covering is a single layer of flexible membrane often thermoset or thermoplastic. Thermoset membranes are compounded from synthetic rubber polymers, and the most commonly used polymers are EPDM, CSPE and Neoprene. Two of the most commonly-used thermoplastic single-ply membranes are PVC and TPO, both of them plastic-based materials.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Roofing systems are susceptible to weather. Due to the thinner surface, these roof systems can be easily punctured. They have a relatively shorter life span than other roofing material and can be susceptible to water retention and seam failure.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	20 years
	Effective Age	5 years
	Remaining Lifespan	15 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Cut away and remove damaged or failed roofing material. Replace underlay or insulation material as required. Clean sub surface and apply new membrane. Care to maintain solid seam finish and appropriate flashing at connector points.
	Quantity	5,700 SF
	Job Cost	$36,394.84
Deficiency Analysis	Membrane appears to be in good condition. There is some debris which could damage the membrane. Ballast should be distrubuted evenly. The life of this component may be prolonged by effective maintenance which could include patching and repairs as required.	

Component 20	Building - Finishes and Decoration	Exterior Building Painting

Component Description	This reserve item considers the preparation, priming, and painting of the exterior surfaces of the building. The type of paint which is suitable will be dependent on several factors, including the type of surface. Generally, applying the same type of paint as the original (e.g.. latex over latex or alkyd over alkyd) works best. Additionally, surface preparation, primer coats, and differing application methods must be considered.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Includes exposure to the elements, such as wind, rain, snow, freeze-thaw cycles, and extreme temperature changes. UV light may deteriorate the paint and cause fading. Physical damage may occur from debris, vandalism, and impact damage.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	18 years
	Effective Age	5 years
	Remaining Lifespan	13 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Preparation of the surfaces to be painted, including potentially sanding, scrapping, masking, primer coat(s), and finish coats, followed by clean up. Additional special conditions may include scaffolding where required, safety precautions, and safeguarding the work area perimeter.
	Quantity	12,000 SF
	Job Cost	$81,196.92
Deficiency Analysis	Some minor areas of paint fading and flaking. The life of this component may be prolonged by effective maintenance which could include regular inspection for damage and subsequent touch-ups / repairs as required.	

Component 21	Building - Finishes and Decoration	Interior Stairwell Painting



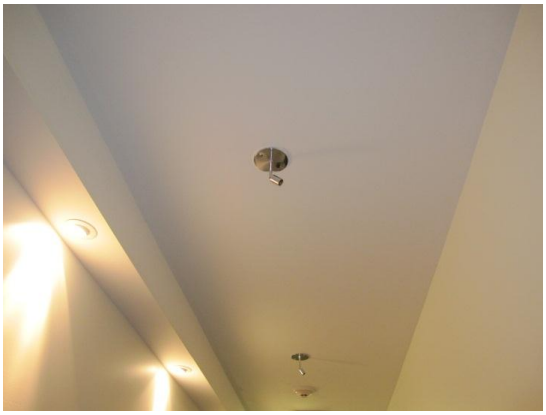


Component Description	Interior stairwell painting is comprised of painting the stair lines, railings, and markings in the interior stairwells of the building.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Includes fading from wear and tear and vandalism. Contributing factors include physical damage and deterioration over time.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	25 years
	Effective Age	5 years
	Remaining Lifespan	20 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Removal of any vandalism markings and re-painting the stair lines / markings as needed.
	Quantity	40,000 SF
	Job Cost	$137,354.33
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. The life of this component may be prolonged by effective maintenance which could include regular inspection for paint fading due to wear and tear and repaint as required.	

Component 22	Building - Finishes and Decoration	Underground Garage Markings

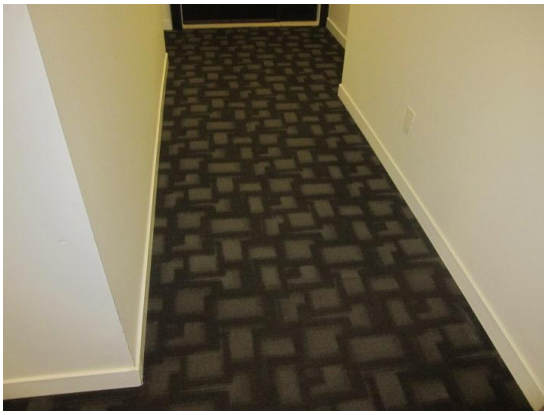
Component Description	Includes painting of concrete and asphalt surfaces such as concrete blocks, asphalt speed bumps, painted lines on concrete or asphalt for reserved / visitor parking stalls, and concrete safety columns.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Subject to wear and tear and impact damage, as well as exposure from weathering.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	12 years
	Effective Age	5 years
	Remaining Lifespan	7 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Remove existing lines, prep surfaces, check for moisture in concrete, prime, paint and seal.
	Quantity	48,000 Stalls
	Job Cost	$15,424.68
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. The life of this component may be prolonged by effective maintenance which could include power washing, regular staining and regular inspection for damage.	

Component 23	Building - Finishes and Decoration	Interior Common Corridor Painting



Component Description	This component refers to the common corridors inside the building. Component includes paint on walls and trim, and includes preparation for masking and finish. Interior latex paint is applied on common area walls and ceilings over a seal coat. Interior wood trim is painted with lacquer or gloss paint. Includes common side of doors. Excludes integrated construction unless noted. Excludes damage from repair work. Includes doors, casings, and trims as appropriate.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Interior paint can deteriorate from UV sources, physical damage or water / moisture ingress. Repainting can also be done for aesthetic reasons.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	15 years
	Effective Age	5 years
	Remaining Lifespan	10 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Preparation of painted surface is required. Typically includes washing, sanding and priming surface. Two coats are applied on the surface. Masking of fixtures and painting of trim.
	Quantity	38,000 SF
	Job Cost	$41,219.76
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. The life of this component may be prolonged by effective maintenance which could include cleaning and maintaining a controlled environment.	

Component 24	Building - Finishes and Decoration	Interior Common Corridor Flooring



Component Description	This component is the flooring finish in the enclosed hallway area inside the building. This area is subject to high traffic volume. The life of the flooring differs with the type of material used. The material used could include carpet, linoleum, tile, or wood.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Due to high traffic volume, the material used as flooring would be subject to cracking, breakage, fading of colour, and deterioration.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	15 years
	Effective Age	5 years
	Remaining Lifespan	10 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Replacing the damaged area or replacement of the entire area depending on the scope of the deterioration.
	Quantity	4,800 SF
	Job Cost	$103,294.02
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. The life of this component may be prolonged by effective maintenance including carpet cleaning and repairs as required.	

Component 25	Building - Finishes and Decoration	Interior Common Area Lighting

Component Description	Interior lighting fixtures are typically fluorescent, incandescent, and halogen. Incandescent fixtures can accommodate compact fluorescent replacement lamps. Fixtures are mounted on walls or ceilings. Fixtures are frequently continually on or controlled by sensors in public areas and controlled with switches in non-public common areas. They include housings and ballasts. Bulbs are replaced as part of regular maintenance, as well as switched and sensors. Includes all lighting in parking garage, storage rooms, corridors and other common areas.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	The interior lighting is primarily susceptible to impact damage and vandalism. Over time the lighting may be changed due to redecorating of the common areas or functional obsolescence as replacement bulbs and parts become difficult to find and more efficient methods become available.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	20 years
	Effective Age	5 years
	Remaining Lifespan	15 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Removal and disposal of existing assembly, repairs or replacement as required to the drywall and installation of the new assembly. Upon replacement, it may be advisable to switch to LED lighting depending on cost, repayment time, and availability.
	Quantity	90 Lights
	Job Cost	$66,993.65
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. The life of this component may be prolonged by effective maintenance which could include regular inspections and repairs as required.	

Component 26	Building - Finishes and Decoration	Lobby Renovation

Component Description	This component comprises all of the reserve items and materials of the common lobby area(s), including flooring, wall finish, ceiling finish, fixtures, furnishings, and decorations.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	This component will typically experience wear and tear from owner and visitor use, which could include marking / damage to the wall surfaces including impact damage, damage to the flooring due to use, obsolescence of fixtures and furnishings due to diminished utility or dated design / aesthetics.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	22 years
	Effective Age	5 years
	Remaining Lifespan	17 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Will comprise renovations which may including removal and disposal of old furnishings and fixtures, potentially re-painting/wallpapering, re-flooring, and replacement of fixtures and furnishings. Special conditions may include staged project completion due to access limitations.
	Quantity	365 SF
	Job Cost	$17,091.44
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. The life of this component may be prolonged by effective maintenance which could include regular inspection for damage and subsequent repairs as required.	

Component 27	Building - Finishes and Decoration	Elevator Cab Renovation

Component Description	This component covers the repair and replacement of the interior of the elevator cabs, including the flooring, wall panels, ceiling panels, ventilation fan, paint, light fixtures, and railings. This component does not include safety features, mechanical or electrical components within the elevator enclosure.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	The elevator cabs are most prone to impact damage caused by moving items in and out. Further damage is caused by wear and tear and vandalism. Most cab interiors are constructed of materials to allow for a certain resistance to deterioration of this type.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	22 years
	Effective Age	5 years
	Remaining Lifespan	17 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Removal and disposal of existing assembly, repairs or replacement as required, and installation of the new assembly.
	Quantity	2 Cabs
	Job Cost	$46,732.72
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. The life of this component may be prolonged by effective maintenance which could include regular inspections and repairs as required.	

Component 28	Building - Mechanical Systems	Domestic Water Supply

Component Description	Supply system to provide hot and cold water to the building via a main distribution system. Typically includes risers, branch lines, valves and backflow preventers. Backflow preventers are required on the main service and where irrigation and fire sprinkler systems connect to the water supply.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Pinhole leaks at elbows. Contact between dissimilar metals can cause deleterious electrochemical reactions. Turbulence caused by improper bends and soldering can create leaks. Connections to fixtures can wear and break. Plastic resins can chemically change over time and become brittle. Vibration and stress can weaken joints. Valves can seize.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	20 years
	Effective Age	5 years
	Remaining Lifespan	15 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Full-scale replacement of plumbing systems is not typical. A budget equal to 20% of estimated cost of the component is provided for periodic major repairs every 20 years.
	Quantity	1 System
	Job Cost	$102,087.29
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. The life of this component may be prolonged by effective maintenance which could include replacing worn or corroded pipes as required.	

Component 29	Building - Mechanical Systems	Sprinkler System

Component Description	A fire sprinkler system is an active fire protection measure, consisting of a water supply system that provides adequate pressure and flow rate to a water distribution piping system, onto which fire sprinklers are connected. The most common types of fire sprinkler systems are Wet and Dry pipe systems. They are used for different environments.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Fire sprinkler systems are composed of various components such as valves, pumps, and gauges. These components are susceptible to mechanical failure.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	25 years
	Effective Age	5 years
	Remaining Lifespan	20 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	A fire sprinkler system needs to be maintained regularly to comply with numerous regulations. The System is inspected and tested for operational readiness, and parts failure. A budget equal to 10% of the estimated cost of the component is provided for periodic major repairs every 25 years.
	Quantity	1 System
	Job Cost	$72,057.16
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. The life of this component may be prolonged by effective maintenance.	

Component 30	Building - Mechanical Systems	Hot Water Storage Tanks

Component Description	A hot water storage tank is used to store hot water for domestic use. Hot water tanks may have built-in heaters or may use an external heat-exchanger from another system, including gas, oil, and electric.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Corrosion and limestone deposits can build up inside the tanks causing leaks. The burners and thermal coupling units may fail.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	15 years
	Effective Age	5 years
	Remaining Lifespan	10 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Removal and disposal of old tanks. Replace with new tanks.
	Quantity	3 Tanks
	Job Cost	$9,191.98
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. Replacement is recommended at the end of the manufacturer's recommended life.	

Component 31	Building - Mechanical Systems	Terminal & Packaged Units - Air Handling

Component Description	Air handling units (AHU) typically include a blower, heating and / or cooling elements, and dampers. Other accessories include sound and vibration dampeners. AHUs that handle 100% outside air are called make-up air units (MUA) and AHUs that are located on roofs are called rooftop units (RTU.) Heating sections can be hydronic, direct-fired, or indirect-fired. Cooling sections can be evaporative or use a chilled water loop from an integrated or separate chiller unit.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Pinhole leaks and mineral accumulation in hot water loops. Burners in fuel-fired equipment can deteriorate. Electrical failure of fans and controls. Cooling sections can leak. Metal cabinets can corrode.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	20 years
	Effective Age	5 years
	Remaining Lifespan	15 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Remove existing equipment and controls so connections can be reused, replace with similar equipment, and balance and re-commission the system.
	Quantity	12 Units
	Job Cost	$53,355.92
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. The life of this component may be prolonged by effective maintenance which could include periodic inspection and repair or replacement of damaged motors and air handling systems.	

Component 32	Building - Mechanical Systems	Special and Exhaust Equipment

Component Description	Exhaust equipment provides ventilation for underground parkades.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Environmental elements, physical damage, wear and tear, metal fatigue or failure of equipment and parts.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	20 years
	Effective Age	5 years
	Remaining Lifespan	15 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Removal and disposal of failed equipment or parts and replacement of such parts as required.
	Quantity	1 System
	Job Cost	$6,928.46
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. The life of this component may be prolonged by effective maintenance.	

Component 33	Building - Mechanical Systems	Elevator Replacement - Traction

Component Description	In a traction elevator, cars are pulled up by means of rolling steel ropes over a deeply grooved pulley, commonly called a sheave. It is comprised of the mechanical & electrical sections that include the hoist machinery, sheaves, DC generator selectors, dispatcher, and associated equipment. This also includes the rails, counterweights, hoist rope, and wiring in the elevator shaft. The electric traction elevators have overhead A/C motors and semi-conductor-based control panels. The elevator equipment room is usually located on the top level of the	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Wear of equipment (door operators, cab controllers and motors). These components are susceptible to mechanical and electrical failures that will increase with frequency of use as the equipment ages. Typical failure includes mechanical breakdown of bearings, gears, valves, and door operators as well as electrical failure of relays, contractors, motor windings brushes, computer processors and buttons.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	30 years
	Effective Age	5 years
	Remaining Lifespan	25 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Removal and replacement of cab, traction system, and ancillary elevator equipment, including a 50% door budget. This component has been phased over 2 years in order to allow an elevator to remain in operation. This is also budgeted at 50% replacement at 30 years.
	Quantity	1 Elevator
	Job Cost	$342,874.56
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. Maintenance routines and preventive maintenance are required.	

Component 35	Building - Electrical Systems	Electrical Distribution System and Fixtures

Component Description	The building is served by a transformer that is the property of BC Hydro. The power is stepped down in a main electrical room through various breaker panels. There are individual breaker panels for each strata unit, which are not included in this component. The wiring consists of shielded cable and copper wire inside metal conduit.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Includes potential loosening of connections, component failure, degrading of wire.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	20 years
	Effective Age	5 years
	Remaining Lifespan	15 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Removal and replacement of components as required. A budget equal to 20% of the estimated cost of the component is provided for periodic major repairs every 20 years.
	Quantity	1 System
	Job Cost	$61,847.33
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. The life of this component may be prolonged by effective maintenance which could include regular inspection and subsequent repairs as required.	

Component 36	Building - Electrical Systems	Entry System - Intercom

Component Description	Entry phone systems are located at the entry point to the common area of the building, typically in the front lobby. There are several different types of systems. These typically include a terminal with alpha numeric display and a key pad. These systems are usually tied into the main entry door via a mag lock or electrical lock release system.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	This component can suffer electrical failure from wear and tear or exposure to elements. In addition, vandalism or physical damage can occur. Typically these units are replaced when they become functionally obsolete or when parts become unavailable or superior equipment becomes available. Exterior terminals will tend to have a shorter service life.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	20 years
	Effective Age	5 years
	Remaining Lifespan	15 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Removal of old system installation and setup of replacement system. Integration with connected components where required.
	Quantity	1 System
	Job Cost	$20,180.96
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. The life of this component may be prolonged by effective maintenance and adequate protection from the elements.	

Component 37	Building - Electrical Systems	Security / Surveillance System

Component Description	Security systems vary in complexity and could feature master control panels, remote controls, perimeter sensors for doors and windows, motion sensors, passive infrared sensors, wireless devices, interior and exterior sirens, bells, electronic buzzers, strobe lights to provide audio and visual detection, and glass break sensors.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	This component can suffer electrical failure from wear and tear or exposure to elements. In addition, vandalism or physical damage can occur. Typically these units are replaced when they become functionally obsolete or when parts become unavailable or superior equipment becomes available. Exterior terminals will tend to have a shorter service life.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	10 years
	Effective Age	5 years
	Remaining Lifespan	5 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Replacement of the inoperative component. A budget equal to 50% of the estimated cost of the component is provided for periodic major repairs every 10 years.
	Quantity	1 System
	Job Cost	$6,183.10
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. The life of this component may be prolonged by effective maintenance which includes regular inspection of the components for failure.	

Component 38	Building - Electrical Systems	Emergency Generator

Component Description	This component covers the major repair and/or replacement of the emergency generator, fuel tank, and battery. The generator services the emergency electrical needs of the building. The generator can be either diesel or natural gas-fired.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Generators are most prone to mechanical damage caused by poor maintenance procedures and policies, including lack of testing / use. Further damage is caused by general wear and tear over time. Generally functional obsolescence can become a factor as the generator ages and replacement parts become unavailable.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be good condition for its age.	
Life Cycle Analysis	Expected Lifespan	40 years
	Effective Age	5 years
	Remaining Lifespan	35 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Removal and disposal of existing assembly, repairs or replacement as required and installation of the new assembly. A budget equal to 50% of the estimated cost of the component is provided for periodic major repairs every 40 years.
	Quantity	1 Generator
	Job Cost	$17,651.48
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. The life of this component may be prolonged by effective maintenance which could include regular inspections and repairs as required.	

Component 39	Building - Electrical Systems	Fire Alarm System

Component Description	An automatic fire alarm system is designed to detect fire by monitoring environmental changes associated with combustion. In general, a fire alarm system is classified as either automated, manual, or both. Automatic fire alarm systems are intended to notify the building occupants and emergency service responders in the event of a fire or other emergency. The system may include pull stations, enunciators, a fire panel, heat and smoke detectors, fire hoses, and fire extinguishers.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Includes electrical failure, vandalism, and functional obsolescence. Exterior terminals will tend to have a shorter service life.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	15 years
	Effective Age	5 years
	Remaining Lifespan	10 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Repair and / or replacement of system after results of regular testing periods. A budget equal to 50% of the estimated cost of the component is provided for periodic major repairs every 15 years.
	Quantity	1 System
	Job Cost	$17,973.34
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. Periodic fire alarm testing is required.	

Component 40	Building - Amenities	Storage Lockers

Component Description	Storage lockers are typically located in common areas of the building. They are typically built of wood or chain link. This component includes gates, wire mesh to ceiling, hinges, floor fasteners, and latch / hardware.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Includes wear and tear on latches / hinges / floor fasteners, impact damage, vandalism, wear and tear, moisture, and corrosion or rot if humidity is high.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	30 years
	Effective Age	5 years
	Remaining Lifespan	25 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Repairs or replacement as required to the lockers, latches, hinges, and floor fasteners. A budget equal to 50% of the estimated cost of the component is provided for periodic major repairs every 30 years.
	Quantity	1 Locker
	Job Cost	$8,094.53
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. The life of this component may be prolonged by effective maintenance which could include regular inspection for damaged lockers / latches / hinges / floor fasteners and repair / replace as required.	

Component 41	Building - Amenities	Mailboxes
		
Component Description	Mailboxes are typically comprised of metal boxes with locks / hardware and their associated structure.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Exterior mailboxes suffer from exposure to environmental elements which may cause rusting and can affect the general quality of appearance over time. Physical damage may occur from debris, wear and tear, and impact damage. Interior mailboxes may suffer from wear and tear or vandalism.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	25 years
	Effective Age	5 years
	Remaining Lifespan	20 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Removal and disposal of existing mailboxes and associated structure and repair / replace as required.
	Quantity	1 Mailbox
	Job Cost	$830.74
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. The life of this component may be prolonged by effective maintenance which could include regular maintenance of associated structure to protect the mailboxes from the elements, and repair / replace as required.	

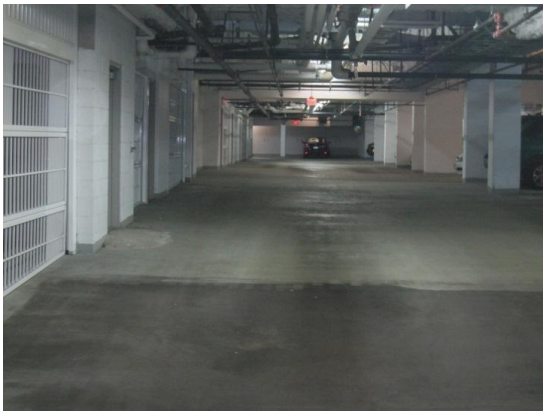
Component 42	Building - Amenities	Amenity Room

Component Description	This component comprises all of the reserve items and materials of the common amenity room, including flooring, wall finish, ceiling finish, fixtures, furnishings, and decorations.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	This component will typically experience wear and tear from owner and visitor use, which could include marking / damage to the wall surfaces including impact damage, damage to the flooring due to use, obsolescence of fixtures and furnishings due to diminished utility or dated design / aesthetics.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	20 years
	Effective Age	5 years
	Remaining Lifespan	15 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Removal and disposal of old furnishings and fixtures, potentially re-painting / wallpapering, re-flooring, and replacement of fixtures and furnishings. Special conditions may include staged project completion due to access limitations.
	Quantity	625 SF
	Job Cost	$28,372.69
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. The life of this component may be prolonged by effective maintenance which could include regular inspection for damage and subsequent repairs as required.	

Component 43	Common Site Improvements	Site Services - Sewer and Water

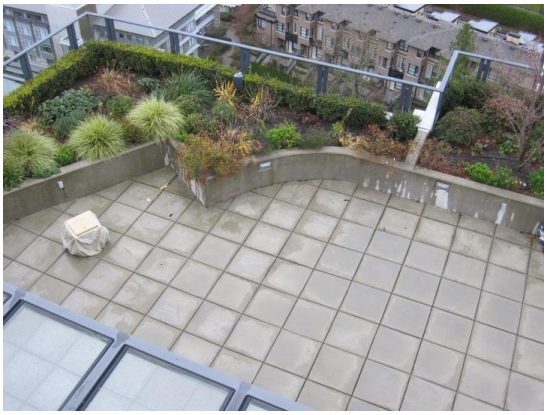
Component Description	This component refers to sub-surface piping such as sewer system and drainage, and water supply system from roadway to building main. Storm sewer system includes storm sewer lines, catch basins, man holes, and connections to the individual units. Sanitary sewer system includes lines and service connections. Also includes any ancillary equipment such as sump pumps and sewage pumps and tanks.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	This component can be affected by erosion, freeze / thaw cycles, corrosion, and in some cases physical damage from excavation.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	30 years
	Effective Age	5 years
	Remaining Lifespan	25 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Excavation and replacement of damaged component on an item by item basis. Will require shut down of building service for the duration. A budget equal to 15% of the estimated cost of the component is provided for periodic major repairs every 30 years.
	Quantity	1 Allowance
	Job Cost	$13,357.73
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. The life of this component may be prolonged by effective maintenance which could include repairs as required.	

Component 44	Common Site Improvements	Concrete Paving and Curbs



Component Description	This component is for additional concrete paving and curbing, not allocated for in walkways or parkade. Concrete is a composite construction material composed primarily of aggregate, cement, and water. Concrete is poured using Slip-form paving or Fixed-form paving. Slip-form is used when large amounts of concrete must be placed efficiently. Fixed-form paving, where stationary forms are placed to hold the concrete mixture.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	The concrete is subject to physical damage from traffic. Additional damage from substrate erosion, freeze / thaw cycles and salt damage. The majority of concrete pavement failures are not caused by failure of the concrete slab but by problems with the materials beneath the slab.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	25 years
	Effective Age	5 years
	Remaining Lifespan	20 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Remove and replace damaged concrete. May have to be done in stages to allow access to continue. A budget equal to 25% of the estimated cost of the component is provided for periodic major repairs every 25 years.
	Quantity	56,500 SF
	Job Cost	$176,725.53
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. The life of this component may be prolonged by effective maintenance which could include applying sealant at regular intervals, and repairs as required.	

Component 45	Common Site Improvements	Concrete Pavers Assembly



Component Description	The concrete pavers, often referred to as paving stones are paving units made from concrete. They are available in a variety of sizes and shapes and can be laid in many patterns and designs. Interlocking pavers form a patterned surface which can be put into service immediately. Pavers are manufactured in various textures and colors.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Settling, cracks, discolouration, and surface damage due to exposure to elements, such as wind, rain, snow, freeze-thaw cycles and extreme temperatures. Physical damage may occur from debris and impact.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	20 years
	Effective Age	5 years
	Remaining Lifespan	15 years
Funding Analysis	Description	has been spent on this component to date.
	Work	Removal and disposal of existing assembly, replacement of damaged pavers as required. Appropriate safety precautions and equipment such as compactor will be required. A budget equal to 15% of the estimated cost of the component is provided for periodic major repairs every 20 years.
	Quantity	15,000 SF
	Job Cost	$98,677.40
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. The life of this component may be prolonged by effective maintenance which could include sealing the surface by acrylic based sealant, regular inspection for damaged pavers, and replacement as required.	

Component 46	Common Site Improvements	Exterior Lighting

Component Description	This component considers all exterior lighting in the complex, including front entry, landscaping, and lamp posts.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Deterioration primarily results from exposure to elements, corrosion and physical damage.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	20 years
	Effective Age	5 years
	Remaining Lifespan	15 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Remove and replace as required. An allowance is allocated for minor electrical work.
	Quantity	90 Lights
	Job Cost	$81,394.45
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. The life of this component may be prolonged by effective continuous maintenance.	

Component 47	Common Site Improvements	Exterior Landscaping

Component Description	Exterior landscaping may be comprised of grass, trees, shrubbery, associated gardens, walkways, irrigation system, and various plants.	
Reserve History	Year of Acquisition	2007
	Description	Original to the building.
Potential Deterioration	Includes exposure to the elements, such as wind, rain, snow, freeze-thaw cycles, and extreme temperature / humidity changes. Some plants are subject to fungus and disease. Additional deterioration can be caused by lack of water and nutrients. Physical damage can occur to the plants.	
Condition Analysis	Based upon a partial visual-inspection, this component appears to be in good condition for its age.	
Life Cycle Analysis	Expected Lifespan	20 years
	Effective Age	5 years
	Remaining Lifespan	15 years
Funding Analysis	Description	No money has been spent on this component to date.
	Work	Replace / repair walkways, irrigation system, diseased or damaged trees, or change landscaping for aesthetic purposes. A budget equal to 10% of the estimated cost of the component is provided for periodic major repairs every 20 years.
	Quantity	1 Allowance
	Job Cost	$9,854.61
Deficiency Analysis	No major deficiencies were noted at the time of visual inspection. The life of this component may be prolonged by effective maintenance, including regular landscaping.	