JRS ENGINEERING
BUILDING ENVELOPE CONSULTANTS

DEPRECIATION REPORT

GEORGIA COURT
1823 EAST GEORGIA
VANCOUVER, B.C.

PREPARED FOR: The Owners, Strata Plan LMS 582
c/o AA Property Management Ltd.
8600 Cambie Road
Richmond, BC

DATE: **NOVEMBER 4, 2015**

JRS PROJECT: VR14332

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PREFACE

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

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

In accordance with Strata Property Regulation requirements, JRS Engineering Ltd. confirms that it and its employees, directors and affiliates are unaware of any conflicting relationship with the Strata Corporation. This Depreciation Report is being provided independently, with no other purpose than to provide the Strata Corporation with an objective report in accordance with the Engineering Services Agreement executed on March 26, 2015.

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1.0 EXECUTIVE SUMMARY

JRS Engineering Ltd. (JRS) was retained by The Owners, Strata Plan LMS 582 to complete a Depreciation Report on Georgia Court, located at 1823 East Georgia, Vancouver, B.C.. The purpose of this report is to assist in allocating the anticipated reserve fund expenditures associated with the major systems and components of the building. This executive summary should be read with the rest of the report in its entirety to recognize the full context.

Based on a 30-year outlook, it is necessary for the Strata Corporation to increase its Contingency Reserve Fund (CRF) contributions. Given the consistent large operating surpluses in recent years, this should not require large increases to fees. The Strata Corporation's budgeted CRF contribution was approximately $2,000, however the total capital capacity was much larger, approximately $10,000 when prior years' operating surplus is counted (in 2014/15 this surplus was used to fund hallway painting). We recommend you increase your CRF contributions per the Graduated Hybrid model presented in Appendix D, both by diverting operating surpluses to the CRF and possibly by increasing strata fees.

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

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

1. Prepare for possible targeted renewals on the wood retaining walls.
2. Consider planning for replacing the wood benches in the courtyard, this should be done in conjunction with the retaining wood wall renewals.
3. Plan for potential renewals for the interior carpet, in the hallways and staircases.

Although there are recommendations in place for renewals in the next 5 years, regular maintenance potentially could extend the life of the assets.

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

ITEM		COST
Current Replacement Costs	$	1,955,285
Future Replacement Costs	$	4,190,069
Current Reserve Fund Requirements	$	693,171
Future Reserve Fund Requirements	$	3,402,446
Current Annual Reserve Fund Contributions	$	2,000
Theoretical Fully Funded Annual Reserve Fund Contributions	$	129,534
Target Annual Reserve Fund Contributions (50%)	$	64,767

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

The Baseline model consists of current contribution levels or the statutory minimum (10% of the operating budget, unless 25% of the operating budget is maintained in the CRF), whichever is higher. In this case, it is the latter. This would lead to numerous special levies within the 30-year outlook.

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

The Graduated Hybrid model is a funding strategy that JRS recommends, which will allow the Strata Corporation to gradually increase their contributions to 50% of a fully funded contribution level by 2020, then implementing inflationary increases – minimizing the frequency and amount of potential of special levies.

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

2.0 TERMS OF REFERENCE

As the information of all Depreciation Reports is comprehensive and subjective, a draft report was issued on October 28, 2015 in order to obtain feedback and commentary on any chronological mistakes and reporting errors. We have acknowledged all comments and made all appropriate revisions that we feel prudent and technically justifiable. It is important to understand that these reports are intended to be dynamic, "work-in-progress documents", which should be continually updated to be practical documents.

2.1 GENERAL LIMITATIONS

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

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

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

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

2.2 REPORT ORGANIZATION

Section 1.0 presents an executive summary of the depreciation report.

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

Section 3.0 presents an introduction to the report. This includes a brief background to Depreciation Reports, methodology used to create one, a

general description of all reserve systems and components, as well as a short note on updating the report.

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

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

Section 6.0 presents our recommendations to the Owners.

Section 7.0 presents our report closure and limitations.

Included as part of this report are the following appendices:

Appendix A – Technical Inventory - Component Descriptions

Appendix B – Replacement Costs (Benchmark Analysis)

Appendix C – Funding Models and Cost Projections

Appendix D – Cash Flow Table

2.3 BUILDING DESCRIPTION

Georgia Court is a residential, strata-owned condominium complex consisting of one wood-frame building that contains 39 units throughout four floors. The building is located on the corner of East Georgia Street and Salsbury Drive. Bordering the building are large trees, heavy vegetation, and neighboring buildings.

In 2009, there was a major rehab performed at Georgia Court. The rehab included exterior building envelope renewals. The rehab that took place included renewals on assets such as, exterior walls, roof assemblies, window assemblies, balcony assemblies, swing doors, and sliding doors.

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

DESCRIPTION	
Construction Date	1993
Applicable Building Code	1992 BCBC
Number of Buildings	1
Number of Storeys	4
Number of Units	39
Number of Parking Stalls	58
Site Area	8,030 ft^2
Gross Floor Area	50,200 ft^2
Landscaping Area	5,595 ft^2

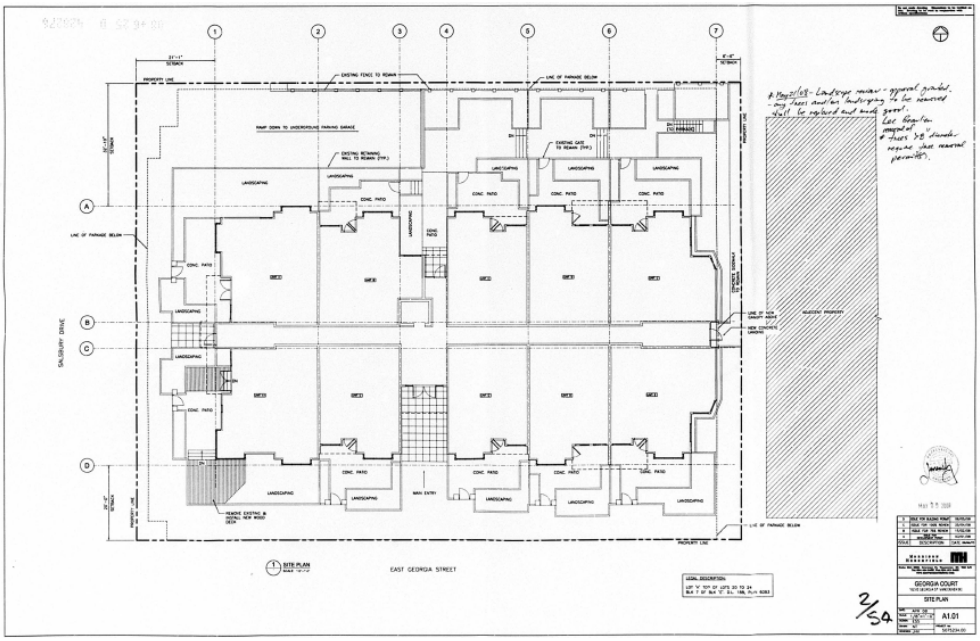

Figure 1 – Site Plan of Georgia Court

2.4 DOCUMENTS REVIEWED

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

Plans/Drawings and Technical Documents

- Building Envelope Rehabilitation – Morrison Hershfield Limited; (May 2008)

Non-Technical and Financial Documents

- Current Operating Budget
- Monthly Financial Statements (May 2015)
- Miscellaneous maintenance contracts (e.g. cleaning, caretaking, compactor, mechanical and landscaping).
- Insurance Policy (2014-2015)

In addition, we interviewed strata council members and communicated with the Property Manager as supplementation to the building history and supporting documents.

2.5 SITE VISITS

Curtis Schlamb, BASc., EIT And Jeff Sevold, BS, BA, EIT of JRS visited Georgia Court on June 17, 2015. Access to the building interiors, roofs, unit balconies, and the parking garage was provided by the Georgia Court property manager. At the time of the site visit, the weather was sunny and 20 degrees Celsius.

3.0 INTRODUCTION

3.1 BACKGROUND

The terms C*ontingency Reserve Fund Study* and *Depreciation Report* have been used interchangeably. The former is typically used across Canada and the latter is the terminology used in the Strata Property Act of BC. Therefore, *Depreciation Report* will be used for reporting purposes. It should be noted that a Depreciation Report is not a technical report, but more of a financial report that contains technical descriptions and predictions intended to assist the Owners with the prudent fiscal management of their CRF.

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

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

3.2 METHODOLOGY

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

1) Background Review

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

2) Site Visit

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

3) Technical Inventory

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

4) Financial Analysis

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

3.3 UPDATING

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

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

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

4.0 TECHNICAL INVENTORY

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

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

Appendix A. These generally provide information on what is included in the cost estimation of the physical assets.

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

4.1 BUILDING ENVELOPE AND STRUCTURE

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

At Georgia Court, there are both low and steep slope roof assemblies. The steep slope roof consists of asphaltic shingles. The low slope roof assemblies utilize a torch down, 2-ply SBS membrane. Both roofs were replaced in 2009.

The windows are vinyl framed, with double glazed insulated glass units (IGUs). Some of the windows are located underneath overhangs, while some are easily exposed to weathering. The window assemblies were renewed in 2009.

There are a number of different types of doors featured throughout the building, including glass sliding doors, metal clad wood swing unit entry doors, hollow core steel utility service doors, and glass swing doors. The glass sliding doors and swing doors were renewed in 2009.

The majority of the building is clad with horizontal lap vinyl siding. An area on the east elevation is clad with horizontal lap fibre cement siding. The roof parapet walls are clad with vinyl siding, at the front and rear entrance a portion of the cladding is stone veneer. All the siding was renewed in 2009.

The balconies are waterproofed with a torch down 2-ply SBS membrane. Wood boards sit on top of the waterproof membrane. The balcony assemblies were renewed in 2009.

We did not confirm if a below-grade membrane exists, but likely exists over portions of the parkade to protect from moisture.

Metal gutters generally surround the perimeter of the building at the bottom of the pitched roof edge, along with downspouts as needed. Gutter assemblies were renewed in 2009.

We have also included allowances for exposed structural elements, which may require targeted renewal prior to the end of the building lifespan. This includes exposed concrete structure and the parkade concrete structure.

Sealant and paint renewal are subjective and can vary from property to property. As a standard approach, we typically recommend significant sealant renewal and painting projects to occur concurrently within 7 to 10 year cycles. However, sections of sealant should be replaced upon failure (e.g. cracks, crazing, de-bonding, etc.), especially in critical locations. Some properties may have to perform annual maintenance or pursue a targeted sealant renewals program more frequently (every 2 to 5 years) than shown in our cost projections.

4.2 INTERIOR

The interior finishes include wall paint, carpeting and tile. These finishes are limited to the common areas of each building. We have also included interior doors and mailboxes in this section.

The building flooring consists of carpet and tiles. The carpet is found throughout a majority of the building in the staircases and the hallways, while the tiles are located in a portion of the lobby.

The wall finish is painted drywall, located throughout the building in the staircases and hallways. The interior walls were painted in 2014.

4.3 CONVEYANCE

The conveyance system on this property includes one elevator in the building.

The elevator was installed during original construction, is maintained by Richmond Elevator, and has a capacity of 900 kg. We understand that routine inspections and maintenance have been performed on the elevator.

For a more detailed review and estimate of the conveyance systems, especially nearing the end of the service life, an elevator consultant should be engaged.

Recent changes to Provincial regulations adopted the most current version of the CSA B44-2007 *Safety Code for Elevators and Escalators*, which requires modification of existing single bottom cylinder elevators by October 8, 2015. Safety Order SO-L1 101214 1 was issued to all Building Owners, Property Managers and BCSA licensed elevating devices contractors and is intended to promote the orderly and efficient compliance of owners and contractors with the Code requirements (Safety Authority Information Bulletin No. B-L4 101214 1). To ensure that the elevator systems are safe and compliant to this bulletin, an elevator consultant should be engaged.

4.4 MECHANICAL

The mechanical systems for this building generally consist of heating (e.g. make-up air units, parkade exhaust fans), plumbing (i.e. water pipe distribution), and fire protection components. Each unit has an individual hot water heater that is considered the responsibility of the individual owner.

Costs to renew domestic water piping should be viewed with caution. Numerous factors such as hazardous materials (e.g. asbestos in the drywall), BC Building Code changes, material costs/upgrades as well as complicated plumbing designs and high end interior furnishings can significantly affect the estimated cost of this asset. It should also be noted that while pipe replacement is common, there are other types of options available to the owners (e.g. internal coatings, altering water chemistry). JRS does not officially endorse any particular approach, as every property consists of varying factors that need to be considered (e.g. age of pipes, location of building, type of material, thickness of pipe, frequency of failures, type of

failures). Regardless, we would be happy to discuss either of these options and provide general direction as needed.

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

4.5 ELECTRICAL

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

The electrical section of any Depreciation Report should be viewed with caution. Many electrical systems and components generally serve the life of the building without having to be replaced (e.g. electrical panels, transformers, incoming underground service lines, etc). Renewal dates are difficult to predict, depending on use, maintenance and review. Major electrical system renewals are rare but can be expensive. Furthermore, it is not always clear whose responsibility certain electrical items belong to (e.g. distribution transformer, electrical wiring).

Electrical room/vault maintenance and review should be performed on a periodic basis. As a point of reference, infrared review and dust/debris removal should be performed every 3 years on high rise buildings in Vancouver - this is specifically required for “dual radial” vaults.

4.6 SITE SERVICES

The site services include walkways, patios, equipment (benches), site services (utilities lines), exterior lighting, fencing, and landscaping.

5.0 FINANCIAL ANALYSIS

5.1 RESERVE FUND: HISTORICAL DATA

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

DESCRIPTION	2011	2015
Make Up Air Unit	$9,867	
Interior Paint		$12,960
Annual Operating Budget		$100,730
CRF Balance		$42,553
Approved CRF contributions		$2,000
Annual Surplus		$8,200
CRF Interest Rate		0.75%

5.2 RESERVE FUND: LIFE CYCLE RENEWAL COSTS

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

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

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

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

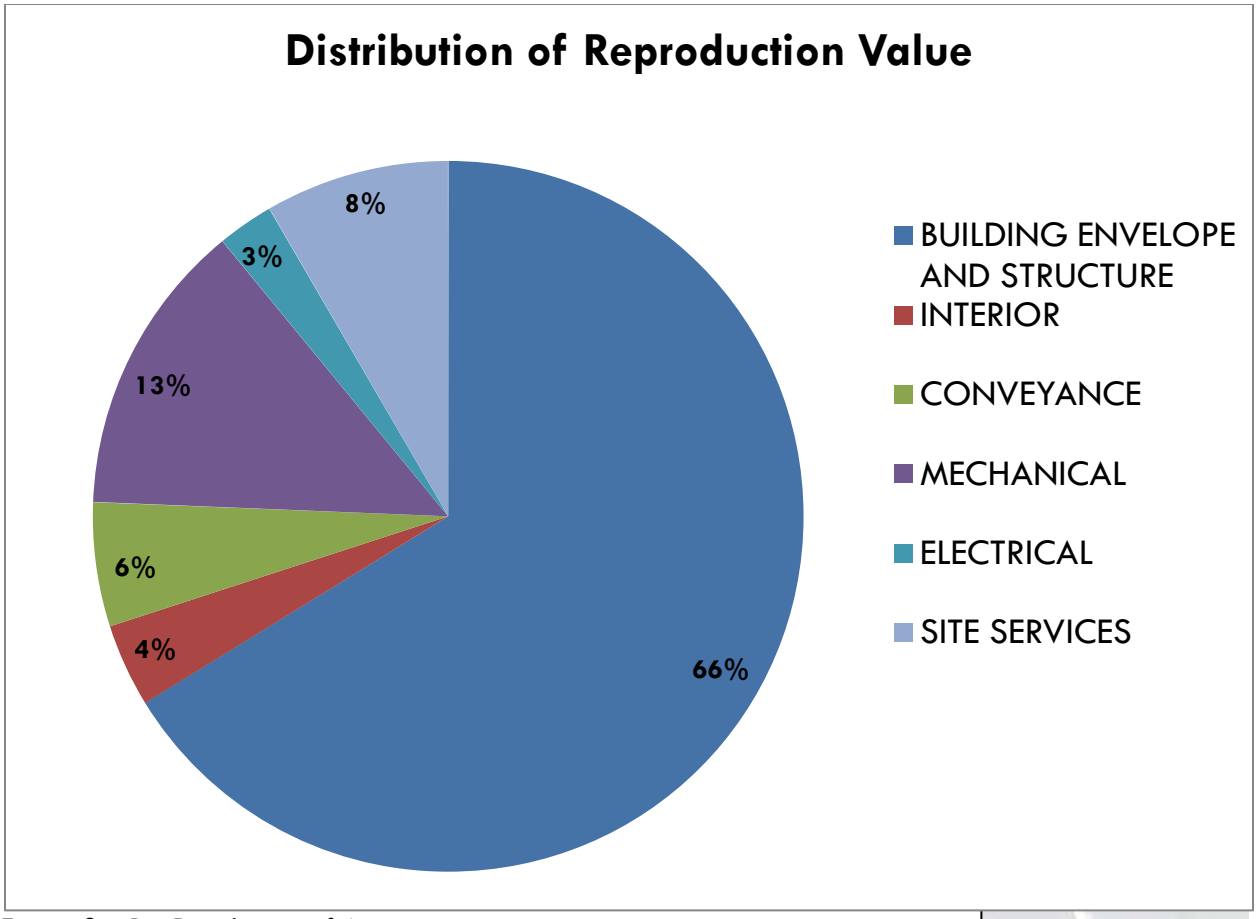

Figure 2 – Pie Distribution of Assets

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

5.3 RESERVE FUND: 30-YEAR COST PROJECTION

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

Interest Rate

Although the Regulation requires a reserve fund plan to be projected over 30 years, the interest rate is weighted more towards recent and short-term economic conditions because of their volatility over time. This is the rate of return applied to your CRF investment. We have assumed an annual interest rate of 0.75%, taken from historical data of interest earned on your CRF in 2015. The value was confirmed with the property manager. This should be revised at the next Depreciation Report update. Significant consideration should be made towards an investment strategy that allows all or some of your CRF funds to grow at higher rates of return. Refer to Part 6.11 in the Strata Property Regulation to confirm what types of investment vehicles are permitted.

Inflation Rate

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

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

The inflation rate used in this Depreciation Report is **3.0%**. Although this is somewhat similar to the current CPI, a distinction in the process of reaching this value must be understood.

Interest and inflation rates are significant factors when projecting future replacement costs and CRF requirements. Slight variations in either parameter can have dramatic effects on future values, including the annual CRF contributions or any special levies, which are usually the most relevant concerns for the majority of Owners.

5.4 FUNDING MODELS

To assist the Owners with funding strategies, the Strata Property Regulation (Part 6.2.4) requires that at least 3 funding models be provided. Essentially, these are possible funding strategies for the Owners to contribute to their CRF. Our funding models are "cash flow" and "cash funded" to allow pragmatic and user friendly recommendations.

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

Baseline

This model maintains the status quo (how the CRF is currently being funded) or the statutory minimum (10% of operating budget unless 25% of the operating budget is maintained in the CRF), whichever is higher. Annual increases are only governed by inflation and therefore future loans or special levies are likely to occur. This is the most "hands off" funding strategy, consisting of a more reactive approach.

Theoretical Fully Funded

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

Graduated Hybrid

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

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

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

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

5.5 SUMMARY OF RESULTS AND ADEQUACY OF RESERVE FUND

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

The Graduated Hybrid model works to increase annual CRF contributions over a five year period - until a 50% fully funded CRF contribution level is achieved. In this case, the 50% mark is reached around 2020. This is accomplished by increasing CRF contribution levels significantly in the first two years, which will be achieved without significantly increasing strata fees by diverting expected operational surpluses (an $8,200 surplus in year 2015 was spent on capital projects). In the future these surpluses could be contributed to the CRF. After 2020, only inflationary increases are applied to annual CRF contribution levels.

With this model, the only asset related special levy expected to occur will be around 2023; although, this depends on a number of factors. Nonetheless, the frequency and amount of special assessments is greatly reduced in the graduated hybrid, as compared to the baseline model.

The Owners do not have to decide on either of the models – they should choose what financial plan or contribution level works for them.

It is essential to remember that our financial models and recommended funding strategies are for the strata corporation's contributions to their CRF, not strata fees. CRF contributions are only a fraction of the overall budget, which is funded almost entirely by the strata fees. For example, if an owner is paying $300/month in strata fees and 10% of their strata fees go to the CRF, a recommended CRF contribution increase of 50% a year, results in an extra $15 a month. Moreover, increasing CRF contributions does not need to be entirely borne out of raising strata fees. Other methods of offsetting increased strata fees include cutting costs and increasing revenue generating activities (e.g. laundry services, vending machines, etc.).

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

specified times. It should be used as guidance for the Strata Council to manage its CRF and create its own detailed, customized financial plan.

Each model safeguards against negative CRF balances. However, it is incumbent on the Owners to ensure that at least the statutory minimum outlined in Part 6.1 of the Strata Property Regulation are maintained, which is widely known to be a bare minimum that almost never achieves a reasonably long term funded CRF.

5.6 CONSIDERATIONS

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

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

Costs and input data should also be reviewed and updated regularly to ensure a higher level of accuracy. Review of the financial parameters should be performed by the Strata Council annually and through Depreciation Report updates, which include site visits by a Reserve Planner every 3 years, per the Strata Property Regulation.

6.0 RECOMMENDATIONS

JRS recommends the Strata Council implement the Graduated Hybrid model or something similar to eventually reach a 50% fully funded contribution level to the CRF by 2020 or sooner. The Strata Council should compare it with the other funding strategies, tailor it to the ownership demographics and decide which would be the most appropriate and acceptable for the general ownership to include in the annual budget. The strata council has proposed that the CRF contribution for 2016 be increased to $9,180. Increasing CRF contributions will not require a large increase to strata fees due to the past annual surpluses.

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

1. Prepare for possible targeted renewals on the wood retaining walls.
2. Consider planning for replacing the wood benches in the courtyard, this should be done in conjunction with the retaining wood wall renewals.

3. Plan for potential renewals for the interior carpet, in the hallways and staircases.

Although there are recommendations in place for renewals in the next 5 years, regular maintenance potentially could extend the life of the assets.

JRS further submits the following general recommendations:

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

7.0 CLOSURE

This report was prepared by JRS for The Owners, Strata Plan LMS 582. Any use that a third party makes of this report, or any reliance or decisions made based on it, are the sole responsibility of such third parties.

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

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

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

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

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

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

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

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NOV 04 2015

Appendix A

Technical Inventory – Component Descriptions

BUILDING ENVELOPE AND STRUCTURE

1 Parkade/Concrete Walls

Building Envelope and Structure

Location: Parkade, Building Foundations

Year Installed: 1993

Typical Service Life (yrs): 50

Effective Age (yrs): 22

Remaining Service Life (yrs): 28

Planned Renewal Date: 2043

Description: The concrete structure consists of the parkade foundation walls, ceiling, and the exposed exterior foundation walls.

Condition: The concrete structure appears to be in an adequate condition. There were signs of efflorescence in targeted areas but no current leaks were observed.

Comments: The structural abilities of the foundation walls are expected to last the life expectancy of the building. The 50 years is an estimate of when the owners might expect the need for concrete repairs such as delamination, spalling, and physical cracking. Reserve costs for the concrete structure includes an allowance for targeted repairs to a small percentage of the exposed concrete areas in year 2043.

2 Balcony Guardrails

Building Envelope and Structure

Location: Balconies

Year Installed: 2009

Typical Service Life (yrs): 40

Effective Age (yrs): 6

Remaining Service Life (yrs): 34

Planned Renewal Date: 2049

Description: This component consists of the guardrails for the second, third, and fourth floor balconies.

Condition: The balcony guardrails appear to be in a functional condition.

Comments: The balcony guardrails and membranes have been timed to be renewed in the same year. Renewing the whole balcony at one time will reduce the overall costs of balcony renewals.

3 Balcony Membrane Assembly (2-ply)

Building Envelope and Structure

Location: Balconies

Year Installed: 2009

Typical Service Life (yrs): 40

Effective Age (yrs): 6

Remaining Service Life (yrs): 34

Planned Renewal Date: 2049

Description: The balcony membrane assemblies were observed to be made up of a torch down 2-ply waterproofing membrane.

Condition: The balcony membranes appear to be in adequate condition.

Comments: The balcony membranes are an important component in preventing water-related damage to the underlying wood framing of the balcony. The membranes will eventually deteriorate with extended foot traffic and exposure. The balcony renewals are timed to happen in conjunction with the balcony guardrails.

4 Balcony Decking

Building Envelope and Structure

Location: Balconies

Year Installed: 2009

Typical Service Life (yrs): 20

Effective Age (yrs): 6

Remaining Service Life (yrs): 14

Planned Renewal Date: 2029

Description: This component includes the wood planks on the balconies that sit on top of the balcony membrane assemblies.

Condition: The roof top wood decks appear to be in an acceptable condition.

Comments: The wood planks deteriorate with extended foot traffic and exposure to weathering.

5 Exterior Walls – Fibre Cement

Building Envelope and Structure

Location: East Elevation

Year Installed: 2009

Typical Service Life (yrs): 40

Effective Age (yrs): 6

Remaining Service Life (yrs): 34

Planned Renewal Date: 2049

Description: A portion of the exterior wall on the east elevation was observed to be made up of fibre cement cladding.

Condition: The fibre cement siding appears to be in adequate condition.

Comments: The fibre cement cladding is planned to be renewed in conjunction with the vinyl siding and window assemblies to help reduce the overall cost of installation.

6 Exterior Walls – Vinyl

Building Envelope and Structure

Location: Exterior Walls

Year Installed: 2009

Typical Service Life (yrs): 40

Effective Age (yrs): 6

Remaining Service Life (yrs): 34

Planned Renewal Date: 2049

Description: The vinyl siding makes up a majority of the exterior walls throughout the building. The vinyl siding can be considered as a "rainscreen" assembly. This means it is constructed with a drainage cavity.

Condition: The vinyl cladding appears to be in an acceptable working condition with little signs of weathering.

Comments: The vinyl siding is planned to be renewed alongside the fibre cement siding and window assemblies to help reduce the overall cost of a renewal project. The vinyl siding appeared to be constructed with a drainage cavity rainscreen assembly, in the areas observed. We recommend a Building Envelope Condition Assessment (BECA) to be completed 3 years prior to the recommended renewal date.

7 Exterior Walls – Masonry Stone

Building Envelope and Structure

Location:	North and South Entrance
Year Installed:	2009
Typical Service Life (yrs):	30
Effective Age (yrs):	6
Remaining Service Life (yrs):	24
Planned Renewal Date:	2039

Description: Masonry stone cladding is used on the first level at the front and back entrance.

Condition: The masonry stone cladding is in an acceptable condition.

Comments: Reserve costs for the masonry stone siding include an allowance for application of a sealer, as well as a small percentage for targeted repairs.

8 Window Assemblies

Building Envelope and Structure

Location:	Building Exterior
Year Installed:	2009
Typical Service Life (yrs):	40
Effective Age (yrs):	6
Remaining Service Life (yrs):	34
Planned Renewal Date:	2049

Description: The window assemblies are double panes insulated glazing units (IGUs) with a vinyl frame.

Condition: The window assemblies are in serviceable condition with no reported or observed issues.

Comments: Roof overhangs protect some of the windows from rain and UV exposure, which will effectively extend the service life of the windows. The window assemblies are planned to be renewed at the same time as the wall cladding. This will allow for a more economical and prudent installation along with proper integration of the window assemblies and surrounding building envelope components.

9 Sliding Door

Building Envelope and Structure

Location:	Balconies & Patios
Year Installed:	2009
Typical Service Life (yrs):	40
Effective Age (yrs):	6
Remaining Service Life (yrs):	34
Planned Renewal Date:	2049

Description: The sliding doors are vinyl framed, with double glazed IGUs.

Condition: The sliding doors appear to be in adequate condition.

Comments: The sliding doors should be renewed at the same time with the windows and wall cladding; this will reduce overall costs and make installation easier. We have also included an allowance for targeted IGU repairs.

10 Swing Doors

Building Envelope and Structure

Location:	Balconies & Patios
Year Installed:	2009
Typical Service Life (yrs):	40
Effective Age (yrs):	6
Remaining Service Life (yrs):	34
Planned Renewal Date:	2049

Description: This component includes the exterior entrance doors located at balconies and the patios.

Condition: The swing doors are in an acceptable condition.

Comments: The swing doors are covered by overhangs which will extend the service life.

11 Entry Doors

Building Envelope and Structure

Location: East, West and South Elevations

Year Installed: 1993

Typical Service Life (yrs): 40

Effective Age (yrs): 22

Remaining Service Life (yrs): 18

Planned Renewal Date: 2033

Description: This component includes the exterior entrance doors to the common areas of the building.

Condition: The entrance doors are in an acceptable condition.

Comments: The entry doors are an item that could potentially be re-used during a building envelope renewal project, should the owners decide to do so. Upgraded entry door assemblies may potentially provide better thermal properties and savings, as well as increased security. Similar to the swing doors, the entry doors are typically protected by overhangs, which will extend the service life of the asset.

12 Service Doors

Building Envelope and Structure

Location: Parkade

Year Installed: 1993

Typical Service Life (yrs): 50

Effective Age (yrs): 22

Remaining Service Life (yrs): 28

Planned Renewal Date: 2043

Description: Metal clad service doors provide secure entry to utility rooms and building entrances.

Condition: The service doors are in an acceptable condition.

Comments: Reserve costs for this component consist of an allowance at the 50 year mark for renewals to a percentage of the service doors.

13 Garage Doors

Building Envelope and Structure

Location:	Parkade Entrance
Year Installed:	1993
Typical Service Life (yrs):	25
Effective Age (yrs):	19
Remaining Service Life (yrs):	6
Planned Renewal Date:	2021

Description: The parkade gate is comprised of metal panel sections connected by hinges. The gate rises along a track and is powered by a motor.

Condition: The parkade gate is in an acceptable condition.

Short-Term Action Required: Ensure regular servicing of the motor.

Comments: The garage door should be painted and cleaned regularly to avoid premature deterioration.

14 Front Entrance Canopy

Building Envelope and Structure

Location:	North Elevation
Year Installed:	2009
Typical Service Life (yrs):	20
Effective Age (yrs):	6
Remaining Service Life (yrs):	14
Planned Renewal Date:	2029

Description: This component consists of the skylights, low slope roof, and steep slope roof portion of the canopy at the front entrance.

Condition: The front entrance canopy is in adequate condition.

15 Sealant

Building Envelope and Structure

Location: Window & Door Perimeters

Year Installed: 2009

Typical Service Life (yrs): 10

Effective Age (yrs): 6

Remaining Service Life (yrs): 4

Planned Renewal Date: 2019

Description: Sealant was observed around the windows and doors. Sealant is installed to allow for a continuous water shedding surface and to allow for movement between adjacent components.

Condition: Generally, the sealant appears to be in an acceptable condition.

Comments: Sealant should be regularly reviewed for signs of deterioration or failure. Areas where sealant is found to be failing should be repaired. Reserve costs for this component account for renewal to a percentage of the sealant every 10 years. Note that some areas of sealant may require renewals prior to 10 years. Sealant should be reviewed and repaired as part of a yearly building envelope maintenance plan.

16 Low Slope Roof – Torch on (2 ply)

Building Envelope and Structure

Location: Flat Roof

Year Installed: 2009

Typical Service Life (yrs): 30

Effective Age (yrs): 6

Remaining Service Life (yrs): 24

Planned Renewal Date: 2039

Description: The low slope roofs consist of a torch on 2-ply membrane, flashings, ventilation, and roof drains.

Condition: The low slope roof assemblies are in serviceable condition with no reported leaks. The low slope roof was renewed in 2009.

Short-Term Action Required: Drains should be monitored and cleaned routinely avoiding excess standing water.

Comments: Consider implementing a yearly roof maintenance program to clean the roof membranes and remove and debris that may accumulate. There is an allowance in the reserve cost for targeted repairs 3 years prior to the renewal date.

17 Steep Slope Roof – Asphaltic Shingles

Building Envelope and Structure

Location:	Pitched Roof
Year Installed:	2009
Typical Service Life (yrs):	30
Effective Age (yrs):	6
Remaining Service Life (yrs):	24
Planned Renewal Date:	2039

Description: Pitched roofing exists over all building sections and consists of asphaltic shingles.

Condition: The asphaltic shingles generally appear to be in serviceable condition. The pitched roof was renewed in 2009.

Comments: Organic growth on shingles and debris in gutters should be cleaned as part of regular building maintenance. There is an allowance in the reserve cost for targeted repairs 3 years prior to the renewal date.

18 Gutters & Downspouts

Building Envelope and Structure

Location:	Building Exterior & Roof Edge
Year Installed:	2009
Typical Service Life (yrs):	15
Effective Age (yrs):	6
Remaining Service Life (yrs):	9
Planned Renewal Date:	2024

Description: The metal gutters and downspouts typically run around the roof perimeter and balconies and down the walls.

Condition: The gutter and downspouts appear to be in an acceptable condition. The gutters and downspouts were renewed in 2009.

Comments: Reserve costs for this component include allowances every 15 years for renewals to a percentage of the gutters and downspouts.

19 Below-grade Membrane

Building Envelope and Structure

Location: Underground, Above Parkade

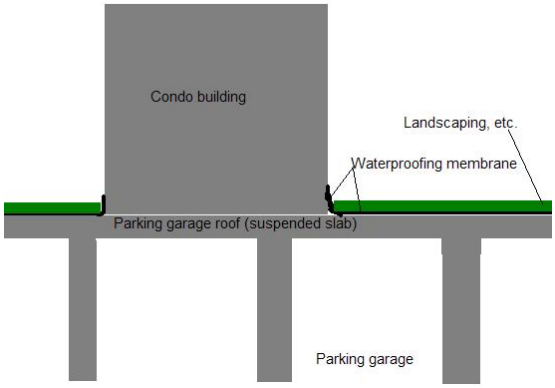
Year Installed: 1993

Typical Service Life (yrs): 50

Effective Age (yrs): 22

Remaining Service Life (yrs): 28

Planned Renewal Date: 2043



Description: The below-grade membrane is applied to the horizontal surface of the parkade ceiling slab. The membrane is applied to help prevent water ingress into the concrete structure below.

Condition: The below-grade membrane was not reviewed. We observed signs of previous water ingress in the parkade ceiling slab, although no leaks appeared to be active during our review.

Comments: Reserve costs for this component consist of allowances at the 30 and 50 year marks for targeted renewals to the below-grade membrane.

20 Parkade Vehicular Membrane

Building Envelope and Structure

Location: Parkade Sloped Entrance

Year Installed: 1993

Typical Service Life (yrs): 20

Effective Age (yrs): 15

Remaining Service Life (yrs): 5

Planned Renewal Date: 2020

Description: The parkade vehicular membrane is found only on the entrance ramp into the parkade. It is used to help protect the concrete structure in the parkade below it.

Condition: The parkade vehicular membrane looked to be in an adequate condition.

Comments: The parkade vehicular membrane is subject to high traffic and exposure to weathering therefore, should be regularly maintained.

21 Exterior Paint

Electrical

Location: Exterior Walls

Year Installed: 2009

Typical Service Life (yrs): 10

Effective Age (yrs): 6

Remaining Service Life (yrs): 4

Planned Renewal Date: 2019

Description: The paint coating is necessary for the side cladding.

Condition: paint coating generally appears to be in reasonable condition.

Comments: The painting and the sealant could be done at the same time. The paint coating provides protection to the cladding from direct exposure to water and UV rays. Targeted repainting may be required in areas where paint deterioration occurs pre-maturely.

INTERIOR

22 Lobby

Interior

Location: Main Entrance Interior

Year Installed: 20

Typical Service Life (yrs): 20

Effective Age (yrs): 15

Remaining Service Life (yrs): 5

Planned Renewal Date: 2020

Description: This asset includes wall and ceiling finishes, tile flooring, and decor pieces located in the building lobby.

Condition: The lobby is in an acceptable condition.

Comments: Regular maintenance will increase the service life of the lobby.

23 Interior Entry Doors

Interior

Location: Suite Entry Doors

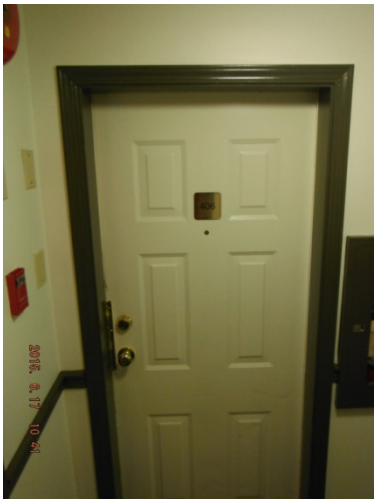
Year Installed: 1993

Typical Service Life (yrs): 50

Effective Age (yrs): 22

Remaining Service Life (yrs): 28

Planned Renewal Date: 2043



Description: This component includes unit entry doors.

Condition: The interior doors are in an acceptable condition.

Comments: Reserve costs include allowances at the 50-year marks for renewals to a percentage of the interior doors.

24 Carpet

Interior

Location: Interior Hallways & Staircases

Year Installed: 1993

Typical Service Life (yrs): 25

Effective Age (yrs): 22

Remaining Service Life (yrs): 3

Planned Renewal Date: 2018

Description: This asset includes the carpet in the hallways and staircases.

Condition: The carpet is in an acceptable condition.

Short-Term Action Required: The owners should consider planning for renewals of the carpet.

Comments: There is an allowance every 25 years for carpet renewals. Renewals typically occur due to aesthetics wishes of the strata council.

25 Interior Paint

Interior

Location: Interior Hallways & Staircases

Year Installed: 2014

Typical Service Life (yrs): 10

Effective Age (yrs): 1

Remaining Service Life (yrs): 9

Planned Renewal Date: 2024

Description: This component includes the walls and ceilings of the hallways and staircases.

Condition: The interior paint is in an adequate condition. The interior was re-painted in 2014.

Comments: There is an allowance in the reserve costs to allow for re-painting every 10 years.

26 Mailboxes

Interior

Location: Main Entrance Interior

Year Installed: 1993

Typical Service Life (yrs): 30

Effective Age (yrs): 22

Remaining Service Life (yrs): 8

Planned Renewal Date: 2023

Description: The mailboxes are found in the lobby of the building on ground level.

Condition: The mailboxes are in serviceable condition.

Comments: Mailboxes typically get renewed because aesthetic upgrades are necessary.

CONVEYANCE

27 Elevator

Conveyance

Location: Main Entrance, All Floors, & Parkade

Year Installed: 1993

Typical Service Life (yrs): 30

Effective Age (yrs): 22

Remaining Service Life (yrs): 8

Planned Renewal Date: 2023

Description: There is one hydraulic elevator that services the building. The elevator has a capacity of 900 kg and is maintained by Richmond Elevators.

Condition: The elevator appears to be operating as designed.

Short-Term Action Required: Ensure regular maintenance is performed on the elevator system by a qualified professional.

Comments: Reserve costs for this component include an allowance 3 years prior to the planned renewal date for an engineering review and targeted repairs to the elevator systems.

28 Elevator Cab Finishes

Conveyance

Location: Elevator Interior

Year Installed: 1993

Typical Service Life (yrs): 15

Effective Age (yrs): 7

Remaining Service Life (yrs): 8

Planned Renewal Date: 2023

Description: This component includes interior cab finishes such as the walls, flooring, push buttons, and railings.

Condition: The elevator interiors are in an acceptable condition.

Comments: Completion of renewals to the elevator interiors are up to the discretion and aesthetical wishes of the Strata Corporation.

MECHANICAL

29 Domestic Water Pipes

Mechanical

Location: Shared and Common Walls

Year Installed: 1993

Typical Service Life (yrs): 30

Effective Age (yrs): 22

Remaining Service Life (yrs): 8

Planned Renewal Date: 2023

Description: The domestic water piping is located in shared and common walls throughout the building.

Condition: The piping was not visually reviewed. There were no reported issues from the strata representatives.

Comments: Reserve costs for this component include an allowance three years prior to the planned major renewal year for an engineering review and targeted repairs.

30 Sprinkler Pipes

Mechanical

Location: Parkade

Year Installed: 1993

Typical Service Life (yrs): 50

Effective Age (yrs): 22

Remaining Service Life (yrs): 28

Planned Renewal Date: 2043

Description: This physical asset includes sprinkler pipes and heads in the parkade.

Condition: The sprinkler piping is in serviceable condition.

Comments: Ensure regular testing and maintenance is performed by a qualified contractor. Reserve costs for the sprinkler piping account for renewals to a percentage of the sprinkler piping in the parkade areas only.

31 HVAC – Building (MAU)

Mechanical

Location:	Flat Roof Top
Year Installed:	2011
Typical Service Life (yrs):	20
Effective Age (yrs):	4
Remaining Service Life (yrs):	16
Planned Renewal Date:	2031

Description: There is one make-up air unit that supplies heated air to the common hallways of the building.

Condition: The MAU is in serviceable condition and was renewed in 2011.

Comments: The MAU should regularly be monitored as they age as failure can lead to combustion products entering the forced air. Routine maintenance will prolong the remaining service life of the HVAC system.

32 Parkade Exhaust Fans

Mechanical

Location:	Parkade
Year Installed:	1993
Typical Service Life (yrs):	15
Effective Age (yrs):	10
Remaining Service Life (yrs):	5
Planned Renewal Date:	2020

Description: The parkade exhaust fan works to remove gases from the parkade area.

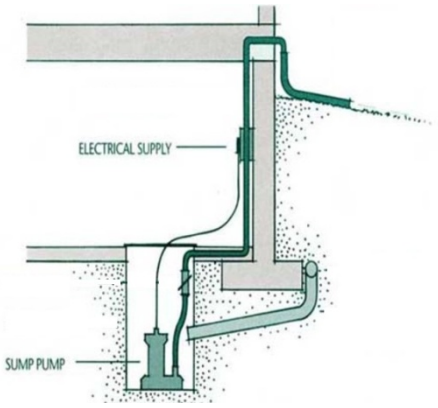
Condition: The parkade fan is in an acceptable condition.

Comments: Equipment renewal dates can change with proper maintenance or repairs of equipment as required. An allowance has been included to replace the exhaust fans in 2020.

33 Sump Pumps

Mechanical

Location:	Parkade
Year Installed:	1993
Typical Service Life (yrs):	10
Effective Age (yrs):	5
Remaining Service Life (yrs):	5
Planned Renewal Date:	2020



Description: This reserve item includes two sump pumps.

Condition: The pumps are in serviceable condition with no reported issues.

Comments: The pumps should be monitored regularly because service life of pumps can vary depending on frequency of use.

ELECTRICAL

34 Service Distribution

Electrical

Location: Electrical Room

Year Installed: 1993

Typical Service Life (yrs): 50

Effective Age (yrs): 22

Remaining Service Life (yrs): 28

Planned Renewal Date: 2043

Description: Service distribution includes electrical distribution equipment (i.e. transformers, disconnects, switches, panels, etc.) and the incoming underground electrical service cabling.

Condition: The electrical distribution equipment appears to be in an acceptable condition.

Short-Term Action Required: Consider performing a thermal scan of the electrical equipment. Thermal scanning can detect hot spots, which can be a pre-cursor to damage and problems with the electrical distribution equipment.

Comments: Reserve costs include allowances every five years for vault maintenance and cleaning. Reserve costs in 2043 consist of an allowance for renewals to a percentage of the electrical distribution equipment and underground service cabling.

35 Power Distribution

Electrical

Location: Shared & Common Walls

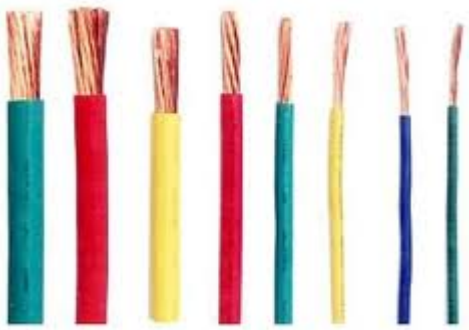
Year Installed: 1993

Typical Service Life (yrs): 40

Effective Age (yrs): 22

Remaining Service Life (yrs): 18

Planned Renewal Date: 2033



Description: Power distribution includes interior wiring, lighting, baseboard heaters, and emergency exit signs.

Condition: The power distribution is in an acceptable condition.

Comments: The interior wiring is designed to last the lifetime of the building. As such, reserve costs for the interior wiring are for renewals to a percentage of the interior wiring.

36 Enterphone

Electrical

Location: Main Entrance

Year Installed: 1993

Typical Service Life (yrs): 30

Effective Age (yrs): 22

Remaining Service Life (yrs): 8

Planned Renewal Date: 2023

Description: The enterphone allows for secure access to the building.

Condition: The enterphone appears to be functioning as designed.

Comments: Completion of renewals to the enterphone is typically up to the discretion and aesthetical wishes of the Strata Corporation.

37 Fire Alarm Panel & Emergency Lighting

Electrical

Location: Main Entrance & Throughout Building Interior

Year Installed: 1993

Typical Service Life (yrs): 20

Effective Age (yrs): 15

Remaining Service Life (yrs): 5

Planned Renewal Date: 2020

Description: This component includes the emergency lighting found throughout the building, as well as the fire alarm panel.

Condition: The fire alarm panel is approaching the end of its recommended service life; however, it appears to be functioning as designed.

Comments: The fire alarm panel appears to be operating as designed; however, it is approaching the end of its recommended service life and may require renewals and updating in the near future. Reserve costs are for renewal of the fire alarm panel and a percentage of the emergency lighting located throughout the complex.

SITE SERVICES

38 Softscaping

Site Services

Location: Surrounding Building

Year Installed: 1993

Typical Service Life (yrs): 50

Effective Age (yrs): 22

Remaining Service Life (yrs): 28

Planned Renewal Date: 2043

Description: Softscaping includes all grass and planter areas located throughout the property.

Condition: The softscaping is in an acceptable condition and appears to be well maintained.

Comments: Reserve costs are a percentage of total renewal and are based on the overall complexity of vegetation, frequency of trees, and total area.

39 Hardscaping

Site Services

Location: Surrounding Building

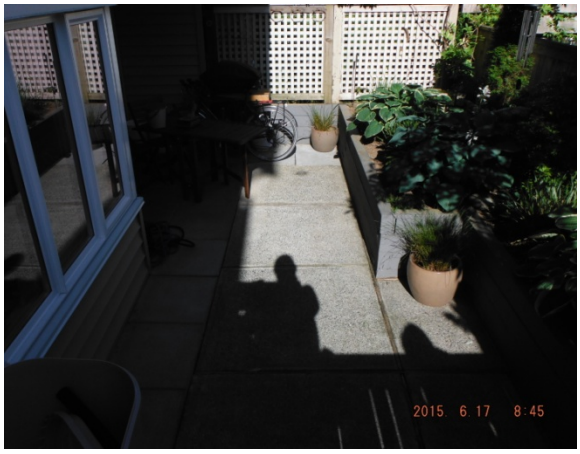
Year Installed: 1993

Typical Service Life (yrs): 50

Effective Age (yrs): 22

Remaining Service Life (yrs): 28

Planned Renewal Date: 2043



Description: Hardscaping includes all walkways and paved areas throughout the property.

Condition: The hardscaping typically is in serviceable condition with few signs of deterioration.

Comments: All hardscaping should be inspected regularly for advanced wear and development of uneven surfaces, which potentially pose safety and tripping hazards. Reserve costs for hardscaping is a percentage of total renewal and is based on the overall complexity and total area.

40 Underground Water Supply & Drainage

Site Services

Location: Underground

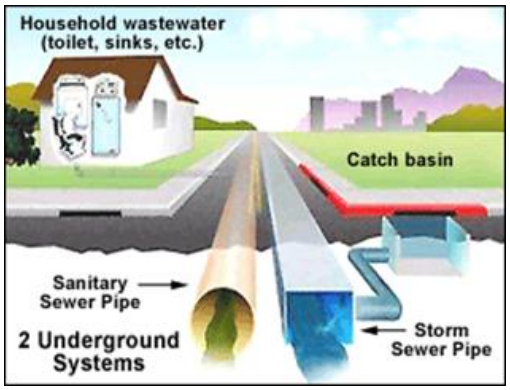
Year Installed: 1993

Typical Service Life (yrs): 50

Effective Age (yrs): 22

Remaining Service Life (yrs): 28

Planned Renewal Date: 2043



Description: This component includes building perimeter drainage, as well as underground piping running from city water supply to the building.

Condition: The underground piping was not visually reviewed. There were no reported problems at the time of our site visit.

Comments: Reserve costs for this component are for renewals to a percentage of the underground water and perimeter drainage piping. We have also included allowances every five years for flushing of the underground drainage lines.

41 Outdoor Lighting

Site Services

Location: Building Entrances & Balconies

Year Installed: 2009

Typical Service Life (yrs): 40

Effective Age (yrs): 6

Remaining Service Life (yrs): 34

Planned Renewal Date: 2049

Description: The outdoor lighting includes wall and ceiling mounted fixtures featured at entry doors, garage doors, patios, and balconies.

Condition: The outdoor lighting is generally in serviceable condition.

Comments: The outdoor lighting should be periodically inspected for signs of damage and failure.

42 Retaining Walls – Wood

Site Services

Location:	Surrounding Building
Year Installed:	1993
Typical Service Life (yrs):	25
Effective Age (yrs):	22
Remaining Service Life (yrs):	3
Planned Renewal Date:	2018

Description: The retaining walls are comprised of wood and include the planters.

Condition: There were signs of deterioration at various locations on the wood retaining wall.

Short-Term Action Required: The owners should consider planning for renewals of the retaining walls.

Comments: The retaining walls should be monitored for deterioration and repaired as needed.

43 Retaining Walls – Concrete

Site Services

Location:	Surrounding Building
Year Installed:	1993
Typical Service Life (yrs):	40
Effective Age (yrs):	22
Remaining Service Life (yrs):	18
Planned Renewal Date:	2033

Description: The concrete retaining walls are found at the outdoor staircases and parkade entrance.

Condition: They are in adequate condition.

Comments: Reserve costs for this component are a percentage of the total renewal cost, for targeted repairs as needed.

44 Fencing

Site Services

Location: Surrounding Building

Year Installed: 1993

Typical Service Life (yrs): 30

Effective Age (yrs): 25

Remaining Service Life (yrs): 5

Planned Renewal Date: 2020

Description: The fencing is made up of wood and borders the ground level patios and the building.

Condition: The fencing is typically in acceptable condition with few spots that have minor organic growth, staining, and rot.

Comments: Targeted repairs to deteriorated wood may be required prior to the complete renewal of the fencing, Reserve costs for the fencing includes an allowance for potential repairs in the next couple years.

45 Courtyard Wood Benches

Site Services

Location: Courtyard

Year Installed: 1993

Typical Service Life (yrs): 25

Effective Age (yrs): 22

Remaining Service Life (yrs): 3

Planned Renewal Date: 2018

Description: The wooden benches are attached to the wood planters in the courtyard.

Condition: The wood benches were observed to have spots of organic growth.

Comments: The benches should be replaced as retaining walls get replaced.

47 Lamp Posts

Electrical

Location:	Courtyard
Year Installed:	1993
Typical Service Life (yrs):	40
Effective Age (yrs):	22
Remaining Service Life (yrs):	18
Planned Renewal Date:	2033

Description: The lamp posts are found in the courtyard on the backside of the building.

Condition: The lamp posts are in an adequate condition.

47 Railings & Gates

Electrical

Location:	Staircases & Courtyard
Year Installed:	1993
Typical Service Life (yrs):	30
Effective Age (yrs):	22
Remaining Service Life (yrs):	8
Planned Renewal Date:	2023

Description: The metal site railings are found at staircases surrounding the building.

Condition: The railings and doors appear to be in an acceptable condition.

Comments: Railings can be continually painted to prevent from corrosion and maintain aesthetics.

Appendix B

Lifecycle Renewal Costs (Benchmark Analysis)

APPENDIX B

LIFE CYCLE RENEWAL COSTS

Georgia Court
LIFE CYCLE RENEWAL COSTS

(Benchmark Analysis)

Inflation Factor 3.0%
Interest Rate 0.75%

RESERVE COMPONENTS BENCHMARK ANALYSIS	YEAR INSTALLED	TYPICAL LIFE (Yrs)	EFFECTIVE AGE (Yrs)	REMAINING LIFE (Yrs)	RENEWAL YEAR	CURRENT REPLACEMENT COST	FUTURE REPLACEMENT COST	CURRENT RESERVE FUND REQUIREMENT	FUTURE RESERVE FUND ACCUMULATION	FUTURE RESERVE FUND REQUIREMENT	ANNUAL RESERVE FUND ASSESSMENT	RESERVE FUND ASSESSMENT ALLOCATION
BUILDING ENVELOPE AND STRUCTURE												
1 Parkade/Concrete Walls	1993	50	22	28	2043	12,863	29,430	5,660	6,977	22,453	724	0.55%
2 Balcony Guard Rails	2009	40	6	34	2049	26,649	72,803	3,997	5,154	67,649	1,754	1.33%
3 Balcony Membrane Assembley (2-ply)	2009	40	6	34	2049	60,480	165,226	9,072	11,696	153,530	3,981	3.02%
4 Balcony Decking	2009	20	6	14	2029	48,384	73,185	14,515	16,116	57,069	3,881	2.95%
5 Exterior Walls - Fibre Cement	2009	40	6	34	2049	47,922	130,918	7,188	9,267	121,651	3,154	2.39%
6 Exterior Walls - Vinyl	2009	40	6	34	2049	324,105	885,424	48,616	62,677	822,747	21,334	16.19%
7 Exterior Walls - Masonary Stone	2009	30	6	24	2039	3,777	7,678	755	904	6,774	259	0.20%
8 Window Assemblies	2009	40	6	34	2049	316,050	863,419	47,408	61,119	802,299	20,804	15.79%
9 Sliding Doors	2009	40	6	34	2049	31,237	85,337	4,686	6,041	79,296	2,056	1.56%
10 Swing Doors	2009	40	6	34	2049	99,120	270,786	14,868	19,168	251,618	6,525	4.95%
11 Entry Doors	1993	40	22	18	2033	6,300	10,725	3,465	3,964	6,762	352	0.27%
12 Service Doors	1993	50	22	28	2043	5,040	11,531	2,218	2,734	8,797	284	0.22%
13 Garage Door	1993	25	19	6	2021	5,775	6,896	4,389	4,590	2,305	377	0.29%
14 Front Entrance Canopy	2009	20	6	14	2029	7,166	10,839	2,150	2,387	8,452	575	0.44%
15 Sealant	2009	10	6	4	2019	11,025	12,409	6,615	6,816	5,593	1,383	1.05%
16 Low Slope Roof - Torch on (2 ply)	2009	30	6	24	2039	114,681	233,123	22,936	27,441	205,682	7,854	5.96%
17 Steep Slope Roof - Asphaltic Shingles	2009	30	6	24	2039	57,697	117,286	11,539	13,806	103,480	3,951	3.00%
18 Gutters and Downspouts	2009	15	6	9	2024	9,482	12,372	3,793	4,057	8,315	897	0.68%
19 Below-grade Membrane	1993	50	22	28	2043	72,867	166,714	32,061	39,523	127,192	4,099	3.11%
20 Parkade Vehicular Membrane	1993	20	15	5	2020	5,538	6,420	4,154	4,312	2,108	415	0.32%
21 Exterior Paint	2009	10	6	4	2019	16,144	18,170	9,686	9,980	8,190	2,025	1.54%
INTERIOR												
22 Lobby	1993	20	15	5	2020	5,000	5,796	3,750	3,893	1,904	375	0.28%
23 Interior Entry Doors	1993	50	22	28	2043	10,237	23,422	4,504	5,552	17,869	576	0.44%
24 Carpet	1993	25	22	3	2018	15,208	16,618	13,383	13,686	2,932	970	0.74%
25 Interior Paint	2014	10	1	9	2024	20,986	27,382	2,099	2,245	25,137	2,710	2.06%
26 Mailboxes	1993	30	22	8	2023	3,202	4,056	2,348	2,493	1,563	190	0.14%
CONVEYANCE												
27 Elevator	1993	30	22	8	2023	105,000	133,011	77,000	81,743	51,268	6,242	4.74%
28 Elevator Cab Finshes	1993	15	7	8	2023	13,125	16,626	6,125	6,502	10,124	1,233	0.94%
MECHANICAL												
29 Domestic Water Pipes	1993	30	22	8	2023	245,700	311,245	180,180	191,279	119,967	14,607	11.08%
30 Sprinkler Pipes	1993	50	22	28	2043	4,684	10,717	2,061	2,541	8,176	264	0.20%
31 HVAC - building	2011	20	4	16	2031	9,986	16,025	1,997	2,251	13,774	813	0.62%
32 Parkade Exhaust Fans	1993	15	10	5	2020	12,033	13,950	8,022	8,327	5,622	1,108	0.84%
33 Sump Pumps	1993	10	5	5	2020	3,000	3,478	1,500	1,557	1,921	378	0.29%
ELECTRICAL												
34 Service Distribution	1993	50	22	28	2043	8,933	20,438	3,931	4,845	15,593	503	0.38%
35 Power Distribution	1993	40	22	18	2033	22,401	38,136	12,321	14,094	24,042	1,253	0.95%
36 Enterphone System	1993	30	22	8	2023	4,200	5,320	3,080	3,270	2,051	250	0.19%
37 Fire Alarm Panel and Emergency Lighting	1993	20	15	5	2020	16,800	19,476	12,600	13,080	6,396	1,260	0.96%
SITE SERVICES												
38 Softscaping	1993	50	22	28	2043	56,910	130,206	25,040	30,868	99,338	3,202	2.43%
39 Hardscaping	1993	50	22	28	2043	30,292	69,306	13,328	16,430	52,876	1,704	1.29%
40 Underground Water Supply and Drainage	1993	50	22	28	2043	19,363	44,301	8,520	10,502	33,799	1,089	0.83%
41 Outdoor Lighting	2009	40	6	34	2049	9,450	25,817	1,418	1,827	23,989	622	0.47%
42 Retaining Walls - Wood	1993	25	22	3	2018	30,873	33,736	27,168	27,784	5,952	1,969	1.49%
43 Retaining Walls - Concrete	1993	40	22	18	2033	3,087	5,255	1,698	1,942	3,313	173	0.13%
44 Fencing	1993	30	25	5	2020	22,050	25,562	18,375	19,074	6,488	1,278	0.97%
45 Courtyard Wood Benches	1993	25	22	3	2018	2,000	2,185	1,760	1,800	386	128	0.10%
46 Railings and Gates	1993	30	22	8	2023	3,937	4,987	2,887	3,065	1,922	234	0.18%
47 Lamp Posts	1993	40	22	18	2033	5,670	9,653	3,119	3,567	6,085	317	0.24%
RESERVE FUND PLANNING												
Certified Reserve Fund Consultant	2015	3	0	3	2018	5,000	5,000	-	0	5,000	1,654	1.26%
TOTAL RESERVES						**1,971,429**	**4,212,395**	**697,984**	**792,946**	**3,419,449**	**131,785**	**100%**

DEFINITIONS

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

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

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

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

REMAINING LIFE: Effective Age subtracted from Expected Life.

RENEWAL YEAR: Sum of current year and Remaining Life.

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

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

CURRENT RESERVE FUND REQUIREMENT: Amount needed in CRF now.

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

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

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

RESERVE FUND ASSESSMENT ALLOCATION: Allocated percentage of entire CRF.

CONSIDERATIONS & LIMITATIONS

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

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

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

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

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

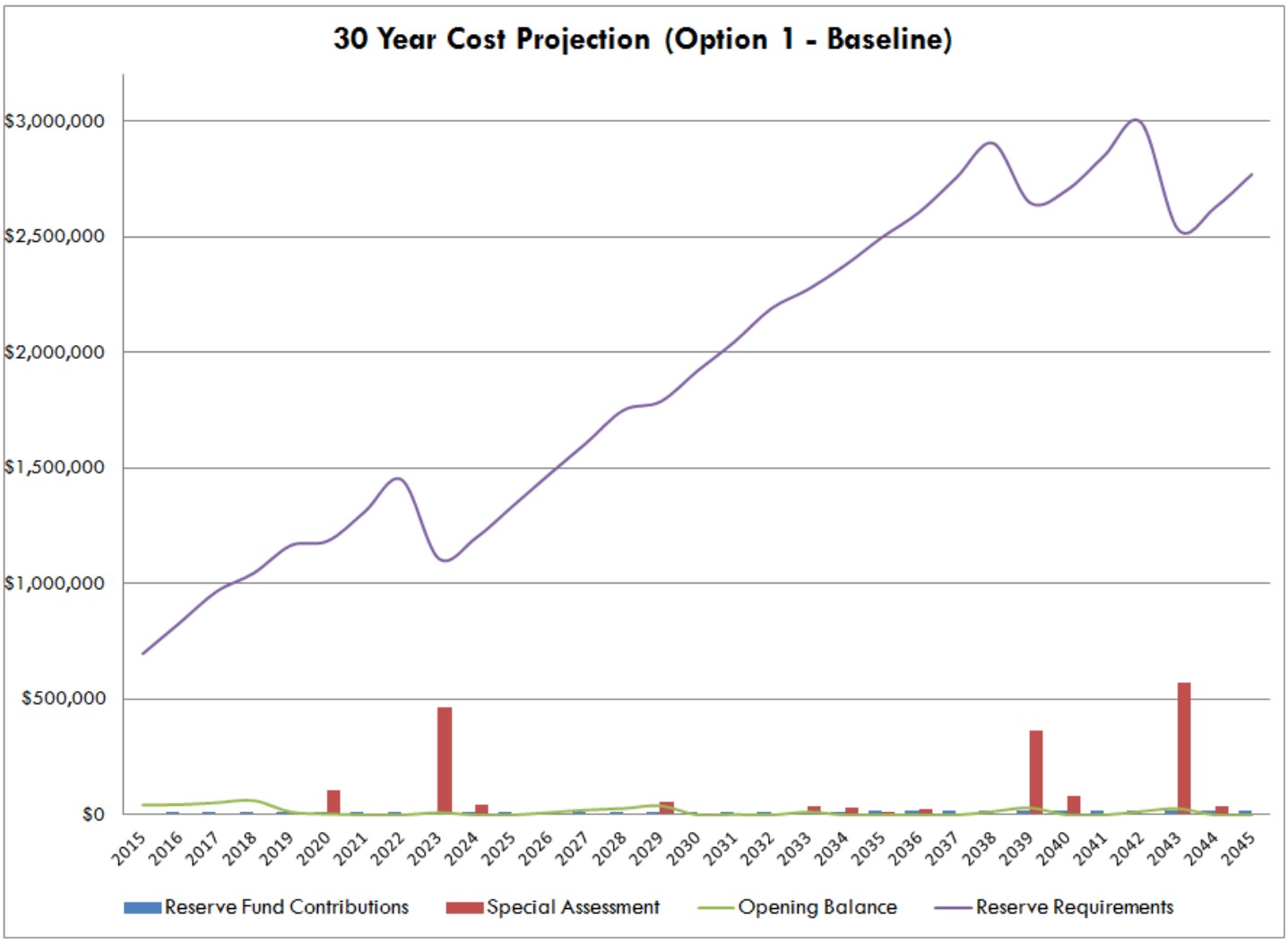
More accurate estimates can only be determined once the project objectives are specified and the work tendered. Project-related costs, such as consulting services, contingency allowances, front-end costs, all overhead and profit, have not been included.

Appendix C

Funding Models & Cost Projections

OPTION 1 (BASELINE)

This model shows annual contributions (increasing with inflation) consistent with status quo (current contributions) or the statutory requirement of 10% of operating budget, whichever is higher. In this case it is the statutory requirement of 10% of the operating budget. Note that the $9,180 CRF contribution is the proposed contribution for year 2016 by the council. As seen below, multiple special levies will be required. From 2015 to 2045 (the end of the 30-year outlook), special levies will theoretically be required in 14 out of 30 years. Note the special assessment in year 2015 is to account for the $8,200 surplus that was used on capital projects. This funding model does not allow for fair or equitable distribution of costs to the Owners, especially during the more expensive years.



JRS ENGINEERING
BUILDING ENVELOPE CONSULTANTS

APPENDIX C

30-YEAR COST PROJECTION

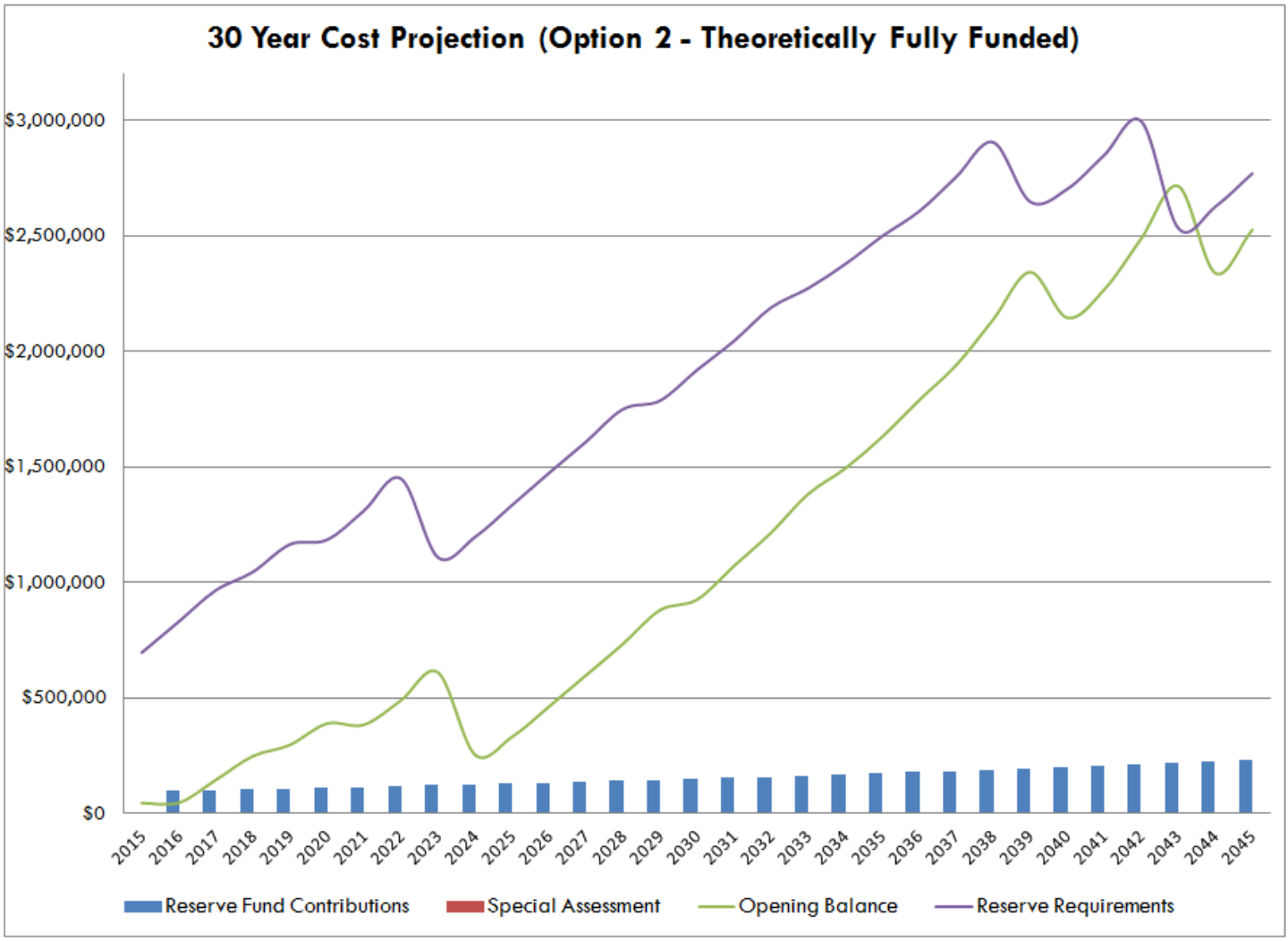
Option 1 (Baseline)

Georgia Court SAMPLE 30-YEAR PROJECTION		YEAR 2015	YEAR 2016	YEAR 2017	YEAR 2018	YEAR 2019	YEAR 2020	YEAR 2021	YEAR 2022	YEAR 2023	YEAR 2024	YEAR 2025	YEAR 2026	YEAR 2027	YEAR 2028	YEAR 2029	YEAR 2030	YEAR 2031	YEAR 2032	YEAR 2033	YEAR 2034	YEAR 2035	YEAR 2036	YEAR 2037	YEAR 2038	YEAR 2039	YEAR 2040	YEAR 2041	YEAR 2042	YEAR 2043	YEAR 2044	YEAR 2045
OPENING BALANCE (CRF)		**42,315**	**52,833**	**63,302**	**74,152**	**27,855**	**3,492**	**0**	**0**	**12,027**	**0**	**0**	**13,143**	**26,779**	**35,923**	**50,554**	**0**	**5,562**	**3,273**	**19,462**	**0**	**0**	**0**	**0**	**18,738**	**12,277**	**0**	**0**	**19,091**	**35,957**	**0**	**0**
Reserve Fund Contributions	3.00%	2,000	10,073	10,375	10,686	11,007	11,337	11,677	12,028	12,389	12,760	13,143	13,537	13,943	14,362	14,793	15,236	15,693	16,164	16,649	17,149	17,663	18,193	18,739	19,301	19,880	20,476	21,091	21,723	22,375	23,046	23,738
Special Assessment							88,689	218		466,317	36,994					64,394				37,127	24,650	8,336	21,847			410,342	45,988			557,468	26,409	
Operational Surplus		8,200																														
Reserve Fund Interest Income	0.75%	317	396	475	556	209	26	0	0	90	0	0	99	201	269	379	0	42	25	146	0	0	0	0	141	92	0	0	143	270	0	0
TOTAL CASH RESOURCES		**52,833**	**63,302**	**74,152**	**85,395**	**39,071**	**103,545**	**11,895**	**12,027**	**490,823**	**49,754**	**13,143**	**26,779**	**40,923**	**50,554**	**130,120**	**15,236**	**21,298**	**19,462**	**73,384**	**41,799**	**25,999**	**40,040**	**18,738**	**38,180**	**442,591**	**66,464**	**21,091**	**40,957**	**616,070**	**49,455**	**23,738**
RESERVE FUND EXPENDITURES																																
BUILDING ENVELOPE AND STRUCTURE																																
1 Parkade/Concrete Walls	5,660	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	2,943	--	--	29,430	--	--
2 Balcony Guard Rails	3,997	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
3 Balcony Membrane Assembley (2-ply)	9,072	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
4 Balcony Decking	14,515	--	--	--	--	--	--	--	--	--	--	--	--	--	--	73,185	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
5 Exterior Walls - Fibre Cement	7,188	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
6 Exterior Walls - Vinyl	48,616	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
7 Exterior Walls - Masonary Stone	755	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	7,678	--	--	--	--	--	--
8 Window Assemblies	47,408	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
9 Sliding Doors	4,686	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	4,266	--	--	--	--	--	--	--	--	--	--
10 Swing Doors	14,868	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
11 Entry Doors	3,465	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	10,725	--	--	--	--	--	--	--	--	--	--	--	--
12 Service Doors	2,218	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	11,531	--	--
13 Garage Door	4,389	--	--	--	--	--	--	6,896	--	--	--	--	--	--	--	--	--	2,000	--	--	--	--	--	--	--	--	--	2,000	--	--	--	--
14 Front Entrance Canopy	2,150	--	--	--	--	--	--	--	--	--	--	--	--	--	--	10,839	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
15 Sealant	6,615	--	--	--	--	12,409	--	--	--	--	--	--	--	--	--	16,676	--	--	--	--	--	--	--	--	--	22,412	--	--	--	--	--	--
16 Low Slope Roof - Torch on (2 ply)	22,936	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	233,123	--	--	--	--	--	--
17 Steep Slope Roof - Asphaltic Shingles	11,539	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	35,040	--	--	117,286	--	--	--	--	--	--
18 Gutters and Downspouts	3,793	--	--	--	--	--	--	--	--	--	12,372	--	--	--	--	--	--	--	--	--	--	--	--	--	--	19,275	--	--	--	--	--	--
19 Below-grade Membrane	32,061	--	--	--	--	--	--	--	--	12,144	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	166,714	--	--
20 Parkade Vehicular Membrane	4,154	--	--	--	--	--	6,420	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	11,595	--	--	--	--	--
21 Exterior Paint	9,686	--	--	--	--	18,170	--	--	--	--	--	--	--	--	--	24,419	--	--	--	--	--	--	--	--	--	32,817	--	--	--	--	--	--
INTERIOR																																
22 Lobby	3,750	--	--	--	--	--	5,796	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	10,469	--	--	--	--	--
23 Interior Entry Doors	4,504	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	23,422	--	--
24 Carpet	13,383	--	--	--	16,618	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	34,795	--	--
25 Interior Paint	2,099	--	--	--	--	--	--	--	--	--	27,382	--	--	--	--	--	--	--	--	--	36,799	--	--	--	--	--	--	--	--	--	49,455	--
26 Mailboxes	2,348	--	--	--	--	--	--	--	--	4,056	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
CONVEYANCE																																
27 Elevator	77,000	--	--	--	--	--	13,301	--	--	133,011	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
28 Elevator Cab Finshes	6,125	--	--	--	--	--	--	--	--	16,626	--	--	--	--	--	--	--	--	--	--	--	--	--	--	25,903	--	--	--	--	--	--	--
MECHANICAL																																
29 Domestic Water Pipes	180,180	--	--	--	--	--	15,562	--	--	311,245	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
30 Sprinkler Pipes	2,061	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	10,717	--	--
31 HVAC - building	1,997	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	16,025	--	--	--	--	--	--	--	--	--	--	--	--	--	--
32 Parkade Exhaust Fans	8,022	--	--	--	--	--	13,950	--	--	--	--	--	--	--	--	--	--	--	--	--	--	21,733	--	--	--	--	--	--	--	--	--	--
33 Sump Pumps	1,500	--	--	--	--	--	3,478	--	--	--	--	--	--	--	--	--	4,674	--	--	--	--	--	--	--	--	--	6,281	--	--	--	--	--
ELECTRICAL																																
34 Service Distribution	3,931	--	--	--	--	3,000	--	--	--	--	3,000	--	--	--	--	3,000	--	--	--	--	3,000	--	--	--	--	3,000	--	--	20,438	--	--
35 Power Distribution	12,321	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	38,136	--	--	--	--	--	--	--	--	--	--	--	--
36 Enterphone System	3,080	--	--	--	--	--	--	--	--	5,320	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
37 Fire Alarm Panel and Emergency Lighting	12,600	--	--	--	--	--	19,476	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	35,175	--	--	--	--	--
SITE SERVICES																																
38 Softscaping	25,040	--	--	--	--	--	--	--	--	3,433	--	--	--	--	--	--	--	--	--	4,614	--	--	--	--	--	--	--	--	--	130,206	--	--
39 Hardscaping	13,328	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	69,306	--	--
40 Underground Water Supply and Drainage	8,520	--	--	--	--	2,000	--	--	--	--	2,000	--	--	--	--	2,000	--	--	--	--	2,000	--	--	--	--	2,000	--	--	44,301	--	--
41 Outdoor Lighting	1,418	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
42 Retaining Walls - Wood	27,168	--	--	--	33,736	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	70,635	--	--
43 Retaining Walls - Concrete	1,698	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	5,255	--	--	--	--	--	--	--	--	--	--	--	--
44 Fencing	18,375	--	--	--	--	--	25,562	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
45 Courtyard Wood Benches	1,760	--	--	--	2,185	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	4,576	--	--
46 Railings and Gates	2,887	--	--	--	--	--	--	--	--	4,987	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
47 Lamp Posts	3,119	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	9,653	--	--	--	--	--	--	--	--	--	--	--	--
RESERVE FUND PLANNING																																
Certified Reserve Fund Consultant	-	--	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000
TOTAL EXPENDITURES		**0**	**0**	**0**	**57,539**	**35,579**	**103,545**	**11,896**	**0**	**490,824**	**49,754**	**0**	**0**	**5,000**	**0**	**130,120**	**9,674**	**18,025**	**0**	**73,384**	**41,799**	**25,999**	**40,040**	**0**	**25,903**	**442,591**	**66,464**	**2,000**	**5,000**	**616,070**	**49,455**	**5,000**
CLOSING BALANCE		**52,833**	**63,302**	**74,152**	**27,855**	**-3,492**	**0**	**0**	**12,027**	**0**	**0**	**13,143**	**26,779**	**35,923**	**50,554**	**0**	**5,562**	**3,273**	**19,462**	**0**	**0**	**0**	**0**	**18,738**	**12,277**	**0**	**0**	**19,091**	**35,957**	**0**	**0**	**18,738**
RESERVE REQUIREMENTS	**697,984**	**697,984**	**835,004**	**973,051**	**1,054,594**	**1,158,709**	**1,195,639**	**1,324,496**	**1,466,214**	**1,118,172**	**1,208,589**	**1,349,438**	**1,491,343**	**1,629,313**	**1,773,317**	**1,788,282**	**1,923,805**	**2,051,993**	**2,199,168**	**2,274,063**	**2,381,104**	**2,504,748**	**2,615,278**	**2,766,677**	**2,893,308**	**2,604,202**	**2,689,054**	**2,839,007**	**2,987,084**	**2,525,201**	**2,626,470**	**2,772,953**
ACCUMULATED RESERVE FUND BALANCE		**-645,151**	**-771,701**	**-898,899**	**-1,026,739**	**-1,155,217**	**-1,195,639**	**-1,324,496**	**-1,454,186**	**-1,118,172**	**-1,208,589**	**-1,336,295**	**-1,464,564**	**-1,593,390**	**-1,722,763**	**-1,788,282**	**-1,918,242**	**-2,048,720**	**-2,179,706**	**-2,274,063**	**-2,381,104**	**-2,504,748**	**-2,615,278**	**-2,747,939**	**-2,881,032**	**-2,604,202**	**-2,689,054**	**-2,819,916**	**-2,951,127**	**-2,525,202**	**-2,626,470**	**-2,754,216**

OPTION 2 (THEORETICAL FULLY FUNDED)

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

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



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APPENDIX C

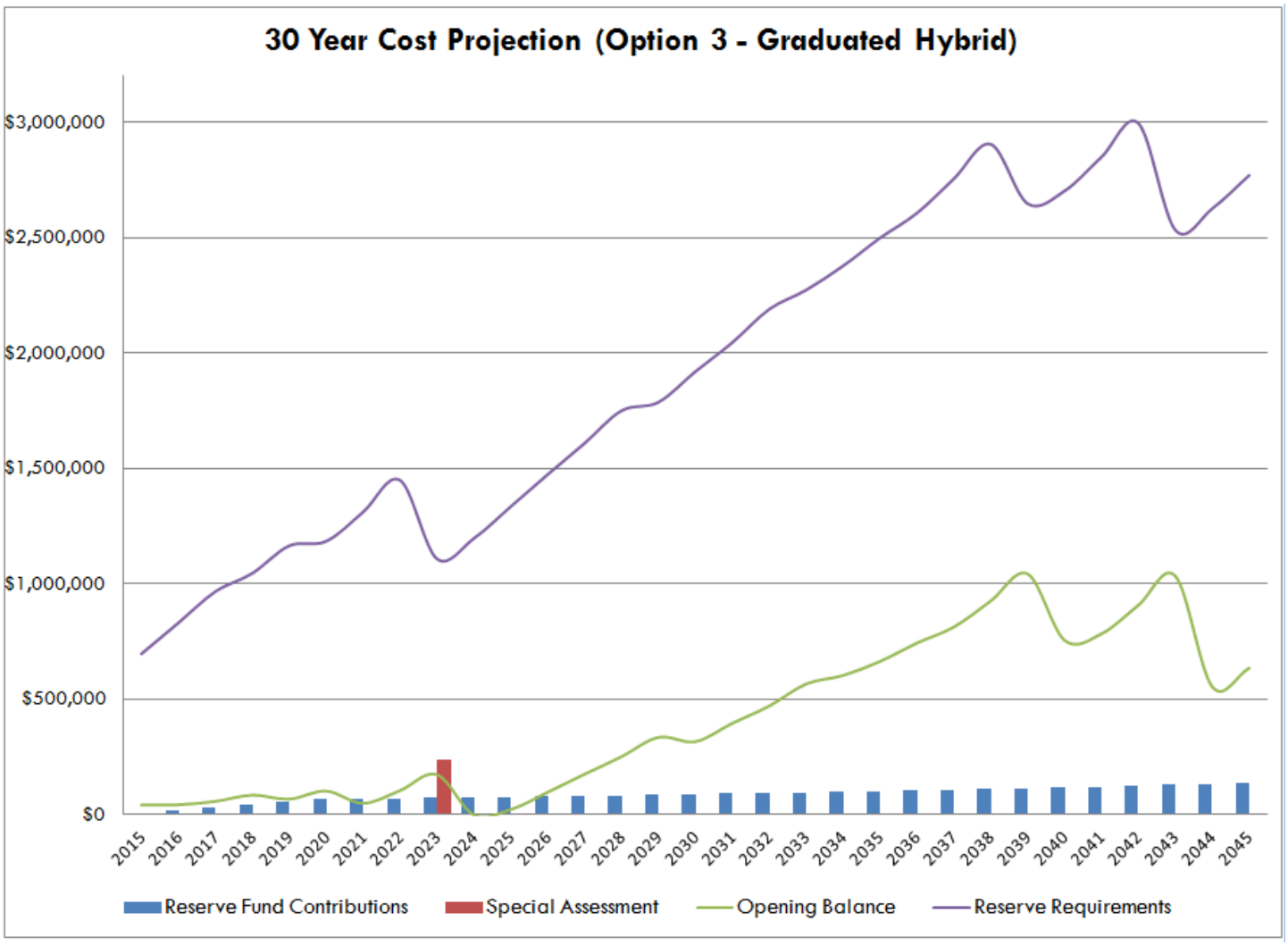
30-YEAR COST PROJECTION

Option 2 (Theoretically Fully Funded)

Georgia Court SAMPLE 30-YEAR PROJECTION		YEAR 2015	YEAR 2016	YEAR 2017	YEAR 2018	YEAR 2019	YEAR 2020	YEAR 2021	YEAR 2022	YEAR 2023	YEAR 2024	YEAR 2025	YEAR 2026	YEAR 2027	YEAR 2028	YEAR 2029	YEAR 2030	YEAR 2031	YEAR 2032	YEAR 2033	YEAR 2034	YEAR 2035	YEAR 2036	YEAR 2037	YEAR 2038	YEAR 2039	YEAR 2040	YEAR 2041	YEAR 2042	YEAR 2043	YEAR 2044	YEAR 2045
OPENING BALANCE (CRF)		**42,315**	**52,833**	**153,149**	**257,215**	**307,609**	**383,522**	**395,314**	**502,218**	**625,294**	**262,049**	**340,835**	**473,764**	**611,601**	**749,500**	**897,583**	**920,931**	**1,069,301**	**1,214,968**	**1,384,422**	**1,486,573**	**1,626,030**	**1,787,436**	**1,941,268**	**2,141,707**	**2,323,323**	**2,095,358**	**2,247,725**	**2,471,792**	**2,700,817**	**2,326,953**	**2,523,559**
Reserve Fund Contributions	3.00%	2,000	99,920	102,917	106,005	109,185	112,460	115,834	119,309	122,889	126,575	130,373	134,284	138,312	142,462	146,735	151,137	155,672	160,342	165,152	170,107	175,210	180,466	185,880	191,456	197,200	203,116	209,210	215,486	221,950	228,609	235,467
Special Assessment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operational Surplus		8,200																														
Reserve Fund Interest Income	0.75%	317	396	1,149	1,929	2,307	2,876	2,965	3,767	4,690	1,965	2,556	3,553	4,587	5,621	6,732	6,907	8,020	9,112	10,383	11,149	12,195	13,406	14,560	16,063	17,425	15,715	16,858	18,538	20,256	17,452	18,927
TOTAL CASH RESOURCES		**52,833**	**153,149**	**257,215**	**365,149**	**419,101**	**498,859**	**514,114**	**625,294**	**752,872**	**390,589**	**473,764**	**611,601**	**754,500**	**897,583**	**1,051,050**	**1,078,975**	**1,232,992**	**1,384,422**	**1,559,957**	**1,667,829**	**1,813,435**	**1,981,308**	**2,141,707**	**2,349,227**	**2,537,948**	**2,314,189**	**2,473,792**	**2,705,817**	**2,943,023**	**2,573,014**	**2,777,953**
RESERVE FUND EXPENDITURES																																
BUILDING ENVELOPE AND STRUCTURE																																
1 Parkade/Concrete Walls	5,660	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	2,943	--	--	29,430	--	--
2 Balcony Guard Rails	3,997	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
3 Balcony Membrane Assembley (2-ply)	9,072	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
4 Balcony Decking	14,515	--	--	--	--	--	--	--	--	--	--	--	--	--	--	73,185	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
5 Exterior Walls - Fibre Cement	7,188	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
6 Exterior Walls - Vinyl	48,616	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
7 Exterior Walls - Masonary Stone	755	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	7,678	--	--	--	--	--	--
8 Window Assemblies	47,408	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
9 Sliding Doors	4,686	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	4,266	--	--	--	--	--	--	--	--	--	--
10 Swing Doors	14,868	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
11 Entry Doors	3,465	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	10,725	--	--	--	--	--	--	--	--	--	--	--	--
12 Service Doors	2,218	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	11,531	--	--	--
13 Garage Door	4,389	--	--	--	--	--	--	6,896	--	--	--	--	--	--	--	--	--	2,000	--	--	--	--	--	--	--	--	--	2,000	--	--	--	--
14 Front Entrance Canopy	2,150	--	--	--	--	--	--	--	--	--	--	--	--	--	--	10,839	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
15 Sealant	6,615	--	--	--	--	12,409	--	--	--	--	--	--	--	--	--	16,676	--	--	--	--	--	--	--	--	--	22,412	--	--	--	--	--	--
16 Low Slope Roof - Torch on (2 ply)	22,936	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	233,123	--	--	--	--	--	--
17 Steep Slope Roof - Asphaltic Shingles	11,539	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	35,040	--	--	117,286	--	--	--	--	--	--
18 Gutters and Downspouts	3,793	--	--	--	--	--	--	--	--	--	12,372	--	--	--	--	--	--	--	--	--	--	--	--	--	--	19,275	--	--	--	--	--	--
19 Below-grade Membrane	32,061	--	--	--	--	--	--	--	--	12,144	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	166,714	--	--	--
20 Parkade Vehicular Membrane	4,154	--	--	--	--	--	6,420	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	11,595	--	--	--	--	--
21 Exterior Paint	9,686	--	--	--	--	18,170	--	--	--	--	--	--	--	--	--	24,419	--	--	--	--	--	--	--	--	--	32,817	--	--	--	--	--	--
INTERIOR																																
22 Lobby	3,750	--	--	--	--	--	5,796	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	10,469	--	--	--	--	--
23 Interior Entry Doors	4,504	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	23,422	--	--	--
24 Carpet	13,383	--	--	--	16,618	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	34,795	--	--	--
25 Interior Paint	2,099	--	--	--	--	--	--	--	--	--	27,382	--	--	--	--	--	--	--	--	--	--	36,799	--	--	--	--	--	--	--	49,455	--	--
26 Mailboxes	2,348	--	--	--	--	--	--	--	--	4,056	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
CONVEYANCE																																
27 Elevator	77,000	--	--	--	--	--	13,301	--	--	133,011	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
28 Elevator Cab Finshes	6,125	--	--	--	--	--	--	--	--	16,626	--	--	--	--	--	--	--	--	--	--	--	--	--	--	25,903	--	--	--	--	--	--	--
MECHANICAL																																
29 Domestic Water Pipes	180,180	--	--	--	--	--	15,562	--	--	311,245	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
30 Sprinkler Pipes	2,061	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	10,717	--	--	--
31 HVAC - building	1,997	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	16,025	--	--	--	--	--	--	--	--	--	--	--	--	--	--
32 Parkade Exhaust Fans	8,022	--	--	--	--	--	13,950	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	21,733	--	--	--	--	--	--	--	--	--
33 Sump Pumps	1,500	--	--	--	--	--	3,478	--	--	--	--	--	--	--	--	--	4,674	--	--	--	--	--	--	--	--	--	6,281	--	--	--	--	--
ELECTRICAL																																
34 Service Distribution	3,931	--	--	--	--	3,000	--	--	--	--	3,000	--	--	--	--	3,000	--	--	--	--	3,000	--	--	--	--	3,000	--	--	20,438	--	--	--
35 Power Distribution	12,321	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	38,136	--	--	--	--	--	--	--	--	--	--	--	--
36 Enterphone System	3,080	--	--	--	--	--	--	--	--	5,320	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
37 Fire Alarm Panel and Emergency Lighting	12,600	--	--	--	--	--	19,476	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	35,175	--	--	--	--	--
SITE SERVICES																																
38 Softscaping	25,040	--	--	--	--	--	--	--	--	3,433	--	--	--	--	--	--	--	--	--	4,614	--	--	--	--	--	--	--	--	--	130,206	--	--
39 Hardscaping	13,328	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	69,306	--	--
40 Underground Water Supply and Drainage	8,520	--	--	--	--	2,000	--	--	--	--	2,000	--	--	--	--	2,000	--	--	--	--	2,000	--	--	--	--	2,000	--	--	44,301	--	--	--
41 Outdoor Lighting	1,418	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
42 Retaining Walls - Wood	27,168	--	--	--	33,736	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	70,635	--	--
43 Retaining Walls - Concrete	1,698	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	5,255	--	--	--	--	--	--	--	--	--	--	--	--
44 Fencing Wood	18,375	--	--	--	--	--	25,562	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
45 Courtyard Wood Benches	1,760	--	--	--	2,185	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	4,576	--	--
46 Railings and Gates	2,887	--	--	--	--	--	--	--	--	4,987	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
47 Lamp Posts	3,119	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	9,653	--	--	--	--	--	--	--	--	--	--	--	--
RESERVE FUND PLANNING																																
Certified Reserve Fund Consultant	-	--	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000
TOTAL EXPENDITURES		**0**	**0**	**0**	**57,539**	**35,579**	**103,545**	**11,896**	**0**	**490,824**	**49,754**	**0**	**0**	**5,000**	**0**	**130,120**	**9,674**	**18,025**	**0**	**73,384**	**41,799**	**25,999**	**40,040**	**0**	**25,903**	**442,591**	**66,464**	**2,000**	**5,000**	**616,070**	**49,455**	**5,000**
CLOSING BALANCE		**52,833**	**153,149**	**257,215**	**307,609**	**383,522**	**395,314**	**502,218**	**625,294**	**262,049**	**340,835**	**473,764**	**611,601**	**749,500**	**897,583**	**920,931**	**1,069,301**	**1,214,968**	**1,384,422**	**1,486,573**	**1,626,030**	**1,787,436**	**1,941,268**	**2,141,707**	**2,323,323**	**2,095,358**	**2,247,725**	**2,471,792**	**2,700,817**	**2,326,953**	**2,523,559**	**2,772,953**
RESERVE REQUIREMENTS	**697,984**	**697,984**	**835,004**	**973,051**	**1,054,594**	**1,158,709**	**1,195,639**	**1,324,496**	**1,466,214**	**1,118,172**	**1,208,589**	**1,349,438**	**1,491,343**	**1,629,313**	**1,773,317**	**1,788,282**	**1,923,805**	**2,051,993**	**2,199,168**	**2,274,063**	**2,381,104**	**2,504,748**	**2,615,278**	**2,766,677**	**2,893,308**	**2,604,202**	**2,689,054**	**2,839,007**	**2,987,084**	**2,525,201**	**2,626,470**	**2,772,953**
ACCUMULATED RESERVE FUND BALANCE		**-645,151**	**-681,855**	**-715,836**	**-746,985**	**-775,187**	**-800,325**	**-822,278**	**-840,920**	**-856,123**	**-867,753**	**-875,674**	**-879,742**	**-879,813**	**-875,734**	**-867,351**	**-854,504**	**-837,026**	**-814,746**	**-787,489**	**-755,074**	**-717,311**	**-674,010**	**-624,970**	**-569,985**	**-508,844**	**-441,329**	**-367,214**	**-286,267**	**-198,248**	**-102,911**	**0**

OPTION 3 (GRADUATED HYBRID)

This model shows annual contributions that increase CRF contribution levels in 2016-2020. These increases can be revised during the 3 year updates based on a number of factors: actual CRF contributions, recent upgrades, anticipated short term expenditures, as well as current interest and inflation factors. This model generally indicates that eventually (5 years) the CRF contribution level achieves 50% of the fully funded contribution level ($129,534) and is likely the most prudent option that the general Ownership would be willing to accept. The owners can ultimately revise the percent of annual increases and time it takes to get to this value.



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APPENDIX C

30-YEAR COST PROJECTION

Option 3 (Graduated Hybrid)

Georgia Court		YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR
SAMPLE 30-YEAR PROJECTION		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
OPENING BALANCE (CRF)		42,315	52,833	63,302	87,523	68,060	84,085	45,938	101,097	170,567	0	23,142	98,399	176,472	252,450	336,389	293,298	372,865	447,290	542,987	568,788	629,221	708,846	778,054	890,940	981,980	660,323	715,788	839,642	965,040	484,030	569,864
Reserve Fund Contributions	3.00%	2,000	10,073	23,747	37,420	51,094	64,767	66,710	68,711	70,773	72,896	75,083	77,335	79,655	82,045	84,506	87,041	89,653	92,342	95,113	97,966	100,905	103,932	107,050	110,261	113,569	116,976	120,486	124,100	127,823	131,658	135,608
Special Assessment										248,205																						
Operational Surplus		8,200																														
Reserve Fund Interest Income	0.75%	317	396	475	656	510	631	345	758	1,279	0	174	738	1,324	1,893	2,523	2,200	2,796	3,355	4,072	4,266	4,719	5,316	5,835	6,682	7,365	4,952	5,368	6,297	7,238	3,630	4,274
TOTAL CASH RESOURCES		52,833	63,302	87,523	125,600	119,664	149,483	112,993	170,567	490,824	72,896	98,399	176,472	257,450	336,389	423,418	382,539	465,314	542,987	642,172	671,020	734,845	818,094	890,940	1,007,883	1,102,914	782,252	841,642	970,040	1,100,101	619,319	709,745
RESERVE FUND EXPENDITURES																																
BUILDING ENVELOPE AND STRUCTURE																																
1 Parkade/Concrete Walls	5,660	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	2,943	--	--	29,430	--	--
2 Balcony Guard Rails	3,997	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
3 Balcony Membrane Assembley (2-ply)	9,072	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
4 Balcony Decking	14,515	--	--	--	--	--	--	--	--	--	--	--	--	--	--	73,185	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
5 Exterior Walls - Fibre Cement	7,188	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
6 Exterior Walls - Vinyl	48,616	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
7 Exterior Walls - Masonary Stone	755	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	7,678	--	--	--	--	--	--
8 Window Assemblies	47,408	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
9 Sliding Doors	4,686	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	4,266	--	--	--	--	--	--	--	--	--	--
10 Swing Doors	14,868	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
11 Entry Doors	3,465	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	10,725	--	--	--	--	--	--	--	--	--	--	--	--
12 Service Doors	2,218	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	11,531	--	--	--
13 Garage Door	4,389	--	--	--	--	--	--	6,896	--	--	--	--	--	--	--	--	--	2,000	--	--	--	--	--	--	--	--	--	2,000	--	--	--	--
14 Front Entrance Canopy	2,150	--	--	--	--	--	--	--	--	--	--	--	--	--	--	10,839	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
15 Sealant	6,615	--	--	--	--	12,409	--	--	--	--	--	--	--	--	--	16,676	--	--	--	--	--	--	--	--	--	22,412	--	--	--	--	--	--
16 Low Slope Roof - Torch on (2 ply)	22,936	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	233,123	--	--	--	--	--	--
17 Steep Slope Roof - Asphaltic Shingles	11,539	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	35,040	--	--	117,286	--	--	--	--	--	--
18 Gutters and Downspouts	3,793	--	--	--	--	--	--	--	--	--	12,372	--	--	--	--	--	--	--	--	--	--	--	--	--	--	19,275	--	--	--	--	--	--
19 Below-grade Membrane	32,061	--	--	--	--	--	--	--	--	12,144	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	166,714	--	--	--
20 Parkade Vehicular Membrane	4,154	--	--	--	--	--	6,420	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	11,595	--	--	--	--	--
21 Exterior Paint	9,686	--	--	--	--	18,170	--	--	--	--	--	--	--	--	--	24,419	--	--	--	--	--	--	--	--	--	32,817	--	--	--	--	--	--
INTERIOR																																
22 Lobby	3,750	--	--	--	--	--	5,796	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	10,469	--	--	--	--	--
23 Interior Entry Doors	4,504	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	23,422	--	--	--
24 Carpet	13,383	--	--	--	16,618	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	34,795	--	--	--
25 Interior Paint	2,099	--	--	--	--	--	--	--	--	--	27,382	--	--	--	--	--	--	--	--	--	36,799	--	--	--	--	--	--	--	--	49,455	--	--
26 Mailboxes	2,348	--	--	--	--	--	--	--	--	4,056	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
CONVEYANCE																																
27 Elevator	77,000	--	--	--	--	--	13,301	--	--	133,011	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
28 Elevator Cab Finshes	6,125	--	--	--	--	--	--	--	--	16,626	--	--	--	--	--	--	--	--	--	--	--	--	--	--	25,903	--	--	--	--	--	--	--
MECHANICAL																																
29 Domestic Water Pipes	180,180	--	--	--	--	--	15,562	--	--	311,245	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
30 Sprinkler Pipes	2,061	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	10,717	--	--	--
31 HVAC - building	1,997	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	16,025	--	--	--	--	--	--	--	--	--	--	--	--	--	--
32 Parkade Exhaust Fans	8,022	--	--	--	--	--	13,950	--	--	--	--	--	--	--	--	--	--	--	--	--	--	21,733	--	--	--	--	--	--	--	--	--	--
33 Sump Pumps	1,500	--	--	--	--	--	3,478	--	--	--	--	--	--	--	--	--	4,674	--	--	--	--	--	--	--	--	--	6,281	--	--	--	--	--
ELECTRICAL																																
34 Service Distribution	3,931	--	--	--	--	3,000	--	--	--	--	3,000	--	--	--	--	3,000	--	--	--	--	3,000	--	--	--	--	3,000	--	--	20,438	--	--	--
35 Power Distribution	12,321	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	38,136	--	--	--	--	--	--	--	--	--	--	--	--
36 Enterphone System	3,080	--	--	--	--	--	--	--	--	5,320	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
37 Fire Alarm Panel and Emergency Lighting	12,600	--	--	--	--	--	19,476	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	35,175	--	--	--	--	--
SITE SERVICES																																
38 Softscaping	25,040	--	--	--	--	--	--	--	--	3,433	--	--	--	--	--	--	--	--	--	4,614	--	--	--	--	--	--	--	--	130,206	--	--	--
39 Hardscaping	13,328	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	69,306	--	--	--
40 Underground Water Supply and Drainage	8,520	--	--	--	--	2,000	--	--	--	--	2,000	--	--	--	--	2,000	--	--	--	--	2,000	--	--	--	--	2,000	--	--	44,301	--	--	--
41 Outdoor Lighting	1,418	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
42 Retaining Walls - Wood	27,168	--	--	--	33,736	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	70,635	--	--	--
43 Retaining Walls - Concrete	1,698	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	5,255	--	--	--	--	--	--	--	--	--	--	--	--
44 Fencing	18,375	--	--	--	--	--	25,562	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
45 Courtyard Wood Benches	1,760	--	--	--	2,185	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	4,576	--	--	--
46 Railings and Gates	2,887	--	--	--	--	--	--	--	--	4,987	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
47 Lamp Posts	3,119	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	9,653	--	--	--	--	--	--	--	--	--	--	--	--
RESERVE FUND PLANNING																																
Certified Reserve Fund Consultant	-	--	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000	--	--	5,000
TOTAL EXPENDITURES		0	0	0	57,539	35,579	103,545	11,896	0	490,824	49,754	0	0	5,000	0	130,120	9,674	18,025	0	73,384	41,799	25,999	40,040	0	25,903	442,591	66,464	2,000	5,000	616,070	49,455	5,000
CLOSING BALANCE		52,833	63,302	87,523	68,060	84,085	45,938	101,097	170,567	0	23,142	98,399	176,472	252,450	336,389	293,298	372,865	447,290	542,987	568,788	629,221	708,846	778,054	890,940	981,980	660,323	715,788	839,642	965,040	484,030	569,864	704,745
RESERVE REQUIREMENTS	697,984	697,984	835,004	973,051	1,054,594	1,158,709	1,195,639	1,324,496	1,466,214	1,118,172	1,208,589	1,349,438	1,491,343	1,629,313	1,773,317	1,788,282	1,923,805	2,051,993	2,199,168	2,274,063	2,381,104	2,504,748	2,615,278	2,766,677	2,893,308	2,604,202	2,689,054	2,839,007	2,987,084	2,525,201	2,626,470	2,772,953
ACCUMULATED RESERVE FUND BALANCE		-645,151	-771,701	-885,527	-986,533	-1,074,624	-1,149,701	-1,223,398	-1,295,647	-1,118,171	-1,185,446	-1,251,039	-1,314,872	-1,376,862	-1,436,929	-1,494,984	-1,550,940	-1,604,704	-1,656,181	-1,705,275	-1,751,883	-1,795,902	-1,837,224	-1,875,738	-1,911,329	-1,943,879	-1,973,266	-1,999,365	-2,022,044	-2,041,171	-2,056,606	-2,068,208

Appendix D

Cash Flow Table

RESERVE FUND – CASH FLOW TABLE

The Cash Flow Table presented below is for JRS' recommended Graduated Hybrid Funding Model. It demonstrates estimated cash flow over a 30-year period as the funding model is applied, including opening balance, of reserve fund contributions and expenditures as major components are expected to be replaced. The $8,200 operational surplus in 2015 is a surplus that was spent on capital projects. The percentage increase in annual CRF contributions in 2016 and 2017 should not be difficult for owner to attain due to previous surpluses in recent years.

YEAR	OPENING BALANCE	RECOMMENDED ANNUAL CONTRIBUTION	SPECIAL ASSESSMENT	OPERATIONAL SURPLUS	ESTIMATED INFLATION-ADJUSTED EXPENDITURES	ESTIMATED INTEREST EARNED 0.75%	% INCREASE IN RECOMMENDED ANNUAL CONTRIBUTIONS	CLOSING BALANCE
2015	42,315	2,000		8,200	-	317	--	52,833
2016	52,833	10,073		-	-	396	403.65%	63,302
2017	63,302	23,747		-	-	475	135.74%	87,523
2018	87,523	37,420		-	57,539	656	57.58%	68,060
2019	68,060	51,094		-	35,579	510	36.54%	84,085
2020	84,085	64,767		-	103,545	631	26.76%	45,938
2021	45,938	66,710		-	11,896	345	3.00%	101,097
2022	101,097	68,711		-	-	758	3.00%	170,567
2023	170,567	70,773	248,205		490,824	1,279	3.00%	0
2024	0	72,896		-	49,754	0	3.00%	23,142
2025	23,142	75,083		-	-	174	3.00%	98,399
2026	98,399	77,335		-	-	738	3.00%	176,472
2027	176,472	79,655		-	5,000	1,324	3.00%	252,450
2028	252,450	82,045		-	-	1,893	3.00%	336,389
2029	336,389	84,506		-	130,120	2,523	3.00%	293,298
2030	293,298	87,041		-	9,674	2,200	3.00%	372,865
2031	372,865	89,653		-	18,025	2,796	3.00%	447,290
2032	447,290	92,342		-	-	3,355	3.00%	542,987
2033	542,987	95,113		-	73,384	4,072	3.00%	568,788
2034	568,788	97,966		-	41,799	4,266	3.00%	629,221
2035	629,221	100,905		-	25,999	4,719	3.00%	708,846
2036	708,846	103,932		-	40,040	5,316	3.00%	778,054
2037	778,054	107,050		-	-	5,835	3.00%	890,940
2038	890,940	110,261		-	25,903	6,682	3.00%	981,980
2039	981,980	113,569		-	442,591	7,365	3.00%	660,323
2040	660,323	116,976		-	66,464	4,952	3.00%	715,788
2041	715,788	120,486		-	2,000	5,368	3.00%	839,642
2042	839,642	124,100		-	5,000	6,297	3.00%	965,040
2043	965,040	127,823		-	616,070	7,238	3.00%	484,030
2044	484,030	131,658		-	49,455	3,630	3.00%	569,864
2045	569,864	135,608		-	5,000	4,274	3.00%	704,745

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