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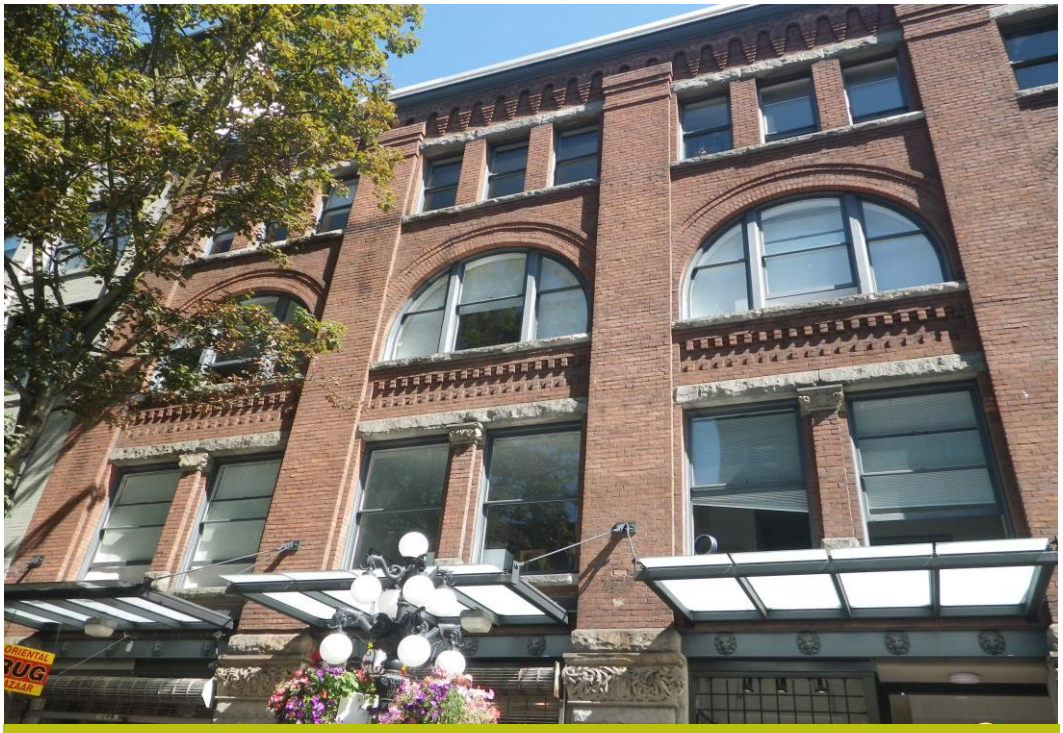
Depreciation Report | Project 6218.00

The Greenshields, 345 Water Street, Vancouver, BC



To The Owners, Strata Plan BCS849
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Site Visit: July 28, 2014
Submitted: February 10, 2015 by
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1 Introduction

RDH Building Engineering Ltd. (RDH) was retained by The Owners, Strata Plan BCS849 (the Owners) to prepare a Depreciation Report (the Report) for the mixed use, heritage building known as The Greenshields, which is located at 345 Water Street, Vancouver, BC. The Report considers the common property and limited common property components (the Assets) that the Strata Corporation is responsible to maintain, repair and replace.

The Report is intended to help the Owners, the strata council, and the management team make informed decisions about the allocation of resources to the common property Assets such as roofs, windows, interior finishes and mechanical equipment.

This Report meets the requirements stipulated in the current Strata Property Act and Regulations. The Report includes a physical inventory of the common property assets; estimated costs for capital expenditures over a 30 year horizon; and three funding models. Refer to the appendices for RDH's qualifications and information on errors and omissions insurance. In accordance with the requirements of the Act, RDH declares that there is no relationship between the employees at RDH and the Owners.

A site visit was completed on July 28, 2014 and the financial data is based on the 2013/2014 fiscal year. A draft report was distributed to the strata council and strata management on October 7, 2014. Feedback from the strata council was incorporated into the report, and the final report was issued on February 10, 2015.

The Depreciation Report is a synopsis of a significant volume of data and has two parts: the summary and the appendices. The summary is intended to provide an overview of the Depreciation Report. The appendices provide detailed information to support the summary report. The appendices include a glossary of terms. Words that are *italicized* are defined in the glossary.

In addition to the Report, the supporting data are available to authorized users through RDH's interactive Building Asset Management Services (BAMS) software, posted on a secure website. The data is owned by the Strata Corporation and can be printed and/or exported on request. RDH has developed the interactive software tool to enable Owners to proactively manage their funding requirements and maintenance obligations, and a variety of other services in addition to the Depreciation Report are available.

As the physical and financial status of the Assets changes, the Report will require updating. The Strata Property Act requires updates to the Report every three years; however, the Strata Corporation can choose to update portions of the Report to reflect changes to their financial status and completed work more frequently at their discretion.

2 The Greenshields

The Greenshields is comprised of a single, low-rise building, which underwent a heritage conversion in approximately 2004. The building is a mixture of cast-in-place concrete construction with steel stud infill walls. The principal systems in the building include the building enclosure (the separation of the interior from exterior space), electrical (the electrical, communications and security equipment), mechanical (heating, cooling, and plumbing), elevators, fire safety (sprinklers, fire detection, and egress equipment), interior finishes, and amenities. The Assets within each system are described in detail in Appendix B.

Key physical parameters of The Greenshields are summarized in Table 2.1and Figure 2.1 and 2.2 below.

TABLE 2.1 KEY PHYSICAL PARAMETERS

Figure 2.1 South Elevation of The Greenshields.

Approximate date of original construction	1901-02
Approximate date of heritage conversion development	2004
Approximate gross floor area, including the parkade (ft²)	32,100
Total Unit Entitlement	4,444
• Common	2,312
• Residential	1,846
• Commercial	466
Stories above grade	5
Total number of strata lots	24
→ Residential Section	22
→ Commercial Section	2

Figure 2.2 – Aerial view of The Greenshields, noted in blue. – (©VanMap 2014)

3 Assessments

Depreciation Reports combine two distinct types of analysis: a *physical assessment,* and a *financial assessment.* The assessments are used to determine what the Strata Corporation owns, what condition the Assets are in, what the strata is responsible for, and the *capital costs* associated with the Assets.

The process of preparing a Depreciation Report is summarized in Figure 3.1 below:

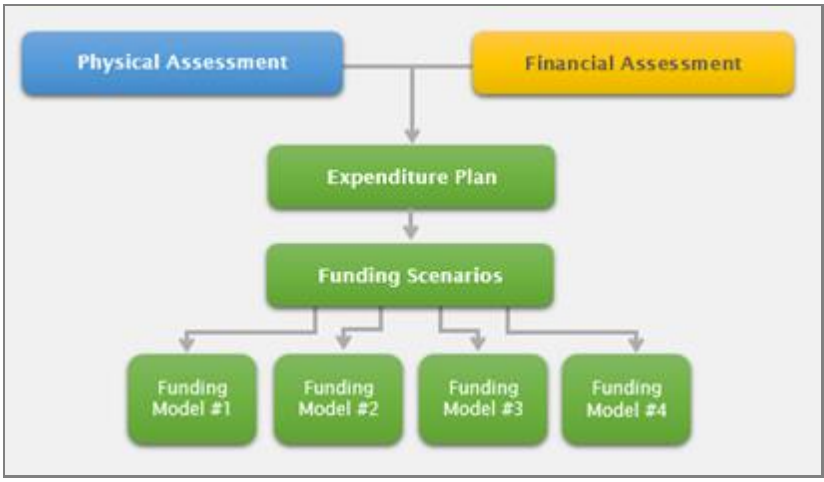

Figure 3.1

Depreciation Report Process

Funding models are built based on the strategic plan (30 years).

The following sections provide a brief overview of the physical assessment and financial assessment including a summary of key information.

3.1 Physical Assessment

The physical assessment has two parts: an inventory and an evaluation.

The *Asset Inventory* identifies "the common property, the common assets and those parts of a strata lot or limited common property, or both, that the Strata Corporation is responsible to maintain or repair under the Act, the Strata Corporation's bylaws or an agreement with an owner" (*Strata Property Act Regulation,* BC Reg 43/2000, Ch. 6.2). In other words, it identifies what the Strata Corporation owns and must repair and maintain. The Asset Inventory is included as an appendix to this report.

The evaluation is used to forecast common repairs, replacements and maintenance activities that "usually occur less often than once a year or that do not usually occur" (*Strata Property Act Regulation*, BC Reg 43/2000, Ch.6.2). In other words, the evaluation predicts only events that occur at intervals greater than one year.

The evaluation is typically based on:

- → A review of historical documentation such as invoices,
- → Discussions with Strata Corporation representatives,
- → A visual review of the building, limited to a sample of readily accessible Assets, and
- → A review of other technical information such as construction drawings and previous investigation report

Destructive testing, disassembly, and performance testing are not included in the physical evaluation; this report does not replace a Warranty Review or Condition Assessment. Please visit www.rdh.com for additional information on Warranty Reviews and Condition Assessments.

Failure of some Assets may be concealed, for example building enclosure assets such as cladding. For Assets with the potential for concealed failure, a number of tools are used to assign a reasonable expected service life including the typical performance of the asset in other, similar properties; the performance history reported by the Strata Corporation; the original drawings; and any previous investigation reports commissioned by the Strata Corporation. It is expected that the Strata Corporation will need more detailed reviews as Assets approach the end of their service lives. Allowances for additional reviews or investigations are included as appropriate. Recommendations taken from any additional reviews should be incorporated into future Depreciation Report updates.

As part of the physical assessment, RDH compiled a history of completed projects by reviewing the documents provided by the strata and interviewing Strata Corporation representatives. The history is summarized in Table 3.1 below. The history establishes the chronological age of the Assets.

TABLE 3.1 MAINTENANCE AND RENEWAL HISTORY

<table>
<tr>
<td>Building Enclosure
→ 2013 – Localized painting of metal flashings.
→ 2013 – Cleaning of patios.
→ 2012 – Parkade power washing.
→ 2010 – Exterior cleaning of the building.
→ 2010 – Exterior painting, including concrete block wall and wood window frames.
→ 2009 – 5 year building enclosure warranty, completed by Spratt Emanuel.</td>
<td>Electrical
→ 2014 – Upgraded proximity access and security software.

Fire Systems
→ 2014 – Replacement of the smoke alarms.</td>
</tr>
<tr>
<td>Mechanical
→ 2014 – Replacement of the garage door torsion spring and brake assembly.
→ 2013 – Scoping and augering of the building drainage lines.
→ 2013 – Cleaning of the sump pump.</td>
<td>Interior Finishes
→ Annual – Interior paint touch ups.
→ 2012 – Cleaning of hallway carpets.</td>
</tr>
</table>

On July 28, 2014, two representatives of RDH Building Engineering Ltd. visited the site to visually review the Assets. In addition, RDH retained a subcontractor (GUNN consultants Inc.), to review the elevators. While the Depreciation Report does not constitute a maintenance review or condition assessment, some observations regarding the general condition, design and construction of the Assets were made as part of the visual review. These observations were used to determine a reasonable estimated remaining service life of various assets. Table 3.2 includes examples of some observations made during the review.

TABLE 3.2 OBSERVATIONS BY SYSTEM	
SYSTEM	OBSERVATION
Building Enclosure	→ There is evidence of regular repainting of various exterior building enclosure assets. → There is localized staining on various building enclosure assets. → There is localized cracking and de-bonding of the sealant. → There is localized damage to the architectural concrete along the south elevation
Electrical	→ Maintenance records indicate regular inspections of equipment.
Mechanical	→ Suites have individual hot water heaters; common water distribution piping is cold water only.
Interior Finishes	→ Evidence of regular interior finish repairs and paint touch ups.

Since the building enclosure system incorporates a mix of heritage and new construction, there will likely be a need for more comprehensive maintenance strategies. The south elevation cladding, masonry brick, is original and will likely never require full replacement. However, it will likely require more frequent maintenance to sustain its water shedding capabilities. In addition, the on-going maintenance of the original, single glazed, wood frame windows will also be an important undertaking for the strata corporation. Regular cleaning, painting and inspections should be completed to ensure the windows are preserved and kept in reasonable working order.

3.2 Financial Assessment

The financial assessment estimates the future costs associated with the Assets, and examines how future funding requirements will be affected by current financial practises. More specifically, the financial assessment identifies:

- → The opening balance in the *Contingency Reserve Fund* (CRF).
- → The estimated value of capital expenditures, expressed in *Current Year Dollars* (CYD).
- → The estimated future value of capital expenditures, expressed in *Future Year Dollars* (FYD). These costs are calculated by applying an inflation rate (2% per year) to the current costs.

The future value of major maintenance and renewal costs can be compared against the building reproduction cost. The building reproduction cost is the cost to reproduce the building in similar materials, in accordance with current market prices, and is obtained from the most recent insurance appraisal.

The financial assessment begins with a review of the current financial situation of the Strata Corporation. Table 3.3 below summarizes the key financial parameters reviewed as part of the financial assessment.

TABLE 3.3 KEY FINANCIAL PARAMETERS	
PARAMETER	2014 STUDY
Fiscal year end	September 30
Building reproduction cost	$8,500,000
Combined Operating budget (excluding CRF contribution)	$90,943
Total Annual CRF contribution - combined • Common • Residential • Commercial	$28,500 *$15,000* *$13,500* *$0*
Total Accumulated CRF Balance - combined* • Common • Residential • Commercial	$82,430 *$35,600* *$3,499* *$43,331*

**The balance in the CRF varies each month as contributions are made and funds are withdrawn for capital renewal projects and major maintenance activities. The accumulated CRF balance is reconciled as of April 2014.*

The Greenshields is a sectioned strata corporation and capital costs associated with several assets are shared according to the unit entitlement. The strata corporation is made up of two sections: Residential and Commercial. The commercial section is comprised of the two strata lots on the ground floor and the commercial parking spaces. Those Assets that are wholly the responsibility of the Commercial section are identified as "Commercial Property" in the Asset Inventory. The cost sharing ratios are summarized in Table 3.4 below.

TABLE 3.4 ASSETS EXCLUSIVE TO THE COMMERCIAL SECTION			
ASSET	COMMON	RESIDENTIAL	COMMERCIAL (SECTION)
Mech 13 – Condensing units & associated fan coil units	0%	0%	100%

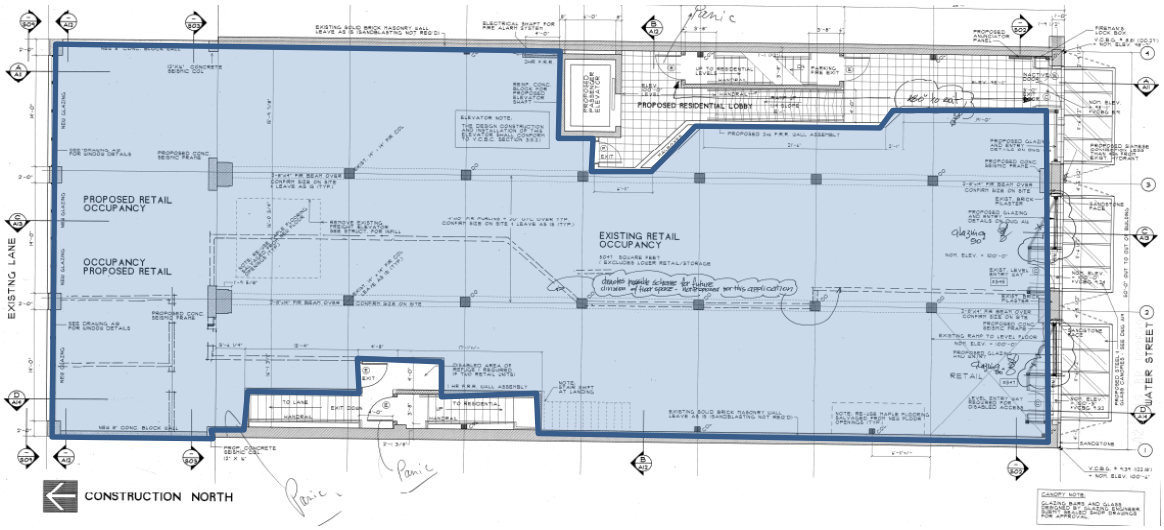

Figure 3.2 Ground level floor plan. The approximate boundaries of the commercial section are hatched in blue and are made up from two adjoining strata lots.

Depreciation Reports include capital costs only: the costs for activities that occur at intervals greater than one year. Activities that occur annually or more frequently than once a year are considered operating expenses and are not included in the Depreciation Report funding models and calculations.

Capital costs can be distributed into three general categories:

→ *Catch-up costs*. The cost to complete any deferred maintenance and renewals

→ *Keep-up costs*. The cost to complete planned cyclical maintenance and renewals

→ *Get-ahead costs*. The cost to adapt, upgrade and improve

The Depreciation Report is based on keep-up costs. Get-ahead costs (improvements) may also be included, but only if they are required to meet changing codes or standards.

Costs are considered *Class D* estimates (±50%), as defined by the Association of Professional Engineers and Geoscientists of British Columbia (APEGBC). Unless otherwise noted, soft costs, such as consulting fees and contingency allowances are not included, because these costs are highly dependent on the scope of work for a particular project.

The cost estimates in the Depreciation Report are a starting point for the capital planning process, and can help Strata Corporations make preliminary decisions about how and when to implement projects. These cost estimates will be refined as the Strata Corporation makes decisions such as what is included or excluded in a project, and if Assets will be improved or changed.

The current value of many major maintenance and renewal activities is calculated by multiplying the quantity of an Asset by standard unit rates (for example, the cost per square foot or cost per linear foot). Quantities are measured from original construction documents and visual observations on site. The unit rates are based on historical information, construction trends, information from contractors, and other sources as appropriate. Unit rates will fluctuate over time. Basic unit rates are adjusted for the relative complexity of the property. A detailed list of activities and their associated costs are available through the online BAMS software. Please contact the strata council or strata manager for additional information on how to access and view this information.

4 Expenditures

Maintenance refers to activities that preserve the Assets, to ensure the Assets will last their predicted service lives and perform as expected. *Renewal* refers to the replacement or refurbishment of an Asset at the end of its useful service life.

Major maintenance refers to maintenance that occurs at intervals greater than one year, for example, every 18 months, two years, five years, etc. (less frequently than once a year). Major maintenance typically includes activities such as testing and inspecting, and is considered a capital expense. Minor maintenance includes maintenance activities that occur once a year or more frequently such as quarterly or monthly. The costs associated with *major maintenance and renewals* are included in the Depreciation Report funding models. Costs associated with minor maintenance are included in the Strata Corporation's operating budget.

4.1 Major Maintenance and Renewal Expenditures

Post heritage conversion, The Greenshields building is now approximately 10 years old and has not yet replaced many Assets (please see Table 3.1 Maintenance and Renewal History for a detailed list of projects). However, as the building continues to age, renewal expenditures can be anticipated, some of which may occur in the next 10 years. Table 4.1 below summarizes all major maintenance and renewal costs by system, including costs forecast for the next 30 years.

TABLE 4.1 CAPITAL EXPENDITURES SUMMARY BY SYSTEM

SYSTEM	10 YEAR CAPITAL COSTS (WITHOUT INFLATION)	10 YEAR CAPITAL COSTS (WITH INFLATION)	30 YEAR CAPITAL COSTS (WITHOUT INFLATION)	30 YEAR CAPITAL COSTS (WITH INFLATION)
Building Enclosure	$91,000	$99,000	$537,000	$736,000
Electrical	$2,000	$2,000	$52,000	$72,000
Mechanical	$32,000	$35,000	$325,000	$475,000
Elevator	$0	$0	$80,000	$119,000
Fire Safety	$6,000	$6,000	$93,000	$130,000
Interior Finishes	$14,000	$15,000	$61,000	$80,000
Amenities	$0	$0	$3,000	$5,000
Building Total	$145,000	$157,000	$1,151,000	$1,617,000

Approximately 12% of the Strata Corporation's capital expenditures will occur in the next 10 years. The distribution of estimated capital expenditures over the next 10 years is shown in Figure 4.1 below.

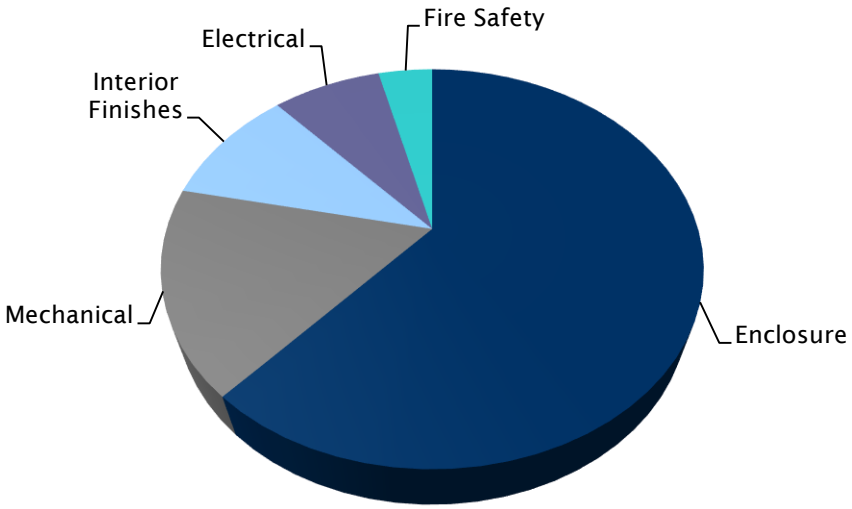

Figure 4.1 Distribution of estimated capital expenditures over 10 years by system.

Section 5 discusses the timing and size of renewal projects forecast for the next 30 years. A detailed list of each major maintenance and renewal activity, including the frequency, costs expressed in current year dollars (CYD), and costs including inflation rates, expressed in future year dollars (FYD) are available to Strata Corporation owners.

5 Major Maintenance and Renewal Planning Horizons

There are three common planning horizons, used for making different types of capital planning decisions:

- ***Strategic*** (30 years): The average service life of many of Assets is approximately 25 years (such as roofs) so a long-range view captures most renewal projects. In some cases, an asset may be replaced more than once in the 30 year horizon.
- ***Tactical*** (5-10 years): Many residential Owners will own their strata lot for less than 10 years; the tactical plan captures projects that may occur while current Owners still have an interest in the Strata Corporation.
- ***Operational*** (1 year): The annual operating period encompasses one fiscal cycle (12 months). Typically the budget is presented and approved at the annual general meeting (AGM) and will include any capital expenditures paid from the CRF, as well as the CRF contributions for the year. As a minimum, the decision on the CRF contribution should consider projects forecast for the next five to ten years.

5.1 Strategic Planning Horizon

Estimated major maintenance and renewal costs over the next 30 years are shown on the graph below (Figure 5.1). The red bars represent the estimated value of capital costs.

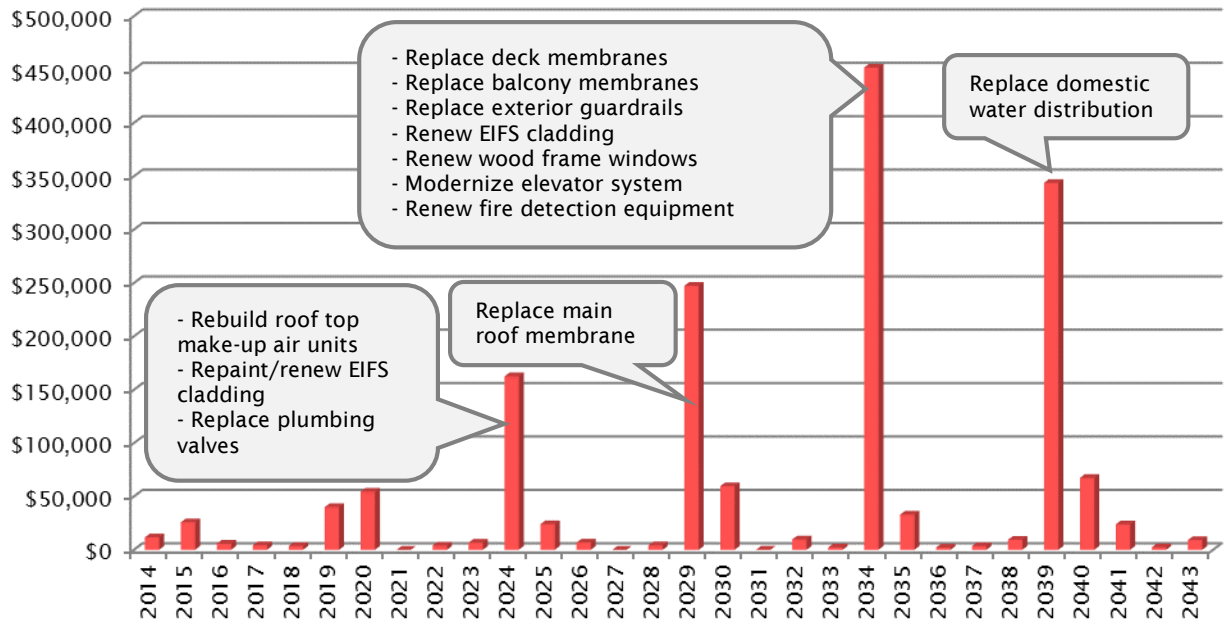

Figure 5.1 Strategic Forecast (30 Years), showing the approximate timing and value of some key capital expenditures.

Each bar on the graph represents a collection of different major maintenance and renewal activities, each with different values. The labels on the graph summarize significant renewal expenditures forecast for that year. Detailed information about each year, including a description of the maintenance and renewal

activities and estimated costs, is also available through the online version of the Depreciation Report, available through BAMS (please contact the strata council for additional information).

The strategic plan represents an estimate of future projects. The actual timing of projects will likely vary. Assets may be replaced earlier or later, depending on the quality of maintenance, in-service conditions and other factors. The Strata Corporation can anticipate changes to the strategic plan with each update of the Depreciation Report.

5.2 Tactical Planning Horizon

The graph below shows the projected major maintenance and renewal costs for the next ten years (Figure 5.2). Commonly, building managers refer to a five year tactical plan; however, a ten year plan allows the Strata Corporation to see a wider range of projects.

The bars indicate the years in which an event (or bundle of events) is most likely to occur as well as the total magnitude of major maintenance and renewal costs for that year and the costs broken down by system. Labels summarize renewal and major maintenance activities forecast for that year. The costs associated to correct any warranty defects are not included. The soft costs associated with project implementation, such as site access, design, contract administration, are not included.

The tactical plan below represents one of many possible approaches to planning major maintenance and renewal activities. The Strata Corporation can use this initial plan as a tool, a starting point to identify probable projects, priorities and strategies. The actual cost, timing, and scope of projects will be determined by the Strata Corporation and may be reflected in updates to the Depreciation Report.

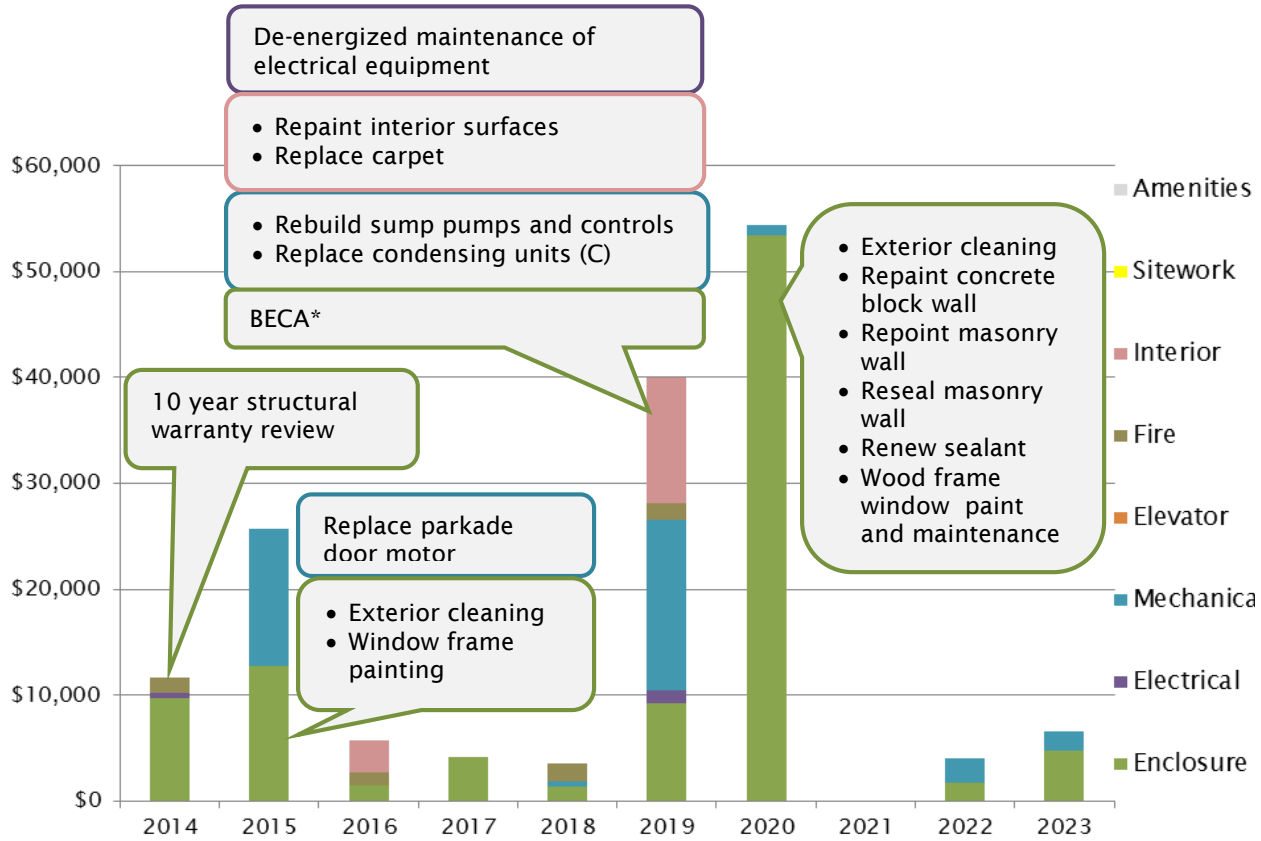

Figure 5.2 Tactical Forecast (10 years), showing the approximate timing and value of some key capital expenditures. (Building Enclosure Condition Assessment)*

The exterior cleaning of multiple building enclosure assets is forecast for possible completion in 2015. The cleaning cycles have been coordinated to occur every 5 years and will coincide with the 10 year repainting and resealing (major maintenance) cycles (2020), to take advantage of the cost savings due to the type of building access that will likely be required.

An allowance has been included in the year 2019 to complete a Building Enclosure Condition Assessment (BECA). This report would help determine the performance and condition of the enclosure assets.

Possible renewals such as the carpet replacement and repainting of interior finishes have been scheduled for possible completion in 2019 are considered to be primarily aesthetic based renewals.

To help the Strata Corporation start the project planning process, Table 5.1 below categorizes some of the activities forecast for the next 10 years into different management strategies: Major maintenance, condition based renewal, and time based renewal. The categories are based on the risks associated with failure of an Asset. The list below is not comprehensive; more detailed information is available to the Strata Corporation.

TABLE 5.1 SUMMARY OF KEY PROJECTS WITHIN THE 10 YEAR TACTICAL PLAN

CATEGORY AND ACTIVITIES
Major Maintenance Major maintenance projects are intended to preserve the assets to achieve their full design life, and typically occur on a regular, predictable basis. → Cyclical cleaning of exterior assets to remove vegetation growth and other atmospheric staining. → Replacement of insulated glazing units, as required. → Perform 10-year structural warranty review. Prepare list of any deficiencies for correction. → Update depreciation report every three years. → Reapplication of the protective coating on the concrete block wall as required (10 year cycle). → Re-paint stucco surface as required (10 year cycle). → Repaint wood frames of heritage windows. → De-energized service and maintenance of electrical switchgear and panel boards → Re-apply sealer over masonry as required. → Scope and auger lateral drain lines, if scoping determines augering is required. → Repoint mortar joints in original masonry wall, as required. → Perform building enclosure condition assessment (BECA) of all enclosure systems.
Condition Based Renewal Assets are kept in service as long as possible, but the intent is to replace them before they fail. Condition based strategies require Assets be periodically reviewed in detail, potentially with some testing, in order to predict when failure is likely. The actual timing of renewal in this category may be determined by the results of an assessment, or by other project planning considerations. → Repair overhead door and associated components, as required. → Overhaul storm sump pumps. → Cyclical replacement of components of condensing units and fan coil units on split system AC. (commercial property)

TABLE 5.1 SUMMARY OF KEY PROJECTS WITHIN THE 10 YEAR TACTICAL PLAN
CATEGORY AND ACTIVITIES
→ Replacement of general purpose exhaust fans, as required. → Replace motor and drive unit on overhead parkade gates, as required. → Repaint interior wall surfaces including preparation of substrate and renewal of hallway carpets. → Replacement of gas detection sensor. → Replace sealant at interfaces between building enclosure assemblies, and at penetrations through the building enclosure.
Time Based Renewal Assets are replaced on a regular, time based schedule. This strategy is used when there is low tolerance for failure or out of service conditions. Components, materials or assemblies are typically replaced or refurbished at fixed intervals. → Replace battery packs in the emergency lighting packs and fire alarm control panel. → Replacement of fire extinguishers at hydrostatic test cycles.

In addition to the three categories mentioned above, the Strata Corporation may also elect to replace some Assets only once they have failed, or upon imminent failure. This strategy is known as *run to failure*. This strategy is only appropriate when failure does not create a safety hazard, will not result in damage to other property, and does not affect the operations of the building. The Strata Corporation should still have funds available to replace assets within this category.

5.3 Operational Planning Horizon

Some major maintenance such as the cleaning of the building enclosure assets and touch up painting of the wood frame windows are possible renewals forecast for the next fiscal year (2015).

5.4 Project Implementation

The projects identified in the previous section represent a preliminary step that is only intended to help the Strata Corporation identify, prioritize and plan projects. Most significant renewal projects identified in the Depreciation Report will subsequently go through four basic steps before implementing the work: Assessment, Design, Documentation and Quotation.

→ Assessment – Determines what work must be done, what should be done and what could be done in general terms. The evaluation will help the Strata Corporation understand the risks and opportunities associated with deferring or implementing renewal work.

→ Design – Refines the recommendations from the evaluation, and defines what work will be done in a specific project. The Design may include recommendations for different project strategies such as phasing or bundling projects, or may include recommendations for upgrades.

→ Documentation – Describes the project in enough technical detail to get competitive pricing.

→ Quotation – Obtains competitive pricing from different contractors or service providers to perform the work described in the documents, including alternate prices for optional work.

The time period for each step can range from a few days to a few months or more, depending on the scale of the project under consideration. The budget and scope of work will be refined in each step. Most estimates currently included in the Depreciation Report are considered Class D (±50%) due to the lack of

information regarding specific projects and are based on a number of general assumptions regarding scopes of work.

The Owners can implement projects in a variety of ways, including:

- *Targeted Projects*. These projects are localized to particular portions of the building. Different exposure conditions and wear patterns may require that only some sections of the building require renewal at one point in time.
- *Phased Projects*. These projects are carried out in multiple stages rather than as a single coordinated project. Phased projects can reduce the financial burden by spreading the costs over a longer time period.
- *Comprehensive Projects*. These projects are implemented as one coordinated undertaking. Comprehensive projects may allow the Strata Corporation to leverage the best economies of scale, shorten the overall duration, and lower the overall costs.
- *Bundled Projects*. These projects bundle or combine various related renewal activities (e.g. renewals that are located in close physical proximity, or that require the same type of trade workers). Bundled projects may allow the Strata Corporation to leverage economies of scale and lower the overall costs, improve the quality of the work, and incorporate upgrades.

The scope of the Depreciation Report does not compare different implementation methods.

6 Funding Scenarios

The physical assessment and financial assessment were used to create a tentative schedule and budget for forecasted major maintenance and renewal projects. Within this section, hypothetical *funding scenarios*, also known as *funding models*, based on different annual contributions to the contingency reserve fund (CRF) are presented.

The Strata Corporation can use the funding scenarios to choose an appropriate funding strategy, based on their tolerance for risk and desired standard of care for the property. RDH provides the tools so the Owners can determine a CRF contribution that suits their needs.

6.1 Minimum Funding Requirements

The Strata Property Act Regulations dictates that if the CRF closing balance is less than 25% of the operating fund, then the Strata Corporation must contribute either the difference between the balance and 25% of the operating fund, or up to 10% of the operating fund (*Strata Property Act Regulation*, BC Reg 43/2000, Ch. 6.1). Table 6.1 below shows the calculation to confirm the Strata Corporation meets the minimum requirements set out in the Strata Property Act Regulation.

TABLE 6.1 MINIMUM FUNDING REQUIREMENT CALCULATION

PARAMETER	VALUE
2014 combined operating budget (excluding CRF contribution)	$ 90,943
→ 25% of the operating budget	$ 22,736
→ 10% of the operating budget	$ 9,094
April 2014 combined CRF balance	$ 82,430
2014 combined CRF Contribution	$ 28,500
Will the CRF closing balance exceed 25% of the operating budget at the end of the fiscal year?	Yes
Does the CRF contribution exceed 10% of the operating budget?	Yes

Although the Strata Corporation exceeds the statutory minimum contribution to the CRF, it is important to note that the statutory guideline is not a good measure of the financial preparedness of the corporation. If the Owners wish to avoid special levies, or to reduce the number and size of the levies, then increases to the CRF contributions will need to be made over the upcoming years.

6.2 Alternative Funding Scenarios

The funding scenarios below compare the financial impact of different funding levels over the next 30 years. The scenarios serve as a sensitivity analysis that allow the Strata Corporation to evaluate how changes to the contingency reserve fund impact the number and size of special levies. The actual size and timing of special levies will be affected by how the Strata Corporation chooses to implement the renewal projects.

While there are many different scenarios that can be generated, Table 6.2 below compares the following alternatives:

→ ***Current (2014)***. The CRF allocation that was approved by the Owners at the last Annual General Meeting.

→ ***Alternative #1***. A 2% annual increase beginning from the current CRF allocation of $28,500. Alternative #1 is just one of many possible scenarios for a new funding level in the next fiscal year.

→ ***Progressive***. This is the annual allocation that would have been set aside since the first year of operations to ensure that the reserve balance would have been sufficient to avoid any special assessments over a 30-year period. The progressive reserve allocation is an idealistic target which typically represents an upper bound for the amount allocated to the CRF.

TABLE 6.2 COMPARISON OF DIFFERENT FUNDING SCENARIOS

	CURRENT (2014)	ALTERNATIVE #1	PROGRESSIVE RESERVE
Annual CRF allocation - combined	$28,500	2% Annual Increase Starting at $28,500	$58,000
Percent of progressive reserve	49 %	Starting at 49 %	100 %
CRF contribution per unit of unit entitlement (4,444)			
Per month	$0.53	Starting at $0.53	$1.09
Per year	$6.41	Starting at $6.41	$13.05
CRF contribution per average strata lot			
Per month	$99	Starting at $99	$201
Per year	$1,188	Starting at $1,188	$2,412
Approximate number of special levies (over 30 years)	6	3	0
Approximate value of special levies (over 30 years)	$0.7M	$0.5M	$0.0M
Assumed Inflation Rate	2 %	2 %	2 %
Assumed Interest Rate	2 %	2 %	2 %

The following sections of the report provide more detailed information about each funding scenario, including a graph showing the closing balance of the CRF, annual CRF contributions, and the approximate value of special levies. Tables with ten years of cash flow data are also provided.

The appendices to the report include 30 years of cash flow data for each funding scenario.

6.3 Current (2014) Funding Scenario

The current funding scenario is based on the CRF contribution approved by the Owners at the last annual general meeting (2014). The scenario is based on a fixed annual CRF contribution (no increases).

TABLE 6.3 CURRENT (2014) FUNDING MODEL: CASH FLOW TABLE

FISCAL YEAR	OPENING BALANCE	RESERVE CONTRIBUTION	SPECIAL LEVY	RESERVE INCOME	RENEWAL COSTS	CONTINGENCY COSTS	CLOSING BALANCE
2014	$82,430	$28,500	$0	$1,649	$11,620	$1,000	$99,959
2015	$99,959	$28,500	$0	$1,999	$25,700	$1,000	$103,758
2016	$103,758	$28,500	$0	$2,075	$5,700	$1,000	$127,633
2017	$127,633	$28,500	$0	$2,553	$4,200	$1,000	$153,486
2018	$153,486	$28,500	$0	$3,070	$3,500	$1,000	$180,555
2019	$180,555	$28,500	$0	$3,611	$40,010	$1,000	$171,656
2020	$171,656	$28,500	$0	$3,433	$54,420	$1,000	$148,170
2021	$148,170	$28,500	$0	$2,963	$0	$1,000	$178,633
2022	$178,633	$28,500	$0	$3,573	$3,960	$1,000	$205,746
2023	$205,746	$28,500	$0	$4,115	$6,600	$1,000	$230,760

The graph below shows the annual contribution to the CRF, the closing balance of the CRF, and the size of the special levies forecast for the next 30 years.

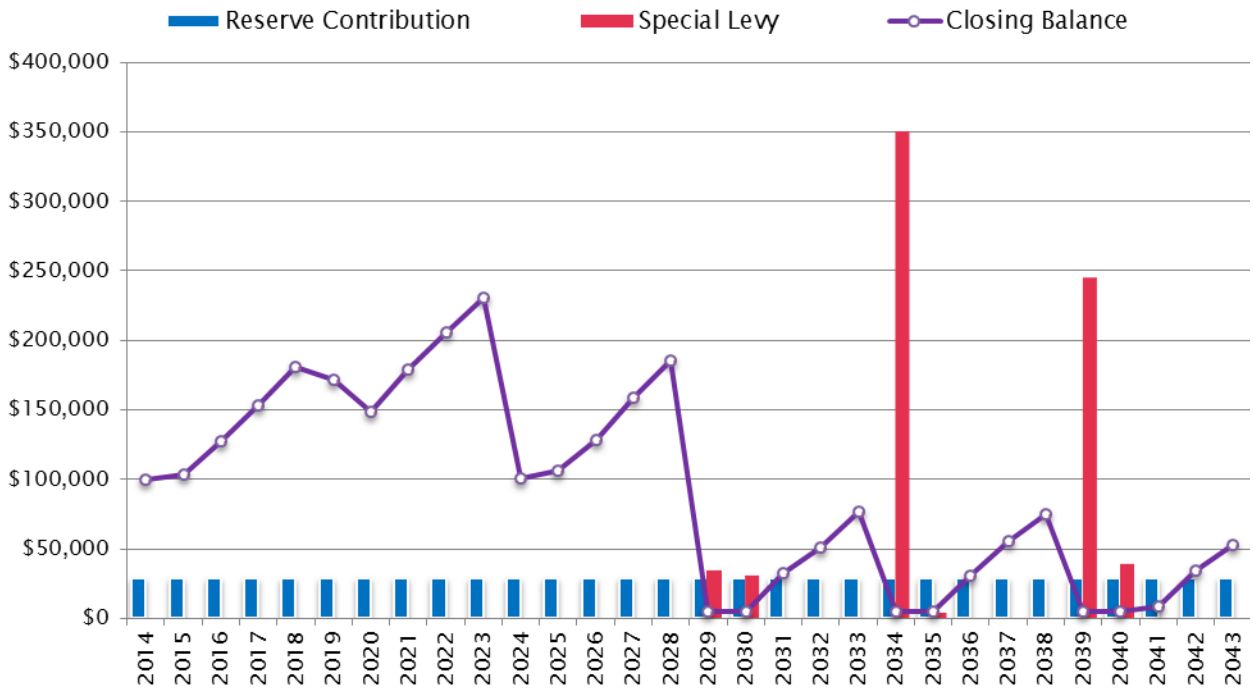

Figure 6.1 CRF balance, contribution and special levies based on the current funding.

6.4 Alternative Funding Scenario #1

Alternative funding scenario #1 is based on an initial annual CRF contribution of $28,500, with a 2% annual increase to keep up with inflation.

TABLE 6.4 ALTERNATIVE FUNDING MODEL #1: CASH FLOW TABLE

FISCAL YEAR	OPENING BALANCE	RESERVE CONTRIBUTION	SPECIAL LEVY	RESERVE INCOME	RENEWAL COSTS	CONTINGENCY COSTS	CLOSING BALANCE
2014	$82,430	$28,500	$0	$1,649	$11,620	$1,000	$99,959
2015	$99,959	$29,070	$0	$1,999	$25,700	$1,000	$104,328
2016	$104,328	$29,651	$0	$2,087	$5,700	$1,000	$129,366
2017	$129,366	$30,244	$0	$2,587	$4,200	$1,000	$156,997
2018	$156,997	$30,849	$0	$3,140	$3,500	$1,000	$186,487
2019	$186,487	$31,466	$0	$3,730	$40,010	$1,000	$180,673
2020	$180,673	$32,096	$0	$3,613	$54,420	$1,000	$160,962
2021	$160,962	$32,738	$0	$3,219	$0	$1,000	$195,919
2022	$195,919	$33,392	$0	$3,918	$3,960	$1,000	$228,269
2023	$228,269	$34,060	$0	$4,565	$6,600	$1,000	$259,295

Alternative funding scenario #1 eliminates most of the smaller levies, but it is not adequate to offset all the special levies over the 30-year planning horizon. The graph below shows the annual contribution to the CRF, the closing balance of the CRF, and the size of the special levies forecast for the next 30 years.

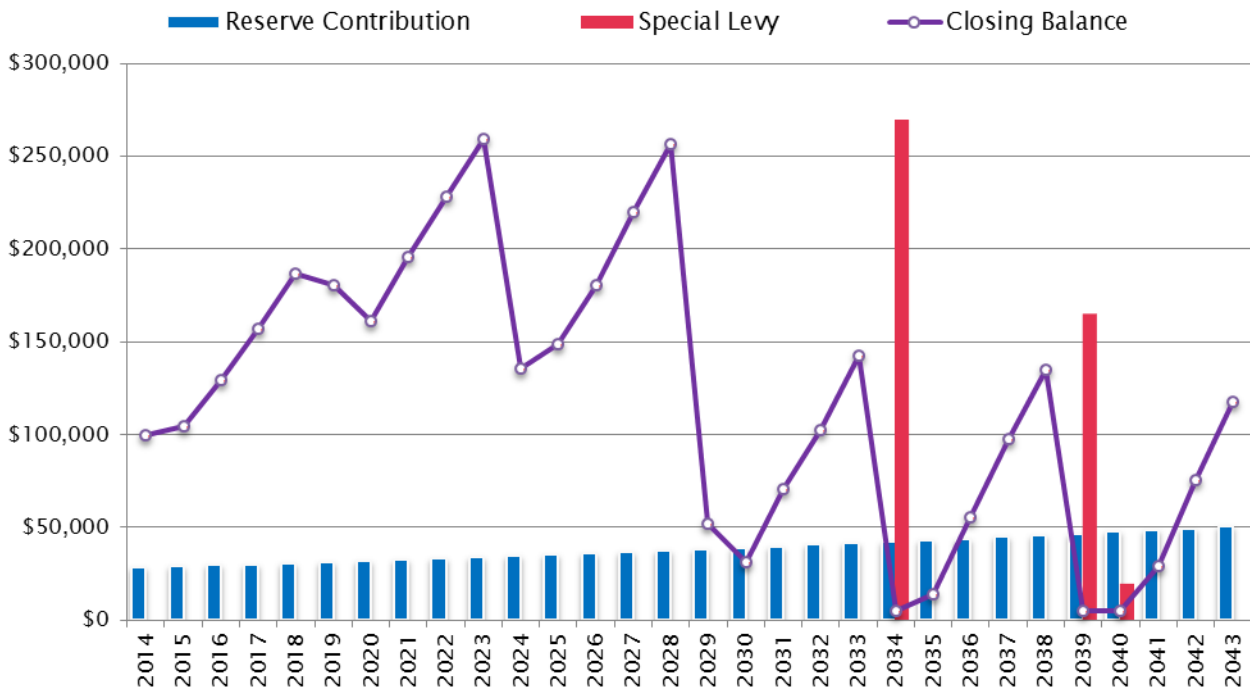

Figure 6.2 CRF balance, contribution and special levies based on Alternative #1.

6.5 Progressive Funding Scenario

The progressive funding scenario is based on a fixed annual CRF contribution.

TABLE 6.5 PROGRESSIVE FUNDING MODEL: CASH FLOW TABLE

FISCAL YEAR	OPENING BALANCE	RESERVE CONTRIBUTION	SPECIAL LEVY	RESERVE INCOME	RENEWAL COSTS	CONTINGENCY COSTS	CLOSING BALANCE
2014	$82,430	$58,000	$0	$1,649	$11,620	$1,000	$129,459
2015	$129,459	$58,000	$0	$2,589	$25,700	$1,000	$163,348
2016	$163,348	$58,000	$0	$3,267	$5,700	$1,000	$217,915
2017	$217,915	$58,000	$0	$4,358	$4,200	$1,000	$275,073
2018	$275,073	$58,000	$0	$5,501	$3,500	$1,000	$334,074
2019	$334,074	$58,000	$0	$6,681	$40,010	$1,000	$357,746
2020	$357,746	$58,000	$0	$7,155	$54,420	$1,000	$367,481
2021	$367,481	$58,000	$0	$7,350	$0	$1,000	$431,831
2022	$431,831	$58,000	$0	$8,637	$3,960	$1,000	$493,507
2023	$493,507	$58,000	$0	$9,870	$6,600	$1,000	$553,777

The Progressive Reserve is intended for comparison and personal planning. However, because of the timing of anticipated renewal projects, a fixed annual contribution may not eliminate all special levies over the 30-year planning horizon. The graph below shows the annual contribution to the CRF, the closing balance of the CRF, and the size of the special levies forecast for the next 30 years.

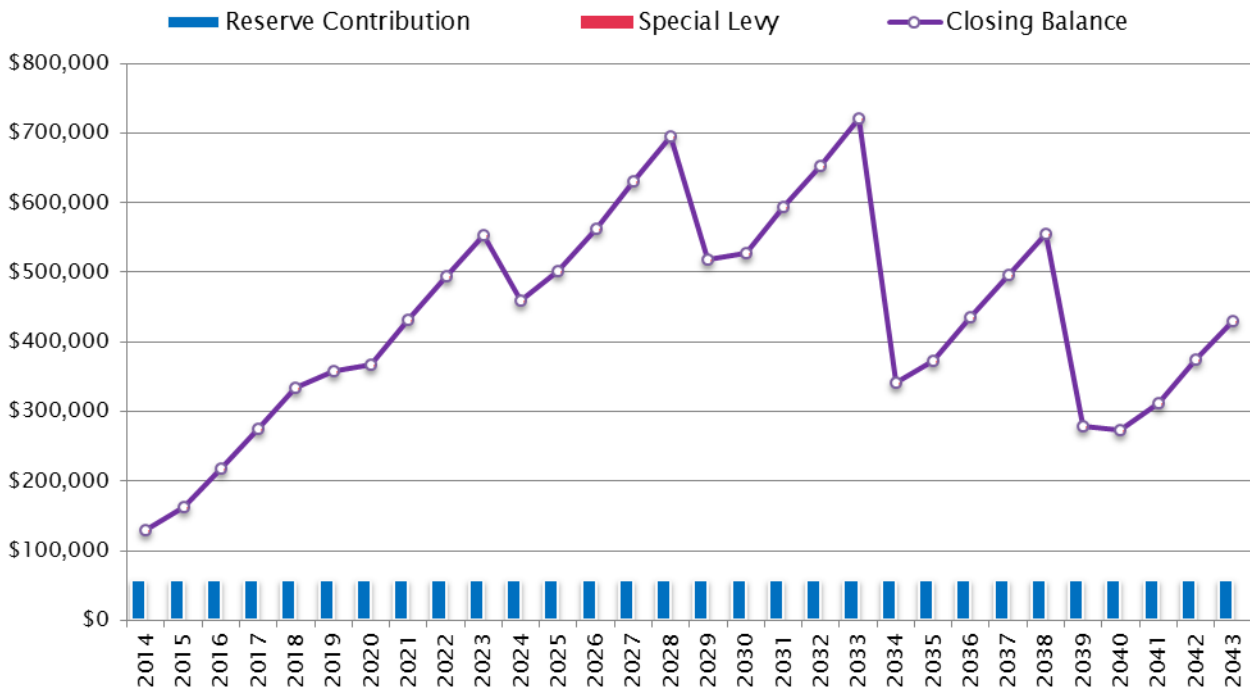

Figure 6.3 CRF balance, contribution and special levies based on a Progressive Reserve calculation.

7 Next Steps

The Depreciation Report identifies the possible major maintenance and renewal expenditures The Greenshields could potentially encounter over the next 30 years. Estimated timelines have been provided to assist the Strata Corporation with the planning process; however the Depreciation Report should be considered a first step when planning for renewal. Funding scenarios have been developed to provide the Strata Corporation with an objective basis for determining appropriate CRF contributions.

The Greenshields is now approximately 10 years old and while most of the significant assets are still relatively young, a majority of the costs forecast in the tactical plan, relate to major maintenance of the assets, such as re-painting of the original wood frame windows. The Strata should continue to be diligent in performing maintenance tasks so assets may achieve their full service life.

As a relatively young strata, The Greenshields has an opportunity to build up a strong contingency reserve fund over the coming years. By saving early for anticipated large expenditures, the Strata Corporation will benefit from accrued interest and financial preparedness, while minimizing the amount of special levies.

The recommendations below are intended to aid the Strata Corporation in the next steps of the renewal planning process.

Recommendations

- **Asset Replacement Policy**. Using the Asset Inventory, develop an asset replacement policy. The policy would assign replacement strategies (run-to-failure, condition based, or time-based) to assets.
- **Maintenance Plan**. Using the Asset Inventory, develop a maintenance plan, or commission a maintenance plan through RDH. The maintenance plan should provide the Strata Corporation with information on how and when to implement different maintenance activities.
- **Further Investigations.** Conduct additional condition assessments/investigations, as required, to refine the data and confirm assumptions.
- **Updates.** Plan for an update to the Depreciation Report in three years' time. On a yearly basis, the Stata should review and update their CRF funding strategy based on the estimated forecasts presented in the Report.
- **Project Planning**. The following items have been identified as possible priorities and the Strata Corporation should consider reviewing and/or completing these prior to the update of the Depreciation Report in three years' time.
  - Determine whether the building is still under a structural warranty and commission a warranty review before the warranty expires.
  - Plan for a building enclosure cleaning cycle.

Yours truly,

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Project Manager
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Appendix A

Glossary of Terms

RDH
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Glossary

Annual Contribution – Funds allocated to the Reserve Fund each fiscal year. Sometimes referred to as the Annual Allocation. Determining the appropriate size of the Annual Allocation is aided with a Reserve Study (a Depreciation Report in B.C.).

Asset – An integrated assembly of multiple physical components, which requires periodic maintenance, repair and eventual renewal. Typical examples of assets are: roofs, boilers and hallway carpets.

Catch-up Costs – The costs associated with the accumulated backlog of deferred maintenance associated with the assets.

Chronological Age – The calendar age of an Asset. Compare with Effective Age.

Classes of Cost Estimates – Until a project is actually constructed, a cost estimate represents the best judgement of the professional according to their experience and knowledge and the information available at the time. Its completeness and accuracy is influenced by many factors, including the project status and development stage. Estimates have a limited life and are subject to inflation and fluctuating market conditions. The precision of cost estimating is categorized into the following four classes and are as defined in guidelines prepared by the Association of Professional Engineers and Geoscientists of B.C. The percentage figures in parentheses refer to the level of precision or reliability of the cost estimates.

- **Class A Estimate** (±10-15%): A detailed estimate based on quantity take-offs from final drawings and specifications. It is used to evaluate tenders or as a basis of cost control during day-labour construction.
- **Class B Estimate** (±15-25%): An estimate prepared after site investigations and studies have been completed, and the major systems defined. It is based on a project brief and preliminary design. It is used for obtaining effective project approval and for budgetary control.
- **Class C Estimate** (±25-40%): An estimate prepared with limited site information and based on probable conditions affecting the project. It represents the summation of all identifiable project elemental costs and is used for program planning, to establish a more specific definition of client needs and to obtain preliminary project approval.
- **Class D Estimate** (±50%): A preliminary estimate which, due to little or no site information, indicates the approximate magnitude of cost of the proposed project, based on the client's broad requirements. This overall cost estimate may be derived from lump sum or unit costs for a similar project. It may be used in developing long term capital plans and for preliminary discussion of proposed capital projects.

Closing Balance – Alternatively referred to as the Starting Balance. The balance of funds remaining in the reserve account at the end of a fiscal period (Fiscal year end, calendar year or study period). The Closing Balance becomes the Opening Balance for the subsequent fiscal period.

Contingency Costs – An allowance for unexpected or unforeseen costs that may impact monies required for projects to maintain or replace assets. (Not to be confused with costs of Renewal or Major Maintenance projects which are paid for out of the Reserve Fund (otherwise known the Contingency Reserve Fund.)

Current Dollars – Dollars in the year they were actually received or paid, unadjusted for price changes.

Effective Age – The Age of an asset relative to its condition. Compare with: Chronological Age.

Funding Model – A mathematical model used to establish an appropriate funding level for sustaining the assets in a building. Running a number of scenarios out of the funding model using different parameters (such as inflation rates and interest rates) can serve as a sensitivity analysis to determine the financial impact of different funding levels.

Future Dollars – The projected cost of future asset renewal projects, which accounts for inflation and escalation factors.

Get Ahead Costs – These are costs associated with adaptation of the building to counter the forces of retirement associated with different forms of obsolescence, such as:

- → Functional obsolescence
- → Legal obsolescence
- → Style obsolescence

Some of the costs in this category are discretionary spending that result in either a change or an improvement to the existing strata building. This category includes projects to alter the physical plant for changes in use, codes and standards. Some typical examples include:

- → Energy retrofits
- → Code retrofits
- → Hazardous material abatement
- → Barrier free access retrofits
- → Seismic Upgrades

Keep-up Costs – The monies required for renewal projects as each asset reaches the end of its useful service life. If an asset is not replaced at the end of its useful service life and is kept in operation, through targeted repairs, then these costs get reclassified into the "catch-up" category.

Major Maintenance – Any maintenance work for common expenses that usually occurs less often than once a year or that do not usually occur. Major maintenance provides for the preservation of assets to ensure that they achieve their full intended service life.

Opening Balance – Alternatively referred to as the Starting Balance. The amount of money in an account at the beginning of a fiscal period. Opening balances are derived from the balance sheet and are used in cash flow calculations in the Funding Model.

Operating Costs – Frequently recurring expenses that arise during the course of a single fiscal year and are paid from the operating budget as opposed to the Reserve Fund.

Operational Plan/Horizon (1 year) – The annual operating period encompasses one fiscal cycle (12 months). The Reserve Contribution in the operating budget should reflect the majority of the projects in the Tactical Plan (5 years) and ideally should also contemplate elements of the Strategic Plan (30 years).

Percent Funded – The ratio, at a particular point of time (typically the beginning of the fiscal year), of the actual or projected Reserve Fund balance to the accrued Reserve Fund balance, expressed as a percentage. For example: If the 100% funded balance is $100,000 and there is $76,000 in the Reserve Fund, the Reserve Fund is 76% funded.

Since funds can typically be allocated from one asset to another with ease, this parameter has no real meaning on an individual reserve component basis. The purpose of this parameter is to identify the relative strength or weakness of the entire Reserve Fund at a particular point in time. The value of this parameter is to provide a more stable measure of Reserve Fund strength, since cash in reserve may mean very different things to different governing bodies or Owner groups.

- → **Poor Level.** When the Percent Funded falls to 0% - 30%, the current reserves may be considered to be at a 'poor' level. At this funding level, Special Levies are common. This is also commonly known as the Unfunded or Special Levy Model. The Owner Group does not have a Reserve Fund balance that will cover expected renewal costs and the only recourse is to raise funds by Special Levies to cover those costs when they become due.
- → **Fair Level.** If the Percent Funded level is 31 to 70% then the current reserve may be considered to be in a mid-range level.
- → **Good Level.** If the Percent Funded level is 70% or higher this is likely to be considered 'strong' because cash flow problems are rare.

Renewal – The replacement of an Asset as it reaches the end of its useful service life.

Renewal Cost – The cost required to replace an Asset, which is paid from the Reserve Fund, Special Levy or combination thereof.

Reserve Contribution – The amount of money that is allocated to the Reserve Fund each fiscal year. Determining the appropriate size of the Reserve Contribution is aided with a Reserve Fund Study (Depreciation Report in B.C.).

Reserve Fund – Also known as the Contingency Reserve Fund. The account in which the accumulated Annual Contributions are deposited and from which costs are withdrawn for Renewal projects and Major Maintenance projects.

Reserve Income – The interest earned from investing the money deposited in the Reserve Fund.

Reserve Study – Also referred to as a Reserve Fund Study or Depreciation Report in BC.

- → A long-range financial planning tool that identifies the current status of the Owners' Reserve Fund and recommends a stable and equitable funding plan

to offset the costs of anticipated future major expenditures associated with replacement of the assets and major maintenance.

- → The purpose of the Reserve Study is to provide a plan for appropriate funding for renewal and major maintenance work.
- → While Reserve Studies provide analysis of the timing, costs and funding for renewal projects, they should ideally be supported by a maintenance plan that assists the Owners to plan for maintenance activities so that assets achieve their predicted service lives.

Special Levy – Also referred to as a "Special Assessment". A financial levy to be paid by the Owner group to finance large-scale projects for major maintenance, repairs, renewal and rehabilitation of an asset, which occur as result of a shortfall in available funds and requires special decision making and approval procedures. A Reserve Study contains funding scenarios that assist the Owners in long-range financial planning.

Strategic Horizon – The longest of the three planning horizons, which typically covers the full study period of 30 years and identifies the long-term needs of the assets.

Style Obsolescence – When an asset is no longer desirable because it has fallen out of popular fashion, its style is obsolete. Some assets, particularly interior furnishings, reflect fashion cycles and can become out-dated.

Tactical Plan/Horizon – A period of planning for asset Renewal projects and Major Maintenance projects, which typically extends five years from the current year.

Appendix B

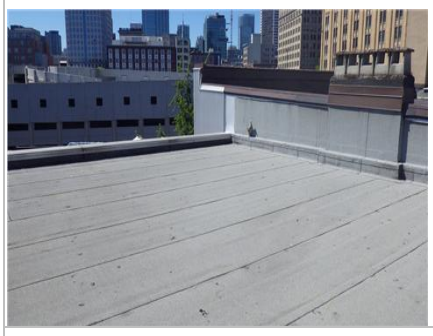
Asset Inventory

The Greenshields
Asset Inventory

Enclosure

Roofs & Decks

Encl 01 - Exposed SBS Membrane Roof



Location

Main low-sloped roof.

Description

2-ply SBS membrane fully adhered to substrate at roof.

Information

Service Life:	25
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2029

Encl 02 - Protected Waterproof Membrane Deck with Concrete Traffic-Bearing Surface

Location

5th floor decks and 2nd floor decks above commercial strata lots.

Description

Waterproof membrane overlaid with pavers as traffic-bearing surface.

Information

Service Life:	30
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2034

Encl 03 - Roof Hatch

Location

Main roof, access from 5 floor west stairwell.

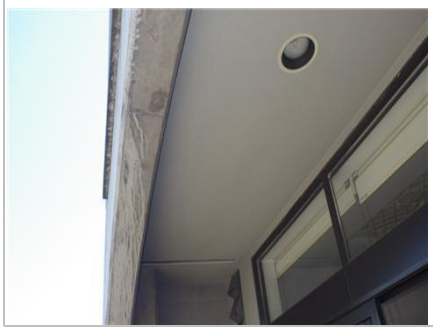
Description

Metal framed enclosure complete with hatch providing access to low-sloped roof.

Information

Service Life:	30
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2034

Encl 04 - Stucco Clad Soffit



Location

Underside of the main roof perimeter and the balconies.

Description

Stucco cladding over supporting structure.

Information

Service Life:	40
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2044

Fall Protection

Encl 05 - Glazed Aluminum Frame Divider

Location

Decks and 5th floor balconies on the north elevation.

Description

Aluminum frame and glass infill panels functioning as a privacy barrier between balconies and decks.

Information

Service Life:	30
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2034

Encl 06 - Guardrail - Glazed Aluminum

Location

Balcony and deck perimeters.

Description

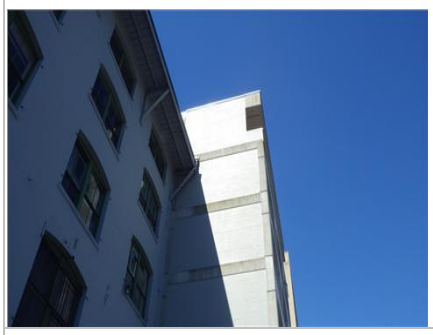
Aluminum Posts and glass infill panels functioning as a protective barrier at the open sides of balcony and deck locations to prevent accidental falls.

Information

Service Life:	30
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2034

Walls

Encl 07 - Coated Concrete Masonry Unit Wall



Location

Portions of east and west elevations.

Description

Concrete masonry units (CMU) with protective paint coating. The re-coating of this asset has been noted as a component of this asset and is scheduled for possible renewal in 2020.

Information

Service Life:	75
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2079

Encl 08 - EIFS Clad Wall - Drained

Location

Ground floor adjacent to lobby entrance and 5th floor cladding.

Description

Textured acrylic finish applied over reinforced cementitious lamina applied to insulation board. EIFS panels with provision for drainage are applied over waterproofing membrane on sheathing.

Information

Service Life:	30
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2034

Encl 09 - Profiled Sheet Metal Cladding Wall

Location

East elevation, 5th floor.

Description

Prefinished steel cladding fastened with framing and anchorage system, exposed fasteners, to create drainage over sheathing membrane.

Information

Service Life:	50
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2054

Encl 10 - Clay Masonry Wall

Location

South elevation cladding, excluding 5th floor.

Description

Solid clay masonry unit wall. Repointing and sealing of the brick has been noted as a component of this asset and is scheduled for possible renewal in 2020.(Due to the heritage status the original masonry (1902) will likely require repairs not 100% replacement as it is a structural element of the building.)

Information

Service Life:	100
Installed Year:	2004
Chronological Age:	11
Effective Age:	66
Next Renewal Year:	2049

Encl 11 - Decorative Concrete Wall Components

Location

South elevation.

Description

Uncoated poured-in-place architectural concrete wall from original construction. This asses is deemed non-renewable and all costs associated with this asset are to maintain it.

Information

Service Life:	75
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2079

Encl 12 - Un-coated Concrete Wall

Location

North elevation and portions of the east and west elevations.

Description

Uncoated poured-in-place architectural concrete wall.

Information

Service Life:	75
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2079

Glazing Systems

Encl 13 - Aluminum Framed Window

Location

North elevation and 5th floor suites at the south elevation.

Description

Aluminum framed, thermally broken windows with double insulating glazing units, and sliding operators.

Information

Service Life:	40
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2044

Encl 14 - Aluminum Storefront

Location

Ground floor, south elevation.

Description

Aluminum framed, thermally broken, storefront system with insulating glazing units, and no operators.

Information

Service Life:	40
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2044

Encl 15 - Wood Framed Heritage Windows

Location

South elevation at levels 2-4.

Description

Wood framed windows with single pane glazing, and sliding operators.

Information

Service Life:	30
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2034

Encl 16 - Unit Skylight

Location

Main low-sloped roof.

Description

Individual unit skylight with double glazed insulating glazing unit.

Information

Service Life:	30
Installed Year:	2004
Chronological Age:	11
Effective Age:	16
Next Renewal Year:	2029

Doors

Encl 17 - Steel Swing Door

Location

Emergency egress doors on the exterior of the building.

Description

Hollow steel slab swing doors without glazing. (Blended age of 2004)

Information

Service Life:	40
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2044

Balconies

Encl 18 - Protected Balcony Membrane

Location

Balcony surfaces.

Description

Concrete paver traffic-bearing surface over a waterproof membrane.

Information

Service Life:	30
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2034

Encl 19 - Exterior Tiles

Location

Ground floor exterior trim and lobby entrance.

Description

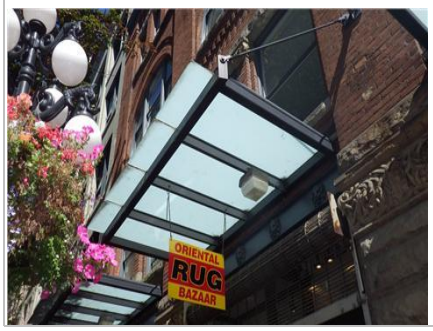
Tiles on thin-set mortar applied to concrete surface.

Information

Service Life:	20
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2024

Canopies

Encl 20 - Metal Frame and Glass Canopy



Location

South elevation above commercial unit entrance.

Description

Canopy constructed with metal framing and single glazing. Repairs and cleaning have been noted as maintenance for the canopies and have been scheduled for possible renewal in 2024.

Information

Service Life:	40
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2044

Encl 21 - Exterior Painted Steel

Location

Horizontal elements above the ground floor storefront.

Description

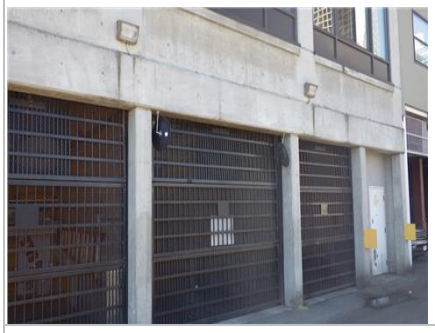
Painted steel components acting as part of the cladding system fastened to structure behind. Steel is deemed a non-renewable asset however it will require cyclical repainting.

Information

Service Life:	75
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2079

Parking Garage

Encl 22 - Open-grid Overhead Parkade Gate



Location

Parking garage entrance, garbage bay and commercial stalls.

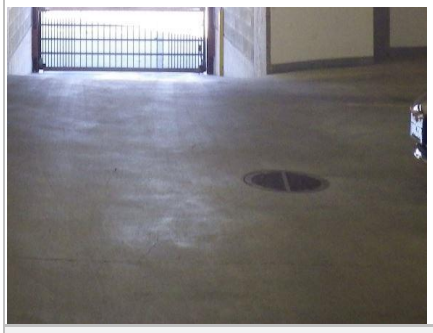
Description

Pre-finished metal grid overhead security gates.

Information

Service Life:	35
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2039

Encl 23 - Slab-on-Grade



Location

Parking garage.

Description

Concrete slab on grade is considered to be a non-renewable asset however several maintenance components have been identified such as localized repairs and painting.

Information

Service Life:	75
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2079

General & Inspections

Encl 24 - Sealant

Location

Interfaces and penetrations throughout the building enclosure.

Description

Sealant of various types located at joints between building enclosure assemblies, as well as around components and penetrations within building enclosure assemblies.

Information

Service Life:	10
Installed Year:	2004
Chronological Age:	11
Effective Age:	5
Next Renewal Year:	2020

Encl 25 - General & Inspections

Location
Throughout the site.

Description
Miscellaneous interior and exterior components, such as service penetrations and interface details, not related to any particular assembly. Warranty and general reviews.

Information

Service Life:	75
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2079

Electrical

Power Supply

Elec 01 - Distribution Transformer

Location
Electrical room.

Description
300 KVA, 120/208Volts, 3 phase, dry-type, coil and core unit with vibration dampers.

Information

Service Life:	40
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2044

Distribution

Elec 02 - Electrical Distribution

Location
Electrical room.

Description
600A, 240V main disconnect switch; downstream switchboards, panelboards, breakers, switches, disconnects and wiring to mechanical, lighting and power loads throughout the building.

Information

Service Life:	40
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2044

Light Fixtures

Elec 03 - Exterior Light Fixtures

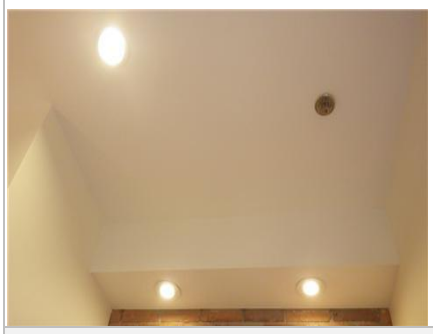
Location
Mounted to balcony soffits and exterior walls.

Description
A variety of fixture types, including wall and recessed soffit pot lighting. A variety of lamp types for exterior direct, indirect and accent lighting applications. A variety of light fixture controls.

Information

Service Life:	20
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2024

Elec 04 - Interior Light Fixtures



Location

Throughout the interior building.

Description

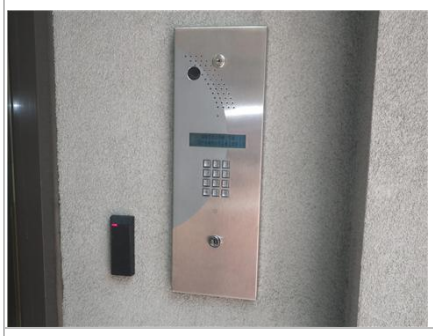
A variety of fixture types, including fixed surface and recessed . A variety of lamp types for interior direct, indirect and accent lighting applications with a variety of light fixture controls.

Information

Service Life:	20
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2024

Security

Elec 05 - Enterphone System



Location

Lobby entrance.

Description

Wall mounted, enterphone panel with associated key pad and display panel.

Information

Service Life:	25
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2029

Elec 06 - Proximity Access Control

Location

Lobbies, parking garage, and common area entrances.

Description

Local proximity access control system components include fob/card devices for building occupants, fob/card readers, RTE sensors/buttons, electric strikes and door controllers. Network level components include door control panel, communication boards, backup batteries, RTE board, conduit, cable and connectors.

Information

Service Life:	15
Installed Year:	2014
Chronological Age:	1
Effective Age:	1
Next Renewal Year:	2029

Elec 07 - Security Surveillance

Location

Strategically located throughout the building.

Description

Cameras, and other security equipment to deter and track activity on and within building premises.

Information

Service Life:	15
Installed Year:	2014
Chronological Age:	1
Effective Age:	1
Next Renewal Year:	2029

Mechanical

Controls and End Devices

Mech 01 - Gas Detection - Parking Garage

Location

Mounted to column in the parking garage.

Description

Critical Environment Technologies electronic sensing devices for detection of dangerous gases, carbon monoxide (CO), (propane), and (combustible fuels) produced by vehicles and to activate the exhaust fans accordingly.

Information

Service Life:	10
Installed Year:	2004
Chronological Age:	11
Effective Age:	10
Next Renewal Year:	2015

Mech 02 - Heat Tracing - Freeze Protection

Location

Throughout the un-heated portions of the building.

Description

Heat trace controller for piping systems exposed to freezing (self regulating heater cable with parallel circuit heater strip and outer thermoplastic elastomer jacket); UL listed for pipe freeze protection on fire sprinkler system.

Information

Service Life:	15
Installed Year:	2004
Chronological Age:	11
Effective Age:	8
Next Renewal Year:	2022

Plumbing & Drainage

Mech 03 - Drainage - Perimeter and Foundation

Location

Beneath slab on grade of parking garage level.

Description

Piping forming part of a sub-surface foundation drainage system under concrete slab of parking garage.

Information

Service Life:	40
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2044

Mech 04 - Drainage - Storm - Internal

Location

Throughout the building to the city connection.

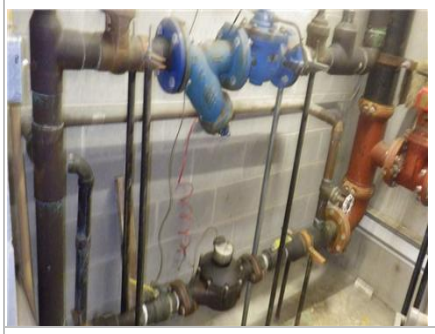
Description

Trench drains, catch basins and associated piping systems for rainwater runoff. Roof drains may be included with the roof assets.

Information

Service Life:	40
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2044

Mech 05 - Piping - Domestic Water Distribution



Location

Throughout the building to each suite.

Description

Copper Vertical/horizontal mains system and distribution piping within the suites. Soldered connections. The flood stop equipment installation has been noted as project occurring in 2015.

Information

Service Life:	35
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2039

Mech 06 - Piping - Gas Distribution

Location

Throughout the building to appliances.

Description

Gas distribution system consisting of piping from meter to appliance.

Information

Service Life:	50
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2054

Mech 07 - Valves - Cross Connection & Backflow Prevention

Location

Mechanical room.

Description

Various types and sizes of backflow prevention valves, including vacuum breakers, double check, reduced pressure valves on systems.

Information

Service Life:	20
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2024

Mech 08 - Valves - Plumbing Flow Control and Directional

Location

Mechanical room.

Description

Various types and sizes of valves, including pressure reducing valves, isolation valves, two-way and three way valves, circuit flow control valves and check valves to regulate the flow of water through domestic plumbing systems.

Information

Service Life:	20
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2024

Mech 09 - Drainage - Sanitary

Location

Connected to waste fixtures throughout the building.

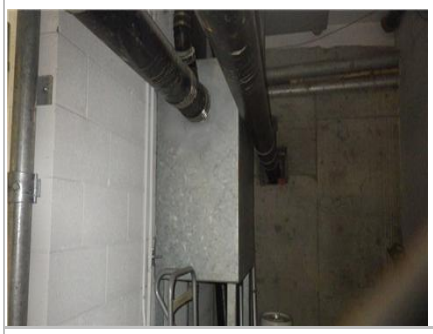
Description

Mixture of Cast iron and PVC DWV piping, with mechanical or glued joints, p-traps, and fittings.

Information

Service Life:	50
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2054

Mech 10 - Interceptor - Oil



Location

South west corner of the parkade.

Description

Multi-chamber flow-through steel interceptor .

Information

Service Life:	25
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2029

Mech 11 - Pumps - Storm Lift and Control Panel

Location

Parkade.

Description

Duplex) storm sump pumps and control panels for storm water runoff and sub-surface drainage.

Information

Service Life:	15
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2019

Heating & Cooling

Mech 12 - Electric Cadet Heater

Location

Main lobby.

Description

Stelpro wall-mounted electric fan heaters with integral thermostat control for localized space heating.

Information

Service Life:	20
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2024

Mech 13 - Condensing Unit - Outdoor Section - Heat Pump (Commercial property)

Location
South east corner of the parking garage.

Description
Commercial strata lot heat pump units,and associated indoor fan coil units for forced air conditioning and heating.

Information

Service Life:	15
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2019

Ventilation and Air-conditioning

Mech 14 - Exhaust Fan - Small Service

Location
Electrical room and elevator machine room.

Description
Ceiling mounted small service exhaust fan.

Information

Service Life:	12
Installed Year:	2004
Chronological Age:	11
Effective Age:	8
Next Renewal Year:	2019

Mech 15 - Outdoor Air Handler - Makeup Air - Gas

Location
Main low sloped roof.

Description
Lennox outdoor (rooftop) unit, belt-driven, centrifugal fan with natural gas fired heating to supply tempered make-up air to the interior spaces. Capacity 0.135 MBH input, 0.108 MBH output;

Information

Service Life:	20
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2024

Mech 16 - Outdoor Air Handler - Air Conditioning - Electric

Location
Main low sloped roof.

Description
American Standard Trane, outdoor packaged rooftop air-conditioning unit. 2.5 Ton nominal cooling capacity, centrifugal fan with direct expansion cooling to supply conditioned ventilation up air to the interior spaces. 8.5 kw/hr auxiliary heating in unit.

Information

Service Life:	20
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2024

Mech 17 - Exhaust Fan Parkade - Inline

Location

Parkade.

Description

Belt driven axial fan suspended from structure.

Information

Service Life:	20
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2024

Other

Mech 18 - Overhead Gate Motor

Location

Parkade entrance, commercial spaces and garbage enclosure.

Description

1/2 HP AC motor and door operator mechanism. door not included in this asset.

Information

Service Life:	7
Installed Year:	2004
Chronological Age:	11
Effective Age:	7
Next Renewal Year:	2015

Elevator

Hydraulic

Elev 01 - Hydraulic Elevator, Holeless

Location

Elevator machine room at basement.

Description

Otis Elevator holeless hydraulic elevator with twin jack cylinders, Otis Microprocessor control systems, US Motor IMH pump unit, Maxton UC4M valves, 2500 lbs capacity, 150 fpm rated speed.

Information

Service Life:	30
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2034

Car Interiors

Elev 02 - Elevator Cabs & Hoistway

Location

Elevator cab and travelling hoistway.

Description

Single speed side opening door, plastic car and hall pushbuttons, one (1) car operating panel (stainless steel), infrared door protection, Otis belt door operator, stainless steel door, door header, front return, plastic laminate walls, stainless steel ceiling, tile flooring, flat bar stainless steel

Information

Service Life:	30
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2034

handrails on all non-access walls, firefighter's emergency operation, standby power, hands-free voice communication devices, no seismic provision.

Fire Safety

Controls

Fire 01 - Fire Alarm Panel - Addressable

Location

Main lobby.

Description

Mircom FX-2000 microprocessor and supervised unit with zone annunciator and LED display.

Information

Service Life:	20
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2024

Detection

Fire 02 - Fire Detection & Alarm

Location

Throughout the building.

Description

Smoke detectors, heat detectors, flow switches, tamper switches, horns, pull stations and other fixed apparatus field devices to detect fire and smoke conditions and initiate timely response.

Information

Service Life:	20
Installed Year:	2014
Chronological Age:	1
Effective Age:	1
Next Renewal Year:	2034

Suppression

Fire 03 - Dry Sprinkler Compressor

Location

Mechanical room.

Description

Swan (Manuf) compressor to maintain the pressure of air in the dry fire sprinkler lines.

Information

Service Life:	14
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2018

Fire 04 - Portable Fire Extinguisher

Location

Throughout the building in flush mounted cases.

Description

Wall mounted, manually operated, pressurized vessels for controlled discharge of chemicals to extinguish small fires.

Information

Service Life:	12
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2016

Fire 05 - Sprinkler & Standpipe - Wet

Location

Throughout the heated common areas of the building.

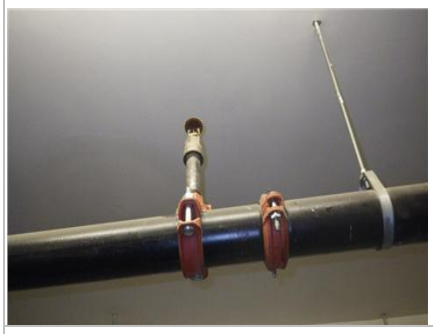
Description

Standard sprinkler heads, flow switches and indicating devices, gauges, steel distribution lines.

Information

Service Life:	100
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2104

Fire 06 - Sprinkler System - Dry



Location

Parkade.

Description

Exposed dry sprinklers, upright sprinkler heads, steel piping.

Information

Service Life:	75
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2079

Fire 07 - Sprinkler Valve Assembly - Dry

Location

Mechanical room.

Description

Viking, dry sprinkler valve, trim and gauges, steel piping.

Information

Service Life:	40
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2044

Egress

Fire 08 - Emergency Egress Equipment

Location
Throughout the building.

Description
Emergency lighting unit battery packs; exit signs.

Information

Service Life:	20
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2024

Interior Finishes

Interior Finishes

Finish 01 - Painted Steel Stairs

Location
Exit stairwells.

Description
Steel components, concrete treads and steel guardrails. Steel stairs are not considered a renewable asset however the paint is considered renewable component.

Information

Service Life:	75
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2079

Floors

Finish 02 - Carpet and Runners

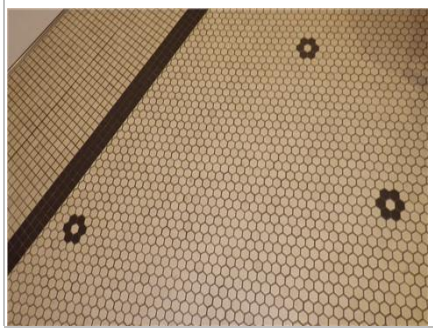
Location
Hallways throughout the building.

Description
Full carpeted flooring on fifth floor and carpet runners above wood flooring on floors 2-4.

Information

Service Life:	10
Installed Year:	2004
Chronological Age:	11
Effective Age:	6
Next Renewal Year:	2019

Finish 03 - Floor Tile



Location
Ground floor lobby and parkade lobbies.

Description
Floor tile on thin set mortar with grout.

Information

Service Life:	40
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2044

Finish 04 - Wood Flooring

Location
Hallways on floors 2-4.

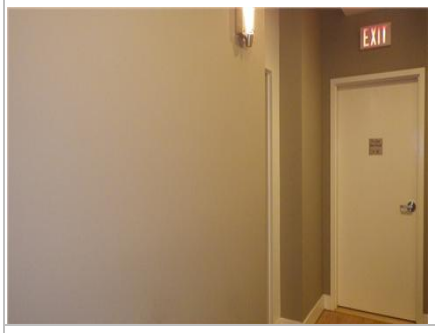
Description
Wood flooring. (Repair and refinishing may be required instead of full replacement may be considered)

Information

Service Life:	20
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2024

Walls

Finish 05 - Paint



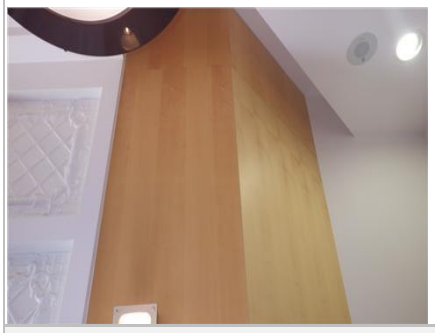
Location
Wall finish throughout common areas of the building.

Description
Primers and multiple pigmented coating finishes applied to interior gypsum wallboard concrete, mill work trim details, and metal trim.

Information

Service Life:	10
Installed Year:	2004
Chronological Age:	11
Effective Age:	6
Next Renewal Year:	2019

Finish 06 - Wood Paneling



Location
Decorative wall finish in the ground floor lobby.

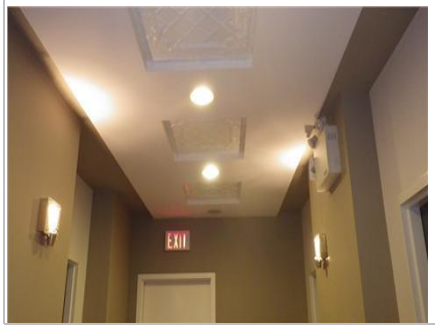
Description
Decorative wood paneling; solid or wood veneer on substrate sheathing and structural framing.

Information

Service Life:	25
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2029

Ceilings

Finish 07 - Painted Ceiling



Location
Ceiling finish throughout the common areas of the building.

Description
Primer and multiple pigmented finish coat applied to interior exposed concrete or gypsum wallboard.

Information

Service Life:	10
Installed Year:	2004
Chronological Age:	11
Effective Age:	6
Next Renewal Year:	2019

Finish 08 - Decorative Ceiling Panel

Location
Localized portion of the hallway ceilings.

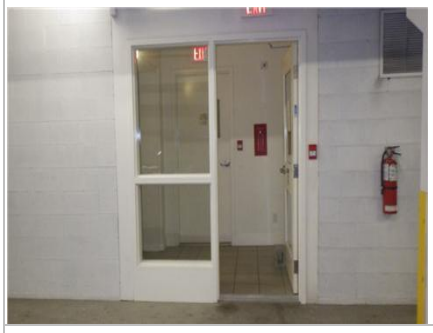
Description
Metal panels attached to a suspension system.

Information

Service Life:	50
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2054

Doors

Finish 09 - Interior Metal Doors



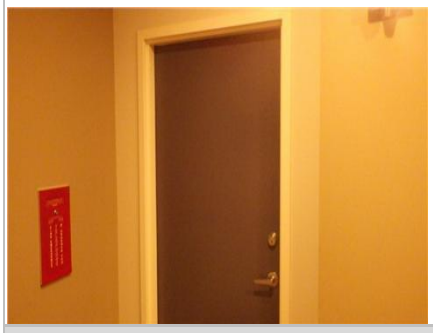
Location
Parkade lobby and stairwell swing doors.

Description
Prefinished metal swing door with tempered glazing.

Information

Service Life:	40
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2044

Finish 10 - Interior Swing Door - General



Location
Suite entrance doors.

Description
Metal swing door hung in framed opening including hardware.

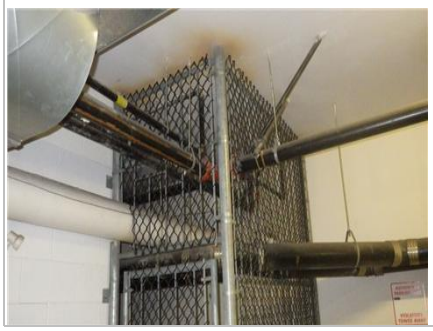
Information

Service Life:	30
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2034

Amenities

Specialties

Amen 01 - Metal Fencing



Location
Parkade bicycle enclosure and south west storage area.

Description
Metal chain link security fencing with steel framing and hardware.

Information

Service Life:	25
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2029

Furnishings

Amen 02 - Bicycle Rack

Location

Bicycle storage space located in the parkade.

Description

Floor mounted, steel frame bicycle racks.

Information

Service Life:	30
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2034

Amen 03 - Central Mailboxes

Location

Ground floor lobby.

Description

Flush mounted, front loading, brushed aluminum finish, extruded aluminum trim.

Information

Service Life:	35
Installed Year:	2004
Chronological Age:	11
Effective Age:	11
Next Renewal Year:	2039

Appendix C

Asset Service Life Summary

The Greenshields

Asset Ref	Asset Name	Chronological Age	Estimated Remaining SL
Encl 01	Exposed SBS Membrane Roof	11	14
Encl 02	Protected Waterproof Membrane Deck with Concrete Traffic-Bearing Surface	11	19
Encl 03	Roof Hatch	11	19
Encl 04	Stucco Clad Soffit	11	29
Encl 05	Glazed Aluminum Frame Divider	11	19
Encl 06	Guardrail - Glazed Aluminum	11	19
Encl 07	Coated Concrete Masonry Unit Wall	11	64
Encl 08	EIFS Clad Wall - Drained	11	19
Encl 09	Profiled Sheet Metal Cladding Wall	11	39
Encl 10	Clay Masonry Wall	11	34
Encl 11	Decorative Concrete Wall Components	11	64
Encl 12	Un-coated Concrete Wall	11	64
Encl 13	Aluminum Framed Window	11	29
Encl 14	Aluminum Storefront	11	29
Encl 15	Wood Framed Heritage Windows	11	19
Encl 16	Unit Skylight	11	14
Encl 17	Steel Swing Door	11	29
Encl 18	Protected Balcony Membrane	11	19
Encl 19	Exterior Tiles	11	9
Encl 20	Metal Frame and Glass Canopy	11	29
Encl 21	Exterior Painted Steel	11	64
Encl 22	Open-grid Overhead Parkade Gate	11	24
Encl 23	Slab-on-Grade	11	64
Encl 24	Sealant	11	5
Encl 25	General & Inspections	11	64
Elec 01	Distribution Transformer	11	29
Elec 02	Electrical Distribution	11	29
Elec 03	Exterior Light Fixtures	11	9
Elec 04	Interior Light Fixtures	11	9
Elec 05	Enterphone System	11	14
Elec 06	Proximity Access Control	1	14
Elec 07	Security Surveillance	1	14
Mech 01	Gas Detection - Parking Garage	11	0
Mech 02	Heat Tracing - Freeze Protection	11	7
Mech 03	Drainage - Perimeter and Foundation	11	29
Mech 04	Drainage - Storm - Internal	11	29
Mech 05	Piping - Domestic Water Distribution	11	24
Mech 06	Piping - Gas Distribution	11	39
Mech 07	Valves - Cross Connection & Backflow Prevention	11	9
Mech 08	Valves - Plumbing Flow Control and Directional	11	9
Mech 09	Drainage - Sanitary	11	39
Mech 10	Interceptor - Oil	11	14

Mech 11	Pumps - Storm Lift and Control Panel	11	4
Mech 12	Electric Cadet Heater	11	9
Mech 13	Condensing Unit - Outdoor Section - Heat Pump (Commercial property)	11	4
Mech 14	Exhaust Fan - Small Service	11	4
Mech 15	Outdoor Air Handler - Makeup Air - Gas	11	9
Mech 16	Outdoor Air Handler - Air Conditioning - Electric	11	9
Mech 17	Exhaust Fan Parkade - Inline	11	9
Mech 18	Overhead Gate Motor	11	0
Elev 01	Hydraulic Elevator, Holeless	11	19
Elev 02	Elevator Cabs & Hoistway	11	19
Fire 01	Fire Alarm Panel - Addressable	11	9
Fire 02	Fire Detection & Alarm	1	19
Fire 03	Dry Sprinkler Compressor	11	3
Fire 04	Portable Fire Extinguisher	11	1
Fire 05	Sprinkler & Standpipe - Wet	11	89
Fire 06	Sprinkler System - Dry	11	64
Fire 07	Sprinkler Valve Assembly - Dry	11	29
Fire 08	Emergency Egress Equipment	11	9
Finish 01	Painted Steel Stairs	11	64
Finish 02	Carpet and Runners	11	4
Finish 03	Floor Tile	11	29
Finish 04	Wood Flooring	11	9
Finish 05	Paint	11	4
Finish 06	Wood Paneling	11	14
Finish 07	Painted Ceiling	11	4
Finish 08	Decorative Ceiling Panel	11	39
Finish 09	Interior Metal Doors	11	29
Finish 10	Interior Swing Door - General	11	19
Amen 01	Metal Fencing	11	14
Amen 02	Bicycle Rack	11	19
Amen 03	Central Mailboxes	11	24

Appendix D

Disclosures and Disclaimers

RDH
Making Buildings Better

224 W 8th Avenue
Vancouver, BC V5Y 1N5

604 873 1181
rdhbe.com

Disclosures and Disclaimers

Condition of the Assets

The method of determining the physical condition of the assets is based on a visual review of a representative sampling of the assets in readily accessible locations, discussions with facility representatives, and review of readily available reference documents. No destructive testing or exploratory openings are carried out on any of the assets and the equipment is not disassembled, operated, or subject to re-commissioning tests. The physical review is not a full "condition assessment" since operating, testing, or exploratory openings are excluded from the scope of services.

Cost Estimating for Assets

- All estimates of costs are provided in future year dollars.
- All estimates of costs are Class D estimates intended for planning purposes and not for accounting or tender use. See Glossary of Terms for definition of Class D estimates.
- Actual costs will vary depending on several factors. The estimates assume economies of scale will be achieved by bundling work tasks together into larger renewal, repair, or rehabilitation projects. Small tasks performed individually may exceed the estimates presented.
- Soft costs, such as consulting services and contingency allowances are not included in the budget estimates. When developing cost estimates for projects in greater detail for budgeting, each project should include appropriate soft costs - such as Owner contingency, permit fees, engineering fees, etc. Depending on the sizes, scope and timing of individual projects, the magnitude of the soft costs will vary.
- Construction costs are subject to the vagaries of the marketplace. At the time of tender, costs may vary depending on the time of the year, contractor availability, and other factors.
- The estimates must be updated over time, further developed for scope of work and confirmed by competitive tender before any contracts are awarded.
- Detailed repair specifications are required to be prepared in order to confirm scopes of work and costs.
- The estimates do not include allowances for site specific access requirements or environmental concerns, which should be addressed on a project-by-project basis.
- Consideration may sometimes need to be given to costs arising from the impact of projects on occupancy use and facility operations.
- Replacement costs are typically based on like-for-like with a similar asset unless code or other circumstances require the replacement cost to include an upgrade.

Maintenance of the Assets:

The maintenance checklists are not exhaustive and are intended as a framework for the ongoing refinement of the maintenance program.

- Work must only be carried out by appropriately qualified personnel who have the necessary and sufficient knowledge about the maintenance tasks and maintenance intervals.
- The manufacturers' latest printed instructions should take precedence in the event of any conflict with the maintenance checklists.
- The Owners' maintenance staff and/or service contractors are responsible to verify what is contained in the manufacturers' documentation regarded recommended maintenance procedures and intervals.
- The maintenance checklists and maintenance intervals should be reviewed annually and adjusted, as required, to reflect the service environment, feedback from contractors, etc.

Specialist and Non-Specialist Reviews

Our personnel collect the asset inventory data for all the different systems, including mechanical, plumbing, fire safety, elevator, electrical, interior finishes, and sitework. Our scope of services is to identify the assets within each system, determine their age and report on their reasonable service life-cycles according to accepted industry standards. RDH personnel do not make observations with regard to specialty building system conditions unless specifically addressed in our proposal.

Forecasting the Useful Service Life of Assets

The service life of assets can be affected by a variety of circumstances, including the following:

- The quality of the maintenance conducted on an asset will affect the service life of the asset. Poor maintenance can lead to a reduced service life and may result in the premature failure of an asset.
- Insurable losses (force majeure), such as earthquakes, fires, and floods can shorten the life of an asset. These events are not considered in a Depreciation Report.
- Asset service life in a Depreciation Report is determined according to accepted industry standards.

Funding Models

The funding models for Depreciation Reports are based on a 30-year horizon and use "future year dollars termed" methodology. This methodology projects the costs (in future year dollars) over the planning horizon and not beyond the terminus year of the planning horizon. The current year is the starting year of the planning horizon. The term,

therefore, matches the initial horizon and does not respect a shifting horizon. This means that in year 1 the funding scenarios will look forward for 30 years.

For example, in 2012 the model looks forward to 2042. In year two, it will be accurate for 29 years, as it is only looking forward to year 2042. When an update study is performed in three years, the revised funding scenarios will look forward 30 years from 2015 to 2045. Renewal and major maintenance projects that occur beyond the 30-year planning horizon are not considered in the scenarios; that is, those projects that occur beyond 30 years are unfunded in the funding scenarios.

Appendix E

Funding Scenario Cash Flow Tables

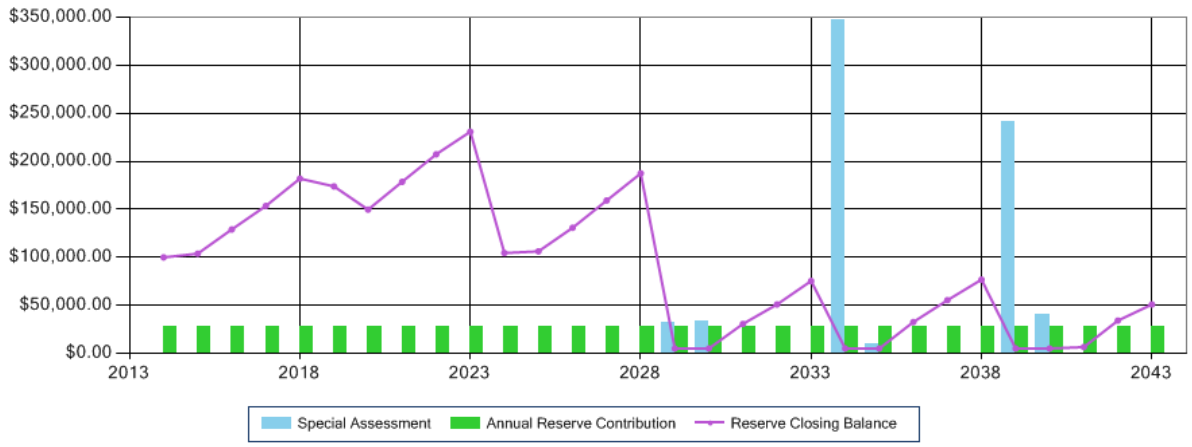
Funding Model - Fixed Annual Funding Model $ 28,500 (Current)

Funding Model Name	Fixed Annual Funding Model $ 28,500 (Current)		Initial Catch-Up Cost	$0
Building	The Greenshields		Operating Budget	$90,943
Start Year	2014		Starting Reserve Balance	$82,430
Interest/Investment Rate	2.0 %		Contribution Threshold	$500,000
Estimated Contingency Allowance	$1,000		Contribution Below Threshold	$28,500
Tax Rate	0.0 %		Contribution Above Threshold	$28,500
Planning Horizon	30		Reserve Contribution Increase	0.0
Number of Units	24		Monthly Avg. Unit Contribution	$99

Year	Opening Balance	Reserve Contribution	Additional Funding	Reserve Income	Keep-Up	Contingency Costs	Tax Liability	Closing Balance	Percent Funded
2014	$82,430	$28,500	$0	$1,649	$11,620	$1,000	$0	$99,959	34.82 %
2015	$99,959	$28,500	$0	$1,999	$25,700	$1,000	$0	$103,758	33.47 %
2016	$103,758	$28,500	$0	$2,075	$4,310	$1,000	$0	$129,023	36.14 %
2017	$129,023	$28,500	$0	$2,580	$5,600	$1,000	$0	$153,503	37.99 %
2018	$153,503	$28,500	$0	$3,070	$2,100	$1,000	$0	$181,973	39.81 %
2019	$181,973	$28,500	$0	$3,639	$39,220	$1,000	$0	$173,893	36.68 %
2020	$173,893	$28,500	$0	$3,478	$55,200	$1,000	$0	$149,671	31.44 %
2021	$149,671	$28,500	$0	$2,993	$1,500	$1,000	$0	$178,664	33.45 %
2022	$178,664	$28,500	$0	$3,573	$2,430	$1,000	$0	$207,307	34.95 %
2023	$207,307	$28,500	$0	$4,146	$8,100	$1,000	$0	$230,854	35.62 %
2024	$230,854	$28,500	$0	$4,617	$158,500	$1,000	$0	$104,471	18.96 %
2025	$104,471	$28,500	$0	$2,089	$27,830	$1,000	$0	$106,230	18.31 %
2026	$106,230	$28,500	$0	$2,125	$5,100	$1,000	$0	$130,755	20.65 %
2027	$130,755	$28,500	$0	$2,615	$1,700	$1,000	$0	$159,170	23.03 %
2028	$159,170	$28,500	$0	$3,183	$2,440	$1,000	$0	$187,413	24.95 %
2029	$187,413	$28,500	$32,339	$3,748	$246,000	$1,000	$0	$5,000	0.88 %
2030	$5,000	$28,500	$33,300	$100	$60,900	$1,000	$0	$5,000	0.89 %
2031	$5,000	$28,500	$0	$100	$1,950	$1,000	$0	$30,650	5.03 %
2032	$30,650	$28,500	$0	$613	$7,800	$1,000	$0	$50,963	7.75 %
2033	$50,963	$28,500	$0	$1,019	$4,100	$1,000	$0	$75,382	10.61 %
2034	$75,382	$28,500	$347,410	$1,508	$446,800	$1,000	$0	$5,000	1.59 %
2035	$5,000	$28,500	$10,100	$100	$37,700	$1,000	$0	$5,000	1.61 %
2036	$5,000	$28,500	$0	$100	$0	$1,000	$0	$32,600	9.53 %
2037	$32,600	$28,500	$0	$652	$5,370	$1,000	$0	$55,382	14.92 %
2038	$55,382	$28,500	$0	$1,108	$7,200	$1,000	$0	$76,790	19.24 %
2039	$76,790	$28,500	$241,875	$1,536	$342,700	$1,000	$0	$5,000	6.17 %
2040	$5,000	$28,500	$40,580	$100	$68,180	$1,000	$0	$5,000	17.85 %
2041	$5,000	$28,500	$0	$100	$26,100	$1,000	$0	$6,500	92.85 %
2042	$6,500	$28,500	$0	$130	$0	$1,000	$0	$34,130	379.22 %
2043	$34,130	$28,500	$0	$683	$11,390	$1,000	$0	$50,923	100.00 %

Funding Model - Fixed Annual Funding Model $ 28,500 (Current)

GRAPHIC REPRESENTATION



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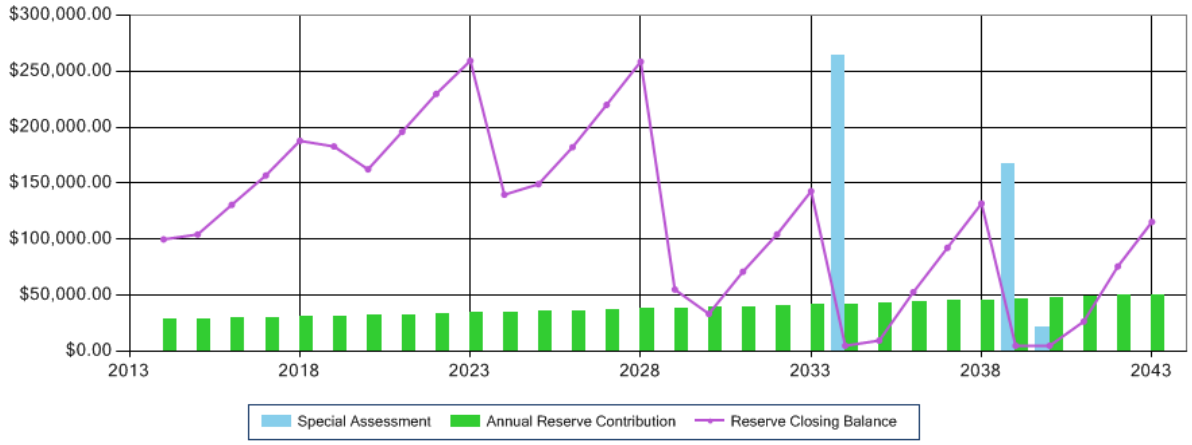
Funding Model - Annual Percent Increase Funding Model $28,500 (Alternative 1)

Funding Model Name	Annual Percent Increase Funding Model $28,500 (Alternative 1)		Initial Catch-Up Cost	$11,620
Building	The Greenshields		Operating Budget	$90,943
Start Year	2014		Starting Reserve Balance	$82,430
Interest/Investment Rate	2.0 %		Contribution Threshold	$500,000
Estimated Contingency Allowance	$1,000		Contribution Below Threshold	$28,500
Tax Rate	0.0 %		Contribution Above Threshold	$28,500
Planning Horizon	30		Reserve Contribution Increase	2.0
Number of Units	24		Monthly Avg. Unit Contribution	$99

Year	Opening Balance	Reserve Contribution	Additional Funding	Reserve Income	Keep-Up	Contingency Costs	Tax Liability	Closing Balance	Percent Funded
2014	$82,430	$28,500	$0	$1,649	$11,620	$1,000	$0	$99,959	34.82 %
2015	$99,959	$29,070	$0	$1,999	$25,700	$1,000	$0	$104,328	33.65 %
2016	$104,328	$29,651	$0	$2,087	$4,310	$1,000	$0	$130,756	36.62 %
2017	$130,756	$30,244	$0	$2,615	$5,600	$1,000	$0	$157,015	38.86 %
2018	$157,015	$30,849	$0	$3,140	$2,100	$1,000	$0	$187,905	41.11 %
2019	$187,905	$31,466	$0	$3,758	$39,220	$1,000	$0	$182,909	38.58 %
2020	$182,909	$32,096	$0	$3,658	$55,200	$1,000	$0	$162,463	34.13 %
2021	$162,463	$32,738	$0	$3,249	$1,500	$1,000	$0	$195,950	36.69 %
2022	$195,950	$33,392	$0	$3,919	$2,430	$1,000	$0	$229,831	38.75 %
2023	$229,831	$34,060	$0	$4,597	$8,100	$1,000	$0	$259,388	40.02 %
2024	$259,388	$34,741	$0	$5,188	$158,500	$1,000	$0	$139,817	25.37 %
2025	$139,817	$35,436	$0	$2,796	$27,830	$1,000	$0	$149,220	25.72 %
2026	$149,220	$36,145	$0	$2,984	$5,100	$1,000	$0	$182,249	28.79 %
2027	$182,249	$36,868	$0	$3,645	$1,700	$1,000	$0	$220,062	31.84 %
2028	$220,062	$37,605	$0	$4,401	$2,440	$1,000	$0	$258,628	34.43 %
2029	$258,628	$38,357	$0	$5,173	$246,000	$1,000	$0	$55,158	9.76 %
2030	$55,158	$39,124	$0	$1,103	$60,900	$1,000	$0	$33,485	6.01 %
2031	$33,485	$39,907	$0	$670	$1,950	$1,000	$0	$71,112	11.67 %
2032	$71,112	$40,705	$0	$1,422	$7,800	$1,000	$0	$104,439	15.89 %
2033	$104,439	$41,519	$0	$2,089	$4,100	$1,000	$0	$142,947	20.13 %
2034	$142,947	$42,349	$264,645	$2,859	$446,800	$1,000	$0	$5,000	1.59 %
2035	$5,000	$43,196	$0	$100	$37,700	$1,000	$0	$9,596	3.10 %
2036	$9,596	$44,060	$0	$192	$0	$1,000	$0	$52,849	15.45 %
2037	$52,849	$44,942	$0	$1,057	$5,370	$1,000	$0	$92,477	24.92 %
2038	$92,477	$45,840	$0	$1,850	$7,200	$1,000	$0	$131,967	33.07 %
2039	$131,967	$46,757	$167,336	$2,639	$342,700	$1,000	$0	$5,000	6.17 %
2040	$5,000	$47,692	$21,388	$100	$68,180	$1,000	$0	$5,000	17.85 %
2041	$5,000	$48,646	$0	$100	$26,100	$1,000	$0	$26,646	380.66 %
2042	$26,646	$49,619	$0	$533	$0	$1,000	$0	$75,798	842.20 %
2043	$75,798	$50,612	$0	$1,516	$11,390	$1,000	$0	$115,536	100.00 %

Funding Model - Annual Percent Increase Funding Model $28,500 (Alternative 1)

GRAPHIC REPRESENTATION



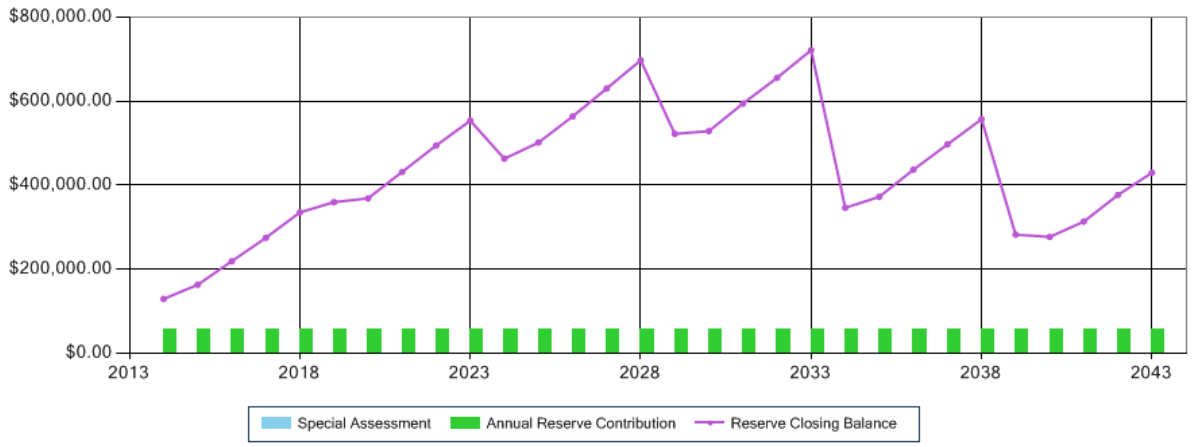
Funding Model - Fixed Annual Funding Model $ 58,000 (Progressive)

Funding Model Name	Fixed Annual Funding Model $ 58,000 (Progressive)		Initial Catch-Up Cost	$0
Building	The Greenshields		Operating Budget	$90,943
Start Year	2014		Starting Reserve Balance	$82,430
Interest/Investment Rate	2.0 %		Contribution Threshold	$500,000
Estimated Contingency Allowance	$1,000		Contribution Below Threshold	$58,000
Tax Rate	0.0 %		Contribution Above Threshold	$58,000
Planning Horizon	30		Reserve Contribution Increase	0.0
Number of Units	24		Monthly Avg. Unit Contribution	$201

Year	Opening Balance	Reserve Contribution	Additional Funding	Reserve Income	Keep-Up	Contingency Costs	Tax Liability	Closing Balance	Percent Funded
2014	$82,430	$58,000	$0	$1,649	$11,620	$1,000	$0	$129,459	45.10 %
2015	$129,459	$58,000	$0	$2,589	$25,700	$1,000	$0	$163,348	52.69 %
2016	$163,348	$58,000	$0	$3,267	$4,310	$1,000	$0	$219,305	61.42 %
2017	$219,305	$58,000	$0	$4,386	$5,600	$1,000	$0	$275,091	68.09 %
2018	$275,091	$58,000	$0	$5,502	$2,100	$1,000	$0	$335,493	73.41 %
2019	$335,493	$58,000	$0	$6,710	$39,220	$1,000	$0	$359,982	75.94 %
2020	$359,982	$58,000	$0	$7,200	$55,200	$1,000	$0	$368,982	77.51 %
2021	$368,982	$58,000	$0	$7,380	$1,500	$1,000	$0	$431,862	80.87 %
2022	$431,862	$58,000	$0	$8,637	$2,430	$1,000	$0	$495,069	83.48 %
2023	$495,069	$58,000	$0	$9,901	$8,100	$1,000	$0	$553,870	85.47 %
2024	$553,870	$58,000	$0	$11,077	$158,500	$1,000	$0	$463,448	84.11 %
2025	$463,448	$58,000	$0	$9,269	$27,830	$1,000	$0	$501,887	86.53 %
2026	$501,887	$58,000	$0	$10,038	$5,100	$1,000	$0	$563,825	89.07 %
2027	$563,825	$58,000	$0	$11,276	$1,700	$1,000	$0	$630,401	91.23 %
2028	$630,401	$58,000	$0	$12,608	$2,440	$1,000	$0	$697,569	92.88 %
2029	$697,569	$58,000	$0	$13,951	$246,000	$1,000	$0	$522,520	92.48 %
2030	$522,520	$58,000	$0	$10,450	$60,900	$1,000	$0	$529,071	94.98 %
2031	$529,071	$58,000	$0	$10,581	$1,950	$1,000	$0	$594,702	97.65 %
2032	$594,702	$58,000	$0	$11,894	$7,800	$1,000	$0	$655,796	99.81 %
2033	$655,796	$58,000	$0	$13,116	$4,100	$1,000	$0	$721,812	101.66 %
2034	$721,812	$58,000	$0	$14,436	$446,800	$1,000	$0	$346,449	110.68 %
2035	$346,449	$58,000	$0	$6,929	$37,700	$1,000	$0	$372,678	120.60 %
2036	$372,678	$58,000	$0	$7,454	$0	$1,000	$0	$437,131	127.81 %
2037	$437,131	$58,000	$0	$8,743	$5,370	$1,000	$0	$497,504	134.09 %
2038	$497,504	$58,000	$0	$9,950	$7,200	$1,000	$0	$557,254	139.66 %
2039	$557,254	$58,000	$0	$11,145	$342,700	$1,000	$0	$282,699	349.01 %
2040	$282,699	$58,000	$0	$5,654	$68,180	$1,000	$0	$277,173	989.90 %
2041	$277,173	$58,000	$0	$5,543	$26,100	$1,000	$0	$313,616	4,480.23 %
2042	$313,616	$58,000	$0	$6,272	$0	$1,000	$0	$376,889	4,187.65 %
2043	$376,889	$58,000	$0	$7,538	$11,390	$1,000	$0	$430,036	100.00 %

Funding Model - Fixed Annual Funding Model $ 58,000 (Progressive)

GRAPHIC REPRESENTATION



Appendix F

RDH Qualifications

Depreciation Report

New regulations in British Columbia make Depreciation Reports mandatory for most strata corporations. RDH Building Engineering Ltd. offers building science and building asset management services from three offices in BC; Vancouver, Victoria, and Courtenay. RDH staff have broad practical experience assisting building owners with all aspects of planning for the long term stewardship of their building(s). Our reserve fund analysts, engineers, architects, and technologists have a wide variety of formal training—including building science, structural engineering, and mechanical engineering. To supplement our in-house expertise, we consult subconsultants for items such as elevator and swimming pool reviews. We believe that by using a team approach, we can ensure an appropriate level of thoroughness and quality.

We have prepared hundreds of Depreciation Reports and are recognized as industry leaders. David Albrice is a certified Professional Reserve Analyst and was one of the key people consulted when the legislation was drafted. He has an unrivaled depth of understanding of the physical, financial planning, and strata governance issues that need to be considered in the development of an effective Depreciation Report.

About Us

David Albrice, B.Sc. URP, ARP, PRA

- Professional Reserve Analyst, APRA
- B.Sc. Urban and Regional Planning
- Associate Reserve Planner, REIC
- Project Manager on 100s of Facility Condition Assessments and Reserve Studies (Depreciation Reports)

Mike Wilson, P.Eng.

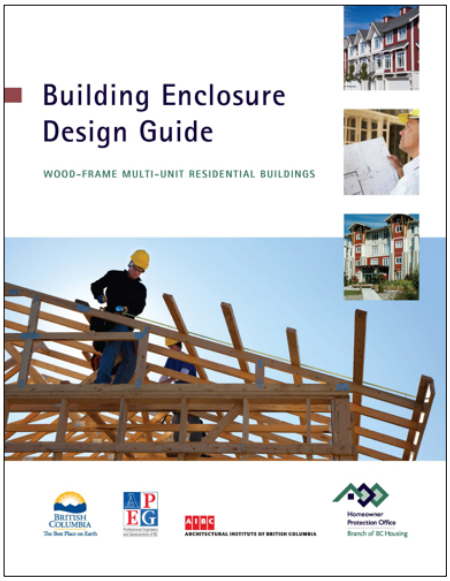
- B.Eng. & M.Eng., Structural Engineering
- Registered professional engineer, APEGBC
- 20 years experience as a consultant focused in the field of building science

Mark Will, Dipl.T., BA

- Dipl.T., Building Science Technology
- B.A., Economics
- 15 years experience in project management
- CHOA Board Member

Peter Fitch, C.Tech.

- UBC/UBCM Certified Professional program (audit only)
- Member of Applied Science Technologists & Technicians of British Columbia
- 30 years of experience in the mechanical design field



Matt Mulleray, P.Eng.

- B.A.Sc., Civil Engineering
- Dipl.T., Civil and Structural Engineering
- Registered professional engineer, APEGBC
- 10 years experience in bldg. science & engineering consulting

Harvey Goodman, P.Eng.

- B.A.Sc., Civil Engineering
- Registered professional engineer, APEGBC
- 20 years experience in building science consulting

Serge Desmarais, Architect AIBC, CP

- B.Arch.
- Registered architect, AIBC
- Certified Professional, UBC
- 30 years experience in building design and construction capital renewal projects

Jason Dunn, B.Arch.Sc., CCCA

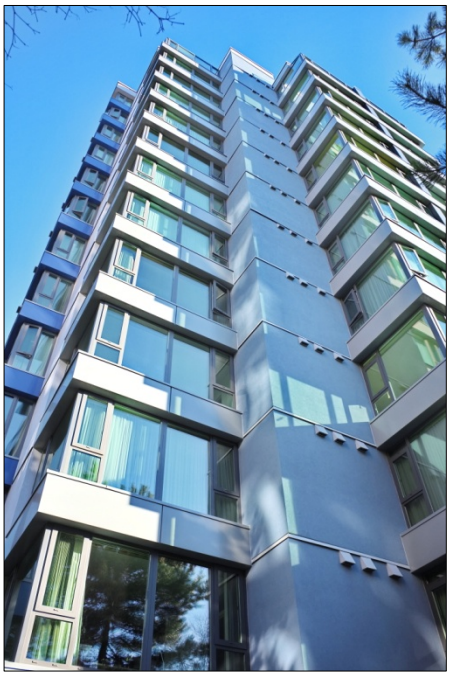
- B.Arch.Sc, Building Science Option
- Certified Construction Contract Administrator, CSC
- 10 years experience in building science consulting

Robin Breuer, A.Sc.T., RRO

- Dipl.T., Building Engineering Technology (Building Science Option)
- Registered Roof Observer, RCI Inc.
- 15 years experience in building science consulting

Laureen Stokes, Dipl.T.

- Dipl.T., Architectural & Building Engineering Technology (Building Science Option)
- 5 years experience in building science consulting



Tim Smith, A.Sc.T.

- Dipl.T., Civil Engineering Technologist
- Member of Applied Science Technologists & Technicians of British Columbia
- 5 years experience in building science consulting

Amy Montgomery, EIT

- B.Sc., Mechanical Engineering
- M.A.Sc., Mechanical Engineering, in progress

Byron Searle, BBSc

- BBSc., Building Science, New Zealand
- 3 years experience in Carpentry
- 2 years experience in Architectural Drafting

Jesus De Mesa, Dipl.T.

- Dipl.T., Architectural & Building Engineering Technology (Building Science Option)

Alex Seto, Dipl.T.

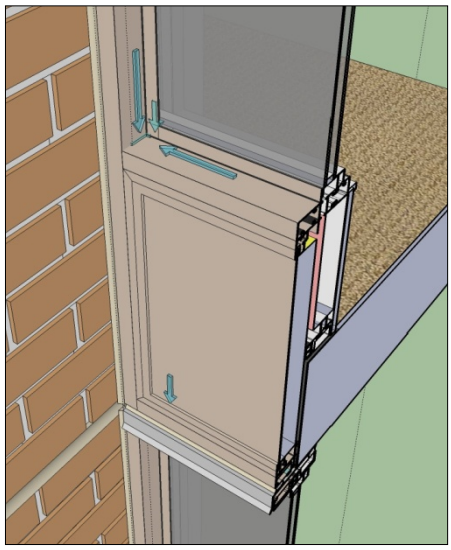
- Dipl.T., Architectural & Building Engineering Technology (Building Science Option)

Roma Santos, Dipl.T.

- Dipl.T., Architectural & Building Engineering Technology (Building Science Option)

Brandon Carreira, Dipl.T.

- Dipl.T., Architectural & Building Engineering Technology (Building Science Option)



Jesse Listoen, Dipl.T.

- Dipl.T., Architectural & Building Engineering Technology (Building Science Option)

James Hornett, Dipl.T.

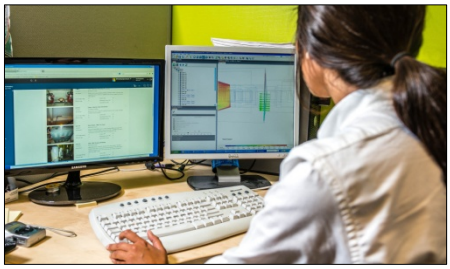
- Dipl.T., Architectural & Building Engineering Technology (Building Science Option)

Nicola Alexander, B.Tech.

- B.Tech., Architectural Science

Megan Butland, Dipl.T.

- Dipl.T., Civil Engineering
- Certificate, Drafting



Administrators and Client Support

Vanessa Jumawan

- 5 years experience in administration with engineering/architecture firm

Anna Qiu

- Cert., Business Administration
- 10 years experience in administration with engineering/architecture firm

Software Support and Programmers

Matthew Branch, P.Eng.

- B.Sc., Civil Engineering
- Registered professional engineer, APEGBC
- 13 years experience in engineering data analysis

Gary Zhang, B.Sc.

- B.Sc., Computer Science and Engineering
- 15 years experience in software development

Kan Ma, B.Sc.

- B.Sc., Computing Science
- 7 years experience in software development

Quantity Take-Offs

Andrea Corona, Dipl.

- Dipl., Small Craft Naval Architecture
- 25 years experience in architectural drafting

Roya Kiani Amin, B.Sc.

- B.Sc., Civil Engineering
- 5 years experience in architectural drafting
- 2 years experience in construction

Brigitte MacKenzie

- 3-year Apprenticeship Program, Germany
- 25 years experience in architectural drafting

Appendix G

Insurance Certificate

Ref. No. 320006981632 AMENDED

CERTIFICATE OF INSURANCE

Aon Reed Stenhouse Inc.
401 West Georgia Street, Suite 1200
PO Box 3228 STN. TERMINAL
Vancouver BC V6B 3X8
tel 604-688-4442 *fax* 604-682-4026

Amending Certificate No. : 320006980411

Re: Evidence of Insurance:

To Whom It May Concern

Insurance as described herein has been arranged on behalf of the Insured named herein under the following policy(ies) and as more fully described by the terms, conditions, exclusions and provisions contained in the said policy(ies) and any endorsements attached thereto.

Insured

RDH Building Engineering Ltd.
224 West 8th Avenue
Vancouver, BC V5Y 1N5

Coverage

Commercial General Liability

Insurer Royal & Sun Alliance Ins Co of Canada

Policy # 8141333

Effective 02-May-2014 **Expiry** 02-May-2015

Limits of Liability

Bodily Injury & Property Damage, Each Occurrence $5,000,000
Products and Completed Operations, Aggregate $5,000,000
Personal Injury $5,000,000
Non-Owned Automobile Liability $5,000,000
Policy may be subject to a general aggregate and other aggregates where applicable

Professional Liability

Insurer Lloyd's Underwriters

Policy # QC1402155

Effective 02-May-2014 **Expiry** 02-May-2015

Limits of Liability

Subject to aggregate where applicable

Terms and / or Additional Coverage

Professional Liability
Limit: $2,000,000 Per Claim Limit / $4,000,000 Aggregate Limit

THE POLICY CONTAINS A CLAUSE THAT MAY LIMIT THE AMOUNT PAYABLE
OR, IN THE CASE OF AUTOMOBILE INSURANCE,
THE POLICY CONTAINS A PARTIAL PAYMENT OF LOSS CLAUSE

AON

Ref. No. 320006981632 AMENDED

CERTIFICATE OF INSURANCE

Commercial General Liability

Products and Completed Operations
Broad Form Property Damage
Cross Liability
Contractual Liability
Owners and Contractors Protective
Contractual Liability included

THIS CERTIFICATE CONSTITUTES A STATEMENT OF THE FACTS AS OF THE DATE OF ISSUANCE AND ARE SO REPRESENTED AND WARRANTED ONLY TO THE INSURED. OTHER PERSONS RELYING ON THIS CERTIFICATE DO SO AT THEIR OWN RISK.

Aon Reed Stenhouse Inc.

LHadden

Dated : 06-May-2014
Issued By : Hadden,Lindsay D.
Tel : 604-443-2524

THE POLICY CONTAINS A CLAUSE THAT MAY LIMIT THE AMOUNT PAYABLE
OR, IN THE CASE OF AUTOMOBILE INSURANCE,
THE POLICY CONTAINS A PARTIAL PAYMENT OF LOSS CLAUSE

AON