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DEPRECIATION REPORT

VAS 495—"Oasis"
2234 Prince Albert Street
Vancouver, BC
2021

February 2, 2021

VAS 495—"Oasis"

c/o Harbourside Property Management
#204-15957 84th Avenue
Surrey, BC
V4N 0W7

Dear Sir/Madam:

Depreciation Report for
VAS 495—"Oasis"
2234 Prince Albert Street, Vancouver, BC

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

We recommend that a Reserve Fund plan be adopted with contributions adjusted to $10,000 for the Aug 2021–Jul 2022 fiscal year, and further increased as per the recommendations in Section 5.3. The legislation does not require the strata owners to follow any specific funding recommendation within this report. The Strata owners can choose their own funding plan, provided it meets the minimum legislated requirements. This recommended Reserve Fund Plan was created in consultation with strata representatives and does not necessarily reflect the consultant's opinion as to the best course of action; the recommended plan outlines a funding path that is actionable and leads to improved outcomes for current and future owners.

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

Respectfully submitted,

Douglas A. Niemi, CRA, CRP
NLD Consulting – Reserve Fund Advisors

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Executive Summary of Facts and Conclusions

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

Client **VAS 495—"Oasis"**
#204-15957 84th Avenue
Surrey, BC, V4N 0W7

Date of Study February 2, 2021 (Inspection Date: December 10, 2020)

Property VAS 495—"Oasis"
2234 Prince Albert Street
Vancouver, BC, V5T 4K9
Constructed in 1977

FORECASTED RATES—see section 4

CPI Inflation 1.8%
Cost Inflation 2.9%
Interest Rate 2.4%

Deficiency/Contribution Quotient
Aug 2020–Jul 2021
DCQ = 47.9
See Section 5.4 for details

CURRENT FISCAL YEAR INFORMATION

Current Fiscal Year Aug 2020–Jul 2021
Opening Balance $76,389
Reserve Contributions $4,272
Ideal Closing Balance* $473,128
Funding Adequacy The contributions are adequate if increased per our recommendations
Reserve Expenditures See Section 5.2

Five Year Plan	Current Year	Recommendations†				
	Aug 2020–Jul 2021	Aug 2021–Jul 2022	Aug 2022–Jul 2023	Aug 2023–Jul 2024	Aug 2024–Jul 2025	Aug 2025–Jul 2026
Contingency Reserve Fund Contributions	$ 4,272	$ 10,000	$ 15,520	$ 21,040	$ 25,180	$ 29,320
Average Monthly Contribution per Owner‡	$ 15	$ 36	$ 56	$ 76	$ 91	$ 106

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

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

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

Certification

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

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

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Douglas A. Niemi, CRA, CRP

February 2, 2021

Qualifications listed in Appendix A

1. Report Overview

1.1 Purpose of the Report

Description

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

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

Purpose

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

Disclaimer

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

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

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

1.2 Methodology

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

Property Information (Section 2)
The subject property was visually inspected on December 10, 2020. The consultant reviewed building plans, financial documents, AGM minutes, governing documents, and consulted with the client to identify undocumented repair work, learn about latent defects that are causing problems, assess risk tolerance, and determine the client's short-term intentions regarding reserve fund work.

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

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

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

2. Property Information

2.1 Property Description Summary

VAS 495—"Oasis"
2234 Prince Albert Street
Vancouver, BC, V5T 4K9

This development is located on the corner of Prince Albert Street and East 6th Avenue. It was constructed in 1977 and registered as a strata corporation on December 7, 1977. The property consists of one three-storey apartment building. The ground floor houses seven units, with floors two and three containing eight units each for a total of 23 units.

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

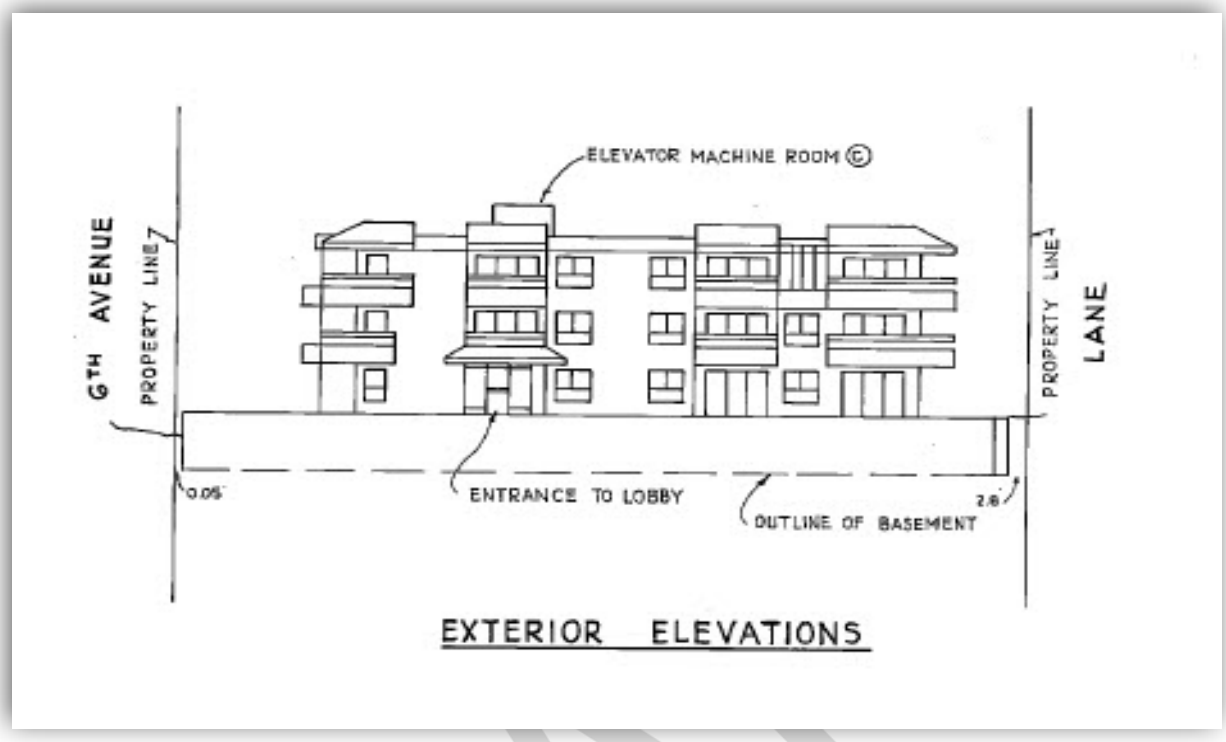
Harbourside Property Management, a firm experienced in residential property management, manages the property.

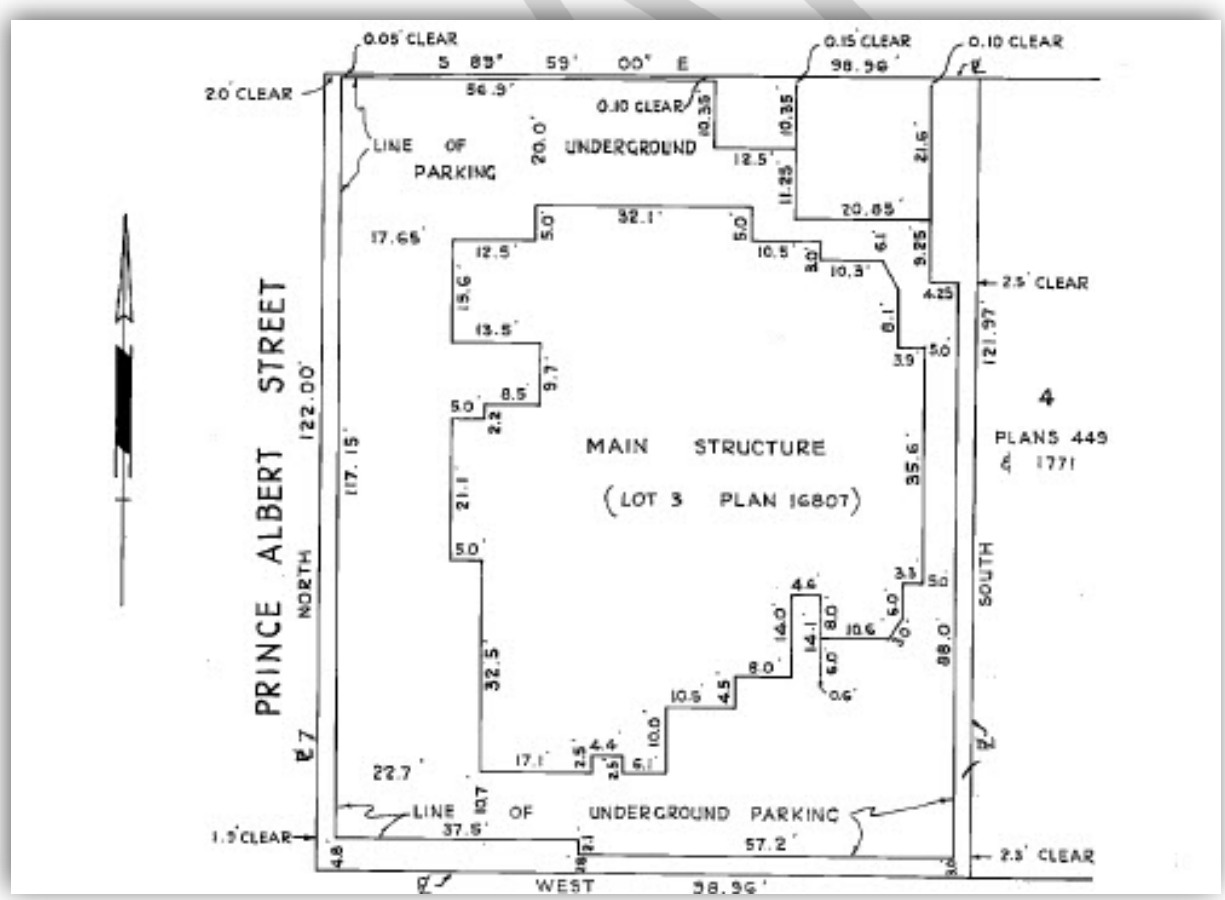
The property was inspected for the purposes of preparing this report on December 10, 2020, by Douglas A. Niemi, CRA, CRP. The inspection included a visual on-site inspection of the reserve components, where practical, as per the requirements of the Act.

2.2 Building Plans

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

Building Plans Example





2.3 Property Data

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

Site Area	12,072 square feet
Building Coverage	4,835 square feet
Building Height	32 feet (three storeys)
Gross Floor Area	14,100 square feet
Occupancy	23 units

2.4 Sections

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

2.5 Development End of Life

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

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

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

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

End of Life date: no date set

2.6 Bylaws and Governing Documents Review

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

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

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

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

- None noted

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

2.7 Previous Depreciation Reports

There were no previous depreciation reports provided for review.

2.8 Historical Financial Analysis

The consultant has examined financial statements for the strata corporation for its operations from Aug 2019–Jul 2021. The budget was provided by Harbourside Property Management.

The reserve fund balance as of August 1st, 2020 was $76,389. The strata corporation has budgeted regular contributions of $4,272 for this fiscal year, which is an average per unit per month of $15. Please note that the average monthly contribution is calculated based on the number of strata lots; actual fees and levies will be based on relative unit entitlement.

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

Historical Financial Analysis

Oasis

	Aug 2019–Jul 2020	Aug 2020–Jul 2021
Opening Balance	**65,215**	**76,389**
Reserve Fund Income		
Reserve Fund Contributions	4,272	4,272
Special Assessment		
Transfer to (from) the Reserve Fund	6,676	
Other Income		2,000
Interest Income	226	1,833
Total Cash Resources	**76,389**	**84,494**
Reserve Fund Expenditures		
	Building - Structural and Architectural	
1	Substructure and Underground Garage	
2	Parkade Membrane - South Side	
3	Wall Assemblies - Wood Siding	
4	Wall Assemblies - Composite Siding	
5	Wall Assemblies - Brick Veneer Siding	
6	Commercial Storefront	
7	Window Assemblies - Aluminum Frame	
8	Window Assemblies - Vinyl Frame	
9	Overhead Parkade Gate	
10	Exterior Door Assemblies - French	
11	Exterior Door Assemblies - Sliding, Metal	
12	Interior Door Assemblies - Wood	
13	Interior Door Assemblies - Metal	
14	Caulking	
15	Balcony Construction - Wood (Stage 1)	
16	Balcony Construction - Wood (Stage 2)	
17	Balcony Railings	
18	Soffits (Stage 1)	
19	Soffits (Stage 2)	
20	Gutters and Downspouts	
21	Roof Assembly - Asphalt / Fiberglass Shingle	
22	Roof Assembly - Bituminous	

	Building - Finishes and Decoration		
23	Exterior Finishes - Paint		
24	Exterior Finishes - Parking Paint and Markings		
25	Interior Finishes - Paint		
26	Balcony Waterproofing (Stage 1)		
27	Balcony Waterproofing (Stage 2)		
28	Interior Flooring - Carpet		
29	Interior Flooring - Ceramic Tile		
30	Lobby Renovation		
31	Elevator Cab Renovation		
	Building - Mechanical Systems		
32	HVAC - Fan Exhaust System		
33	Domestic Water Distribution - Building		
34	Domestic Water Distribution - Subsurface		
35	Sprinkler System - Dry		
36	Elevator Modernization - Hydraulic		
	Building - Electrical Systems		
37	Electrical Service and Distribution		
38	Fire Detection System		
39	Access Entry System		
40	Lighting - Interior		
41	Lighting - Parkade		
42	Lighting - Exterior		
	Building - Amenities		
43	Mailboxes		
	Common Site Improvements		
44	Landscaping		
45	Concrete Patios		
46	Driveways - Concrete		
47	Retaining Walls - Concrete		
48	Fencing - Wood		
49	Exterior Railings - Metal		
	Miscellaneous		
	Total Expenditures		
	Closing Balance	**76,389**	**84,494**

All values in $CAD

3. Component Details

3.1 Component Descriptions

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

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

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

3.2 Life Cycle Analysis

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

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

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

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

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

3.3 Current Cost Estimates

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

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

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

Scope of Work

Cost estimates are based on a like-for-like replacement (when it makes sense), including demolition and disposal, major repair or replacement of the component (labour, materials, and equipment), special construction requirements, safety installations, limited access, reuse of salvageable materials, clean-up costs, contingencies, and contractor profit and overhead.

Quality of construction

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

Replacement Cost Factors

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

Tax

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

Contingency

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

Budget Provisions

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

4. Economic Forecasting

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

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

Construction Costs

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

We use a construction inflation rate of 2.9%. Please see Appendix F for a detailed explanation of our construction inflation analysis.

Interest Rates

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

We use an interest rate of 2.4%. Please see Appendix G for a detailed explanation of our interest rate analysis.

CPI Inflation

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

We use a CPI inflation rate of 1.8%. Please see Appendix H for a detailed explanation of our CPI inflation analysis.

5. Funding Models

5.1 Benchmark Analysis

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

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

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

Estimated Current Cost

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

Projected Next Cost

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

Ideal Closing Balance

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

Ideal Annual Contribution

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

Relative Contribution Weight

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

Benchmark Analysis

Oasis
For Aug 2020 to Jul 2021

Construction Inflation Rate	2.9%
Long-Term Interest Rate	2.4%
Inflation Rate (CPI)	1.8%

	Reserve Components	Expected Lifespan (yrs)	Effective Age (yrs)	Next Budgeted Replacement	Estimated Current Cost	Projected Next Cost	Ideal Closing Balance	Ideal Annual Contribution	Relative Contribution Weight
	Building - Structural and Architectural								
1	Substructure and Underground Garage	35	24	2032	$ 38,823	$ 53,169	$ 30,826	$ 1,148	4%
2	Parkade Membrane - South Side	35	15	2041	$ 37,733	$ 66,839	$ 20,560	$ 1,229	4%
3	Wall Assemblies - Wood Siding	35	22	2034	$ 72,163	$ 104,643	$ 53,537	$ 2,180	7%
4	Wall Assemblies - Composite Siding	40	2	2059	$ 13,229	$ 39,201	$ 1,360	$ 451	1%
5	Wall Assemblies - Brick Veneer Siding	25	15	2031	$ 1,755	$ 2,335	$ 1,239	$ 74	0%
6	Commercial Storefront	25	15	2031	$ 4,503	$ 5,994	$ 3,180	$ 190	1%
7	Window Assemblies - Aluminum Frame	30	18	2033	$ 25,514	$ 35,955	$ 18,105	$ 903	3%
8	Window Assemblies - Vinyl Frame	35	1	2055	$ 1,310	$ 3,461	$ 99	$ 50	0%
9	Overhead Parkade Gate	22	15	2028	$ 8,941	$ 10,922	$ 7,010	$ 419	1%
10	Exterior Door Assemblies - French	30	20	2031	$ 872	$ 1,161	$ 674	$ 30	0%
11	Exterior Door Assemblies - Sliding, Metal	30	22	2029	$ 43,864	$ 55,135	$ 36,529	$ 1,488	5%
12	Interior Door Assemblies - Wood	35	18	2038	$ 7,574	$ 12,314	$ 4,788	$ 239	1%
13	Interior Door Assemblies - Metal	40	18	2043	$ 752	$ 1,411	$ 433	$ 22	0%
14	Caulking	12	7	2026	$ 4,922	$ 5,679	$ 3,483	$ 427	1%
15	Balcony Construction - Wood (Stage 1)	25	20	2026	$ 27,508	$ 31,734	$ 24,524	$ 1,100	4%
16	Balcony Construction - Wood (Stage 2)	25	4	2042	$ 9,169	$ 16,713	$ 2,204	$ 436	1%
17	Balcony Railings	30	14	2037	$ 18,183	$ 28,728	$ 10,507	$ 672	2%
18	Soffits (Stage 1)	30	16	2035	$ 2,185	$ 3,260	$ 1,409	$ 79	0%
19	Soffits (Stage 2)	30	5	2046	$ 1,390	$ 2,841	$ 345	$ 57	0%
20	Gutters and Downspouts	25	20	2026	$ 5,416	$ 6,248	$ 4,829	$ 217	1%
21	Roof Assembly - Asphalt / Fiberglass Shingle	22	8	2035	$ 4,841	$ 7,224	$ 2,254	$ 245	1%
22	Roof Assembly - Bituminous	25	8	2038	$ 79,955	$ 129,989	$ 33,534	$ 3,639	12%
	Building - Finishes and Decoration								
23	Exterior Finishes - Paint	18	15	2024	$ 26,661	$ 29,049	$ 24,768	$ 1,481	5%
24	Exterior Finishes - Parking Paint and Markings	10	6	2025	$ 316	$ 354	$ 233	$ 33	0%
25	Interior Finishes - Paint	16	13	2024	$ 18,090	$ 19,710	$ 16,543	$ 1,137	4%
26	Balcony Waterproofing (Stage 1)	15	12	2024	$ 4,966	$ 5,411	$ 4,498	$ 334	1%
27	Balcony Waterproofing (Stage 2)	15	3	2033	$ 4,966	$ 6,999	$ 1,485	$ 368	1%
28	Interior Flooring - Carpet	15	12	2024	$ 18,645	$ 20,315	$ 16,888	$ 1,254	4%
29	Interior Flooring - Ceramic Tile	25	11	2035	$ 3,646	$ 5,441	$ 1,992	$ 161	1%
30	Lobby Renovation	15	11	2025	$ 3,359	$ 3,766	$ 2,830	$ 228	1%
31	Elevator Cab Renovation	22	12	2031	$ 6,386	$ 8,499	$ 4,164	$ 309	1%
	Building - Mechanical Systems								
32	HVAC - Fan Exhaust System	15	10	2026	$ 1,626	$ 1,876	$ 1,266	$ 112	0%
33	Domestic Water Distribution - Building	25	15	2031	$ 20,406	$ 27,159	$ 14,409	$ 861	3%
34	Domestic Water Distribution - Subsurface	25	10	2036	$ 3,976	$ 6,105	$ 2,007	$ 177	1%
35	Sprinkler System - Dry	25	12	2034	$ 34,760	$ 50,406	$ 20,413	$ 1,515	5%
36	Elevator Modernization - Hydraulic	25	16	2030	$ 39,577	$ 51,189	$ 29,464	$ 1,653	5%
	Building - Electrical Systems								
37	Electrical Service and Distribution	30	18	2033	$ 9,485	$ 13,367	$ 6,731	$ 336	1%
38	Fire Detection System	15	10	2026	$ 2,308	$ 2,663	$ 1,797	$ 159	1%
39	Access Entry System	15	10	2026	$ 8,710	$ 10,049	$ 6,780	$ 598	2%
40	Lighting - Interior	25	10	2036	$ 5,652	$ 8,678	$ 2,852	$ 252	1%
41	Lighting - Parkade	20	7	2034	$ 2,359	$ 3,421	$ 1,066	$ 130	0%
42	Lighting - Exterior	10	1	2030	$ 254	$ 329	$ 56	$ 28	0%
	Building - Amenities								
43	Mailboxes	30	15	2036	$ 2,350	$ 3,608	$ 1,437	$ 86	0%
	Common Site Improvements								
44	Landscaping	5	3	2023	$ 11,915	$ 12,616	$ 9,885	$ 2,450	8%
45	Concrete Patios	25	14	2032	$ 8,227	$ 11,267	$ 5,489	$ 351	1%
46	Driveways - Concrete	35	20	2036	$ 2,944	$ 4,520	$ 2,025	$ 91	0%
47	Retaining Walls - Concrete	40	25	2036	$ 4,933	$ 7,574	$ 3,676	$ 131	0%
48	Fencing - Wood	25	18	2028	$ 35,205	$ 43,005	$ 28,842	$ 1,439	5%
49	Exterior Railings - Metal	30	12	2039	$ 208	$ 349	$ 106	$ 8	0%
	TOTAL RESERVES				**$ 692,532**	**$ 982,677**	**$ 473,128**	**$ 30,975**	**100%**

All costs in $CAD

5.2 Reserve Fund Expenditures

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

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

Projected Expenditures

Oasis

Construction Inflation Rate 2.9%

	Reserve Components	Lifespan (yrs)	Effective Age (yrs)	Current Cost	Section Responsibility	Aug 2020–Jul 2021	Aug 2021–Jul 2022	Aug 2022–Jul 2023	Aug 2023–Jul 2024	Aug 2024–Jul 2025	Aug 2025–Jul 2026	Aug 2026–Jul 2027	Aug 2027–Jul 2028	Aug 2028–Jul 2029	Aug 2029–Jul 2030	Aug 2030–Jul 2031	Aug 2031–Jul 2032	Aug 2032–Jul 2033	Aug 2033–Jul 2034	Aug 2034–Jul 2035	Aug 2035–Jul 2036
1	Substructure and Underground Garage	35	24	38,823	100%												53,200				
2	Parkade Membrane - South Side	35	15	37,733	100%																
3	Wall Assemblies - Wood Siding	35	22	72,163	100%														104,600		
4	Wall Assemblies - Composite Siding	40	2	13,229	100%																
5	Wall Assemblies - Brick Veneer Siding	25	15	1,755	100%											2,300					
6	Commercial Storefront	25	15	4,503	100%											6,000					
7	Window Assemblies - Aluminum Frame	30	18	25,514	100%													36,000			
8	Window Assemblies - Vinyl Frame	35	1	1,310	100%																
9	Overhead Parkade Gate	22	15	8,941	100%								10,900								
10	Exterior Door Assemblies - French	30	20	872	100%											1,200					
11	Exterior Door Assemblies - Sliding, Metal	30	22	43,864	100%									55,100							
12	Interior Door Assemblies - Wood	35	18	7,574	100%																
13	Interior Door Assemblies - Metal	40	18	752	100%																
14	Caulking	12	7	4,922	100%						5,700										
15	Balcony Construction - Wood (Stage 1)	25	20	27,508	100%						31,700										
16	Balcony Construction - Wood (Stage 2)	25	4	9,169	100%																
17	Balcony Railings	30	14	18,183	100%																
18	Soffits (Stage 1)	30	16	2,185	100%															3,300	
19	Soffits (Stage 2)	30	5	1,390	100%																
20	Gutters and Downspouts	25	20	5,416	100%						6,200										
21	Roof Assembly - Asphalt / Fiberglass Shingle	22	8	4,841	100%															7,200	
22	Roof Assembly - Bituminous	25	8	79,955	100%																
23	Exterior Finishes - Paint	18	15	26,661	100%				29,000												
24	Exterior Finishes - Parking Paint and Markings	10	6	316	100%					400										500	
25	Interior Finishes - Paint	16	13	18,090	100%				19,700												
26	Balcony Waterproofing (Stage 1)	15	12	4,966	100%				5,400												
27	Balcony Waterproofing (Stage 2)	15	3	4,966	100%													7,000			
28	Interior Flooring - Carpet	15	12	18,645	100%				20,300												
29	Interior Flooring - Ceramic Tile	25	11	3,646	100%															5,400	
30	Lobby Renovation	15	11	3,359	100%					3,800											
31	Elevator Cab Renovation	22	12	6,386	100%											8,500					
32	HVAC - Fan Exhaust System	15	10	1,626	100%						1,900										
33	Domestic Water Distribution - Building	25	15	20,406	100%											27,200					
34	Domestic Water Distribution - Subsurface	25	10	3,976	100%																6,100
35	Sprinkler System - Dry	25	12	34,760	100%														50,400		
36	Elevator Modernization - Hydraulic	25	16	39,577	100%										51,200						
37	Electrical Service and Distribution	30	18	9,485	100%													13,400			
38	Fire Detection System	15	10	2,308	100%						2,700										
39	Access Entry System	15	10	8,710	100%						10,000										
40	Lighting - Interior	25	10	5,652	100%																8,700
41	Lighting - Parkade	20	7	2,359	100%														3,400		
42	Lighting - Exterior	10	1	254	100%										300						
43	Mailboxes	30	15	2,350	100%																3,600
44	Landscaping	5	3	11,915	100%			12,600					14,600					16,800			
45	Concrete Patios	25	14	8,227	100%												11,300				
46	Driveways - Concrete	35	20	2,944	100%																4,500
47	Retaining Walls - Concrete	40	25	4,933	100%																7,600
48	Fencing - Wood	25	18	35,205	100%								43,000								
49	Exterior Railings - Metal	30	12	208	100%																
	Total Expenditures					**-**	**-**	**12,600**	**74,500**	**4,100**	**58,200**	**-**	**68,500**	**55,100**	**51,500**	**45,100**	**64,400**	**73,100**	**158,500**	**16,400**	**30,500**

All values in $CAD, rounded to the nearest hundred

Projected Expenditures, Continued

Oasis

	Reserve Components	Lifespan (yrs)	Effective Age (yrs)	Current Cost	Section Responsibility	Aug 2036–Jul 2037	Aug 2037–Jul 2038	Aug 2038–Jul 2039	Aug 2039–Jul 2040	Aug 2040–Jul 2041	Aug 2041–Jul 2042	Aug 2042–Jul 2043	Aug 2043–Jul 2044	Aug 2044–Jul 2045	Aug 2045–Jul 2046	Aug 2046–Jul 2047	Aug 2047–Jul 2048	Aug 2048–Jul 2049	Aug 2049–Jul 2050	Aug 2050–Jul 2051
1	Substructure and Underground Garage	35	24	38,823	100%															
2	Parkade Membrane - South Side	35	15	37,733	100%					66,800										
3	Wall Assemblies - Wood Siding	35	22	72,163	100%															
4	Wall Assemblies - Composite Siding	40	2	13,229	100%															
5	Wall Assemblies - Brick Veneer Siding	25	15	1,755	100%															
6	Commercial Storefront	25	15	4,503	100%															
7	Window Assemblies - Aluminum Frame	30	18	25,514	100%															
8	Window Assemblies - Vinyl Frame	35	1	1,310	100%															
9	Overhead Parkade Gate	22	15	8,941	100%														20,500	
10	Exterior Door Assemblies - French	30	20	872	100%															
11	Exterior Door Assemblies - Sliding, Metal	30	22	43,864	100%															
12	Interior Door Assemblies - Wood	35	18	7,574	100%		12,300													
13	Interior Door Assemblies - Metal	40	18	752	100%							1,400								
14	Caulking	12	7	4,922	100%		8,000												11,300	
15	Balcony Construction - Wood (Stage 1)	25	20	27,508	100%															64,900
16	Balcony Construction - Wood (Stage 2)	25	4	9,169	100%						16,700									
17	Balcony Railings	30	14	18,183	100%	28,700														
18	Soffits (Stage 1)	30	16	2,185	100%															
19	Soffits (Stage 2)	30	5	1,390	100%										2,800					
20	Gutters and Downspouts	25	20	5,416	100%															12,800
21	Roof Assembly - Asphalt / Fiberglass Shingle	22	8	4,841	100%															
22	Roof Assembly - Bituminous	25	8	79,955	100%		130,000													
23	Exterior Finishes - Paint	18	15	26,661	100%						48,600									
24	Exterior Finishes - Parking Paint and Markings	10	6	316	100%									600						
25	Interior Finishes - Paint	16	13	18,090	100%				31,100											
26	Balcony Waterproofing (Stage 1)	15	12	4,966	100%			8,300												
27	Balcony Waterproofing (Stage 2)	15	3	4,966	100%												10,700			
28	Interior Flooring - Carpet	15	12	18,645	100%			31,200												
29	Interior Flooring - Ceramic Tile	25	11	3,646	100%															
30	Lobby Renovation	15	11	3,359	100%				5,800											
31	Elevator Cab Renovation	22	12	6,386	100%															
32	HVAC - Fan Exhaust System	15	10	1,626	100%					2,900										
33	Domestic Water Distribution - Building	25	15	20,406	100%															
34	Domestic Water Distribution - Subsurface	25	10	3,976	100%															
35	Sprinkler System - Dry	25	12	34,760	100%															
36	Elevator Modernization - Hydraulic	25	16	39,577	100%															
37	Electrical Service and Distribution	30	18	9,485	100%															
38	Fire Detection System	15	10	2,308	100%					4,100										
39	Access Entry System	15	10	8,710	100%					15,400										
40	Lighting - Interior	25	10	5,652	100%															
41	Lighting - Parkade	20	7	2,359	100%															
42	Lighting - Exterior	10	1	254	100%				400										600	
43	Mailboxes	30	15	2,350	100%															
44	Landscaping	5	3	11,915	100%		19,400					22,300					25,800			
45	Concrete Patios	25	14	8,227	100%															
46	Driveways - Concrete	35	20	2,944	100%															
47	Retaining Walls - Concrete	40	25	4,933	100%															
48	Fencing - Wood	25	18	35,205	100%															
49	Exterior Railings - Metal	30	12	208	100%			300												
	Total Expenditures					**28,700**	**169,700**	**39,800**	**37,400**	**89,200**	**65,300**	**23,800**	**-**	**600**	**2,800**	**-**	**36,500**	**-**	**32,300**	**77,600**

All values in $CAD, rounded to the nearest hundred

5.3 30-Year Reserve Fund Projection

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

Opening Balance

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

Recommended Annual Contribution

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

Special Assessment

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

Interest Income

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

Closing Balance

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

Ideal Annual Contribution

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

Ideal Closing Balance

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

Reserve Fund Deficiency (Surplus)

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

DCQ Score

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

Reserve Fund Projection—Adequate Funding Model

Oasis

Construction Inflation Rate	2.9%
Long-Term Interest Rate	2.4%
Inflation Rate (CPI)	1.8%

Cashflow	Aug 2020–Jul 2021	Aug 2021–Jul 2022	Aug 2022–Jul 2023	Aug 2023–Jul 2024	Aug 2024–Jul 2025	Aug 2025–Jul 2026	Aug 2026–Jul 2027	Aug 2027–Jul 2028	Aug 2028–Jul 2029	Aug 2029–Jul 2030	Aug 2030–Jul 2031	Aug 2031–Jul 2032	Aug 2032–Jul 2033	Aug 2033–Jul 2034	Aug 2034–Jul 2035	Aug 2035–Jul 2036
Opening Balance	**76,400**	**84,500**	**96,500**	**101,400**	**48,600**	**70,800**	**42,100**	**76,600**	**45,900**	**32,500**	**26,900**	**30,900**	**19,000**	**1,200**	**-**	**42,100**
Reserve Fund Income																
Recommended Annual Contribution	4,300	10,000	15,500	21,000	25,200	29,300	33,500	37,600	41,700	45,900	49,200	52,500	55,300	56,900	58,500	60,200
Special Assessment														**100,400**		
Transfers to (from) the Reserve Fund																
Other Income	2,000															
Interest Income	1,800	2,000	2,000	600	1,100	300	1,000	200								300
Total Cash Resources	**84,500**	**96,500**	**114,100**	**123,100**	**74,900**	**100,400**	**76,600**	**114,400**	**87,700**	**78,400**	**76,100**	**83,400**	**74,300**	**158,500**	**58,500**	**102,600**
Reserve Fund Expenditures																
Total Expenditures	**-**	**-**	**12,600**	**74,500**	**4,100**	**58,200**	**-**	**68,500**	**55,100**	**51,500**	**45,100**	**64,400**	**73,100**	**158,500**	**16,400**	**30,500**
Closing Balance	**84,500**	**96,500**	**101,400**	**48,600**	**70,800**	**42,100**	**76,600**	**45,900**	**32,500**	**26,900**	**30,900**	**19,000**	**1,200**	**-**	**42,100**	**72,100**
Deficiency Analysis																
Ideal Annual Contribution	31,000	31,500	32,200	33,700	34,300	35,600	36,300	37,700	39,000	40,300	41,600	43,100	44,700	47,400	48,500	49,700
Ideal Closing Balance	473,100	516,000	547,700	518,300	560,800	550,200	599,700	581,700	578,200	579,700	588,900	580,200	564,000	462,700	505,500	536,100
Reserve Fund Deficiency (Surplus)	**388,600**	**419,500**	**446,300**	**469,600**	**490,000**	**508,100**	**523,100**	**535,700**	**545,700**	**552,800**	**558,000**	**561,200**	**562,800**	**462,700**	**463,300**	**464,000**
Actual/Ideal Contributions	**14%**	**32%**	**48%**	**62%**	**73%**	**82%**	**92%**	**100%**	**107%**	**114%**	**118%**	**122%**	**124%**	**120%**	**121%**	**121%**
DCQ Score	**47.9**	**34.9**	**25.5**	**21.7**	**18.7**	**17.2**	**15.2**	**14.2**	**13.1**	**12.0**	**11.3**	**10.7**	**10.2**	**2.9**	**7.9**	**7.7**

All values in $CAD, rounded to the nearest hundred

Adequate Funding Model, Continued

Oasis

Cashflow	Aug 2036–Jul 2037	Aug 2037–Jul 2038	Aug 2038–Jul 2039	Aug 2039–Jul 2040	Aug 2040–Jul 2041	Aug 2041–Jul 2042	Aug 2042–Jul 2043	Aug 2043–Jul 2044	Aug 2044–Jul 2045	Aug 2045–Jul 2046	Aug 2046–Jul 2047	Aug 2047–Jul 2048	Aug 2048–Jul 2049	Aug 2049–Jul 2050	Aug 2050–Jul 2051
Opening Balance	**72,100**	**106,400**	**500**	**26,200**	**56,400**	**36,600**	**42,800**	**93,000**	**170,900**	**252,300**	**335,600**	**426,100**	**483,800**	**582,700**	**653,400**
Reserve Fund Income															
Recommended Annual Contribution	62,000	63,800	65,600	67,500	69,500	71,500	73,600	75,700	77,900	80,100	82,500	84,900	87,300	89,800	92,500
Special Assessment															
Transfers to (from) the Reserve Fund															
Other Income															
Interest Income	1,000						500	2,200	4,100	6,000	8,100	9,300	11,600	13,200	13,800
Total Cash Resources	**135,100**	**170,200**	**66,100**	**93,700**	**125,800**	**108,100**	**116,800**	**170,900**	**252,900**	**338,400**	**426,100**	**520,300**	**582,700**	**685,700**	**759,700**
Reserve Fund Expenditures															
Total Expenditures	**28,700**	**169,700**	**39,800**	**37,400**	**89,200**	**65,300**	**23,800**	**-**	**600**	**2,800**	**-**	**36,500**	**-**	**32,300**	**77,600**
Closing Balance	**106,400**	**500**	**26,200**	**56,400**	**36,600**	**42,800**	**93,000**	**170,900**	**252,300**	**335,600**	**426,100**	**483,800**	**582,700**	**653,400**	**682,100**
Deficiency Analysis															
Ideal Annual Contribution	50,900	53,800	55,300	56,700	58,700	60,600	61,900	63,000	64,200	65,400	66,500	68,100	69,400	71,000	73,200
Ideal Closing Balance	570,500	464,200	489,800	520,000	499,800	505,500	555,200	631,600	710,300	789,800	875,300	927,000	1,018,600	1,080,900	1,100,600
Reserve Fund Deficiency (Surplus)	**464,100**	**463,800**	**463,600**	**463,600**	**463,200**	**462,700**	**462,200**	**460,600**	**458,000**	**454,200**	**449,200**	**443,300**	**435,900**	**427,500**	**418,500**
Actual/Ideal Contributions	**122%**	**118%**	**119%**	**119%**	**118%**	**118%**	**119%**	**120%**	**121%**	**123%**	**124%**	**125%**	**126%**	**127%**	**126%**
DCQ Score	**7.4**	**7.3**	**7.1**	**6.9**	**6.7**	**6.5**	**6.2**	**5.9**	**5.6**	**5.3**	**5.0**	**4.7**	**4.4**	**4.1**	**3.9**

All values in $CAD, rounded to the nearest hundred

5.3 Cash Flow Analysis

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

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

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

Please note the following definition.

Average Monthly Contribution per Unit

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

Nominal Cash Flow—Adequate Funding

Oasis

Construction Inflation Rate	2.9%
Long-Term Interest Rate	2.4%
Inflation Rate (CPI)	1.8%

Fiscal Year End	Opening Balance	Annual Contribution	Avg Monthly Contribution per Unit	Special Assessments	Interest Income	Projected Expenditures	Closing Balance
2021	76,389	4,272	15	-	1,833	-	82,494
2022	82,494	10,000	36	-	2,028	-	94,522
2023	94,522	15,520	56	-	2,014	12,616	99,440
2024	99,440	21,040	76	-	647	74,485	46,642
2025	46,642	25,180	91	-	1,069	4,120	68,771
2026	68,771	29,320	106	-	301	58,249	40,143
2027	40,143	33,460	121	-	1,011	-	74,614
2028	74,614	37,600	136	-	195	68,481	43,928
2029	43,928	41,740	151	-	-	55,135	30,533
2030	30,533	45,880	166	-	-	51,518	24,894
2031	24,894	49,192	178	-	-	45,147	28,939
2032	28,939	52,504	190	-	-	64,436	17,007
2033	17,007	55,264	200	-	-	73,112	(841)
2034	(841)	56,867	206	100,444	-	158,470	(2,000)
2035	(2,000)	58,516	212	-	-	16,395	40,121
2036	40,121	60,213	218	-	279	30,484	70,128
2037	70,128	61,959	224	-	1,042	28,728	104,401
2038	104,401	63,756	231	-	-	169,676	(1,520)
2039	(1,520)	65,605	238	-	-	39,849	24,236
2040	24,236	67,507	245	-	-	37,361	54,382
2041	54,382	69,465	252	-	-	89,237	34,610
2042	34,610	71,479	259	-	-	65,310	40,780
2043	40,780	73,552	266	-	456	23,759	91,029
2044	91,029	75,685	274	-	2,233	-	168,947
2045	168,947	77,880	282	-	4,088	627	250,288
2046	250,288	80,139	290	-	5,987	2,841	333,573
2047	333,573	82,463	299	-	8,054	-	424,089
2048	424,089	84,854	307	-	9,349	36,528	481,764
2049	481,764	87,315	316	-	11,610	-	580,690
2050	580,690	89,847	326	-	13,208	32,345	651,400
2051	651,400	92,453	335	-	13,819	77,619	680,052

All values in $CAD

Real Dollar Cash Flow—Adequate Funding

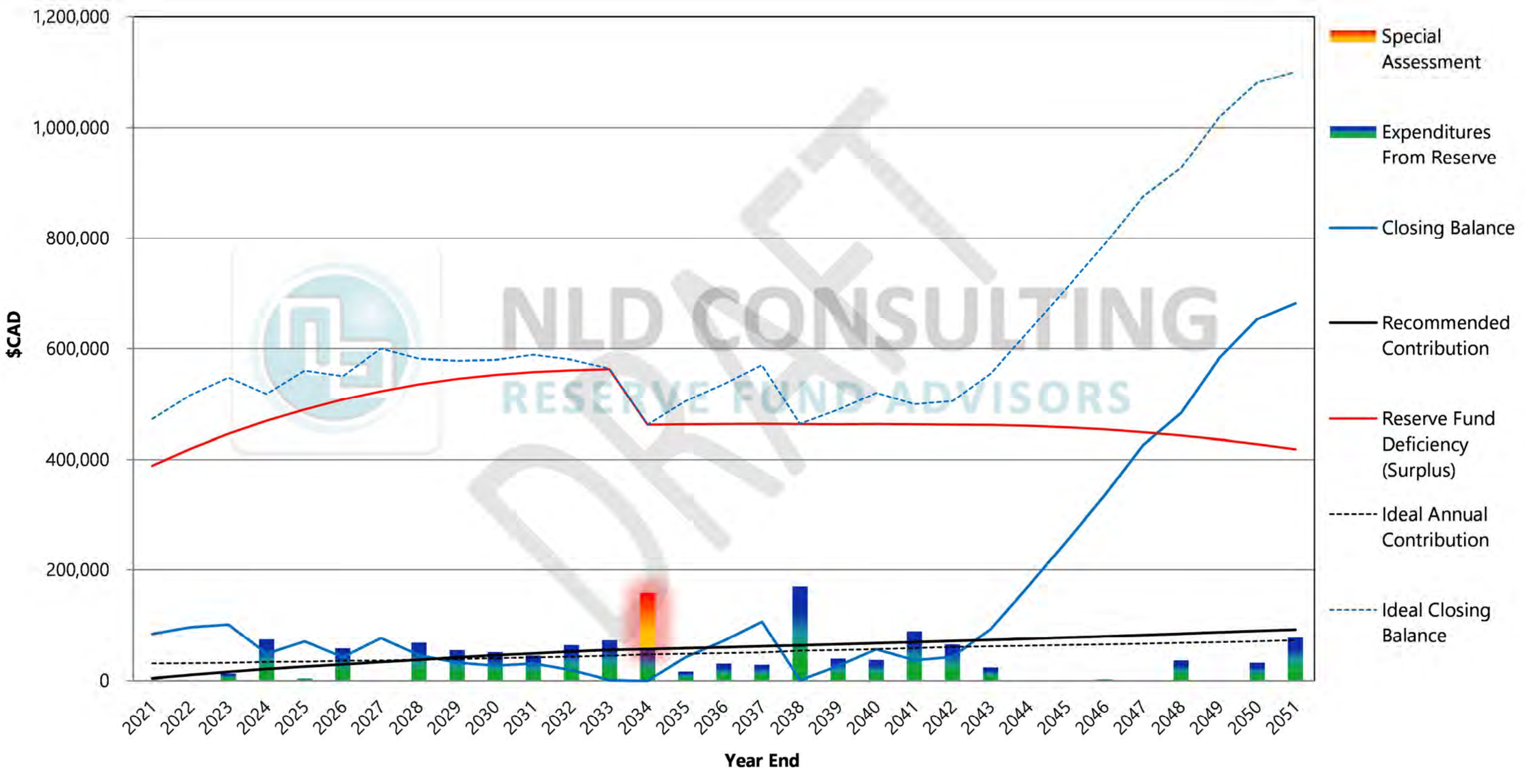
Oasis

Construction Inflation Rate	2.9%
Long-Term Interest Rate	2.4%
Inflation Rate (CPI)	1.8%

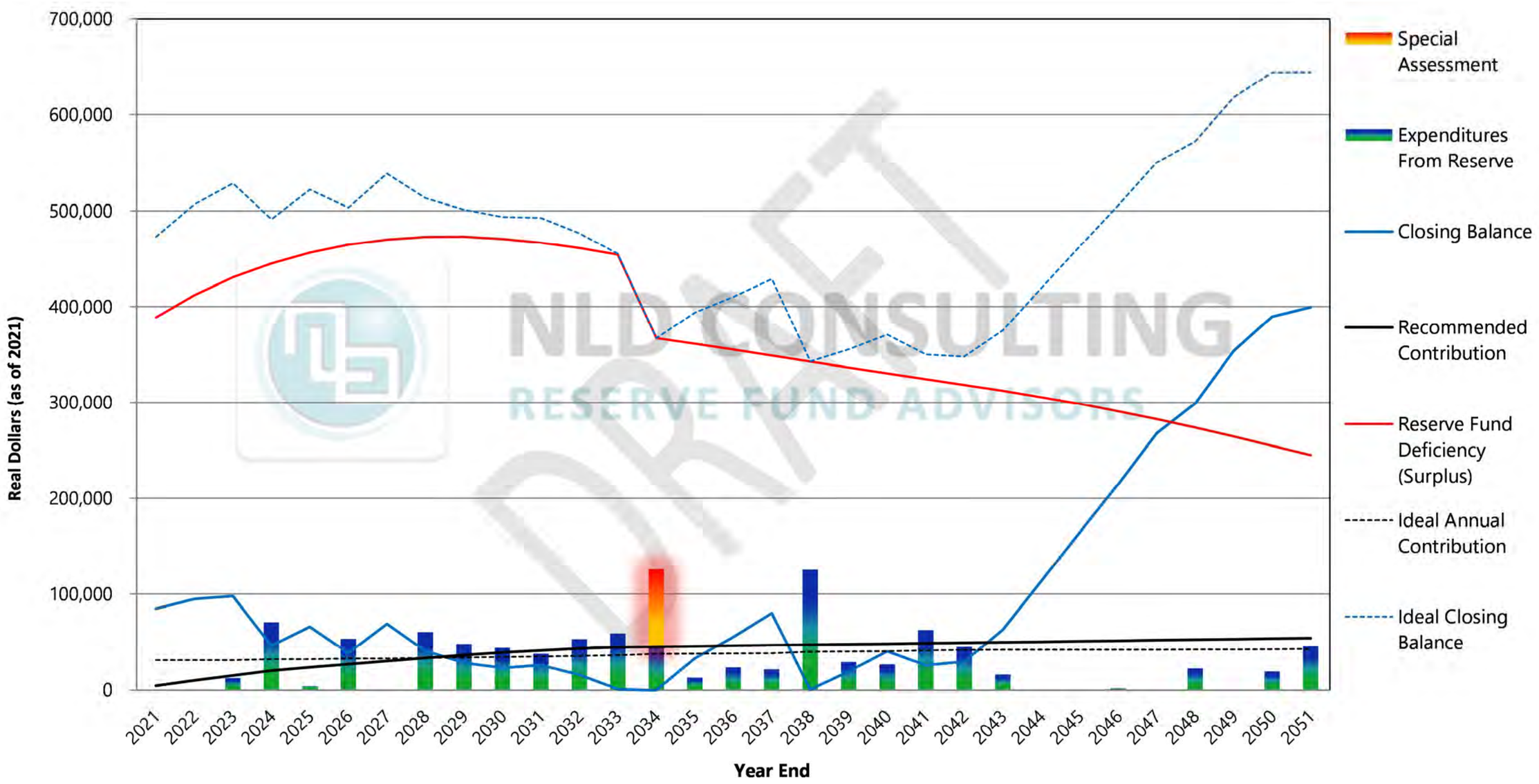
Fiscal Year End	Opening Balance	Annual Contribution	Avg Monthly Contribution per Unit	Special Assessments	Interest Income	Projected Expenditures	Closing Balance
2021	76,389	4,272	15	-	1,833	-	82,494
2022	81,036	9,823	36	-	1,992	-	92,851
2023	91,209	14,976	54	-	1,943	12,174	95,954
2024	94,258	19,944	72	-	613	70,603	44,211
2025	43,430	23,446	85	-	995	3,836	64,035
2026	62,902	26,818	97	-	275	53,278	36,717
2027	36,068	30,063	109	-	909	-	67,040
2028	65,855	33,186	120	-	172	60,442	38,771
2029	38,086	36,188	131	-	-	47,802	26,472
2030	26,004	39,074	142	-	-	43,877	21,202
2031	20,827	41,154	149	-	-	37,771	24,211
2032	23,783	43,149	156	-	-	52,955	13,977
2033	13,730	44,614	162	-	-	59,022	(679)
2034	(667)	45,096	163	79,653	-	125,668	(1,586)
2035	(1,558)	45,583	165	-	-	12,772	31,253
2036	30,701	46,076	167	-	214	23,327	53,663
2037	52,714	46,574	169	-	783	21,595	78,476
2038	77,089	47,077	171	-	-	125,288	(1,122)
2039	(1,102)	47,585	172	-	-	28,904	17,579
2040	17,268	48,100	174	-	-	26,620	38,748
2041	38,063	48,619	176	-	-	62,458	24,224
2042	23,796	49,145	178	-	-	44,903	28,037
2043	27,542	49,676	180	-	308	16,047	61,479
2044	60,392	50,213	182	-	1,481	-	112,086
2045	110,104	50,755	184	-	2,664	408	163,115
2046	160,231	51,304	186	-	3,833	1,819	213,548
2047	209,772	51,858	188	-	5,065	-	266,695
2048	261,979	52,418	190	-	5,776	22,565	297,608
2049	292,346	52,985	192	-	7,045	-	352,376
2050	346,145	53,557	194	-	7,873	19,281	388,295
2051	381,430	54,136	196	-	8,092	45,450	398,207

All values in $CAD, adjusted for CPI inflation

Adequate Funding Schedule



Adequate Funding Schedule (Real Dollars)



5.4 Deficiency Analysis

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

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

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

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

Budgeted Reserve Fund Contribution

The approved annual contribution to the reserve fund.

Special Assessments

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

Estimated Expenditures

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

Estimated Reserve Fund Deficiency

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

Deficiency/Contribution Quotient

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

Deficiency Analysis

Oasis
For the current fiscal year, Aug 2020–Jul 2021

Deficiency Calculation

Opening Balance	**$**	**76,389**
Budgeted Reserve Fund Contribution	$	4,272
Special Assessments	$	-
Transfers to (from) the Reserve Fund	$	-
Other Income	$	2,000
Interest Income	$	1,833
Less: Estimated Expenditures	$	-
Projected Closing Balance	**$**	**84,494**
Less: Ideal Closing Balance	$	473,128
Estimated Reserve Fund Deficiency	**$**	**388,634**

DCQ Calculation

388,634 / (4,272+2,000+1,833)	
Deficiency / Contribution Quotient	**47.9**

Deficiency/Contribution Quotient (DCQ)

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

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

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

DCQ greater than 40

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

DCQ between 15 and 40

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

DCQ between 0 and 15

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

DCQ equals 0

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

DCQ less than 0

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

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

6. Recommendations

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

1. The strata corporation is under no obligation to follow the recommendations in this report.
2. The strata corporation should prepare and implement a long-term reserve fund strategy.
3. Major repairs and replacements should be recorded in, and funded from, a reserve fund account. Reserve expenditures should be recorded in the general ledger using individual ledger codes for each component.
4. The reserve fund contribution should be increased to $10,000 per annum in the year Aug 2021–Jul 2022, and thereafter by the recommendations in section 5.2 each subsequent year.
5. The reserve fund should be fully invested in guaranteed long-term securities per the strata property act, at the maximum available rate.
6. The strata corporation should make such expenditures as necessary to maintain the property in optimum condition.
7. The strata corporation should review this report every year to ensure that the underlying assumptions are still valid and that the estimates remain current.
8. The strata corporation should update the depreciation report at least every three years, as per the regulations of the strata property act, unless future regulation requires an alternate schedule of updates.

Appendix A—Qualifications

Douglas A. Niemi, CRA, CRP

NLD Consulting – Reserve Advisors

Education

Langara Community College
- Realty Appraisal Program 1989

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

Real Estate Institute of Canada
- Certified Reserve Planner Program 2012
- Ethics and Business Practice Curriculum 2012

Designations and Certificates
- Certified Reserve Planner – Real Estate Institute of Canada 2013
- Agent 9.15 – Real Estate Council of British Columbia 1998
- CRA – Canadian Residential Appraiser 1995
- Sales Agent – Real Estate Council of British Columbia 1990

Professional Experience

Intercity Appraisals Ltd. 1990 – 1995
- Real Estate Consulting and Appraisal of IC&I properties

Niemi LaPorte & Dowle Appraisals Ltd. 1995 – Present
- Real Estate Consulting and Appraisal of IC&I properties
- Management of Staff
- Development of Business

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

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

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

Publications & Volunteer Services

Appraisal Institute of Canada - AIC	2000 – Present
Candidate Mentor	

Memberships

Professional Association of Managing Agents	2010 – Present
Condominium Home Owners Association	2010 – Present
Strata Property Agents of BC	2010 – Present
Expropriation Association of BC.	2010 – Present
Real Estate Institute of Canada	2012 – Present
Mortgage Investment Brokers Association of BC.	2008 – Present
Real Estate Institute of BC	1998 – Present
Mortgage Brokers Association of BC.	1998 – Present
Appraisal Institute of Canada	1989 – Present

Court Experience

Assessment Appeal Board of BC
Court of Revision

Depreciation Report/Reserve Fund Study Clients

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

Appendix B—Assumptions and Limiting Conditions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendix C—Strata Property Act & Regulation Excerpt

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

(1) In this section, "**qualified person**" has the meaning set out in the regulations.

(2) Subject to subsection (3), a strata corporation must obtain from a qualified person, on or before the following dates, a depreciation report estimating the repair and replacement cost for major items in the strata corporation and the expected life of those items:

(a) For the first time,

(i) December 14, 2013, in the case of a strata corporation that existed on December 14, 2011, or

(ii) the prescribed date, in all other cases;

(b) if the strata corporation has, before or after the coming into force of this section, obtained a depreciation report that complies with the requirements of this section, the date that is the prescribed period after the date on which that report was obtained;

(c) if the strata corporation has, under subsection (3) (a), waived the requirement under this subsection to obtain a depreciation report, the date that is the prescribed period after the date on which the resolution waiving the requirement was passed.

(3) A strata corporation need not comply with the requirement under subsection (2) to obtain a depreciation report on or before a certain date if

(a) The strata corporation, by a resolution passed by a 3/4 vote at an annual or special general meeting within the prescribed period, waives that requirement, or

(b) The strata corporation is a member of a prescribed class of strata corporations.

(4) A depreciation report referred to in subsection (2) must contain the information set out in the regulations.

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

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

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

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

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

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

(i) that person's qualifications,

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

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

(e) the date of the report;

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

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

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

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

(i) the building's structure;

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

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

(iv) common amenities and facilities;

(v) parking facilities and roadways;

(vi) utilities, including water and sewage;

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

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

(ix) green building components;

(x) balconies and patios, and

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

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

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

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

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

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

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

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

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

(b) special levies;

(c) borrowings.

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

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

(7) The following periods are prescribed:

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

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

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

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

Appendix D—Sections

Sections

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

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

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

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

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

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

Appendix E—Reserve Component Descriptions and Analyses

Component Page Index

Component 1		Substructure and Underground Garage
		
Description	This component accounts for major repairs to the below-grade portions of the property. This includes the foundation walls and parkade: the footings, basement floors, walls, parkade ceilings, columns, and courtyard membrane.	
	Quantity	360 LF
	Current Job Cost	$38,823
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	35 years (Budget Provision)
	Effective Age	24 years
	Remaining Lifespan	11 years
Funding Analysis	**Work**	Non-structural cracks can sometimes be injected with a sealant. We have budgeted for periodic structural stabilization work, spot replacement of damaged concrete, underdrain repairs, waterproofing, and membrane replacement. This includes excavation and compacted backfilling.
	Budget	A budget equal to 5% of the estimated total cost is provided for significant expenditures every 35 years.
Potential Deterioration	One of the most common problems with the substructure is cracking. Water and road salt can penetrate the surface of the concrete to the rebar. Hydraulic pressure caused by poor drainage and shifting could also cause concrete cracking. The membrane can be damaged by cracked concrete, wear and tear, and material breakdown due to age.	
Suggested Maintenance	Regular visual inspection of the walls, columns, and slab edges for signs of cracking, damage, spalling, efflorescence, debris collection, and grading that slopes towards the foundation walls. Regular application of waterproof membranes, chloride extraction, re-alkalisation, and crack repair may extend the substructure's life.	

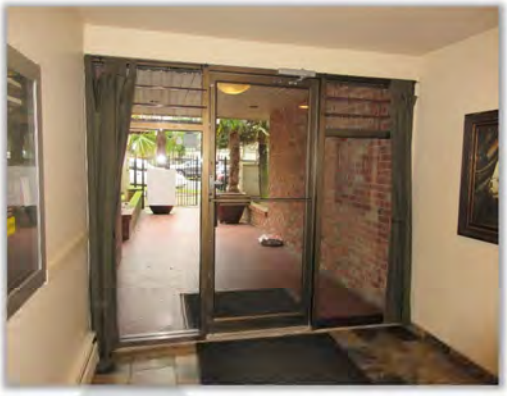
Component 2		Parkade Membrane - South Side
		
Description	A roof system in which the principal roof covering is a single layer of flexible membrane often thermoset or thermoplastic. Thermoset membranes are compounded from synthetic rubber polymers, and the most commonly used polymers are EPDM, CSPE and Neoprene. Two of the most commonly-used thermoplastic single-ply membranes are PVC and TPO, both of them plastic-based materials.	
	Quantity	2,800 SF
	Current Job Cost	$37,733
Condition Analysis	Based on a partial visual inspection, this component appears to be in average to good overall condition based upon the date of replacement. Water penetration is not appearing in the parkade ceiling below the membrane, the remainder of the membrane should be replaced within a few years.	
Reserve History	**Year of Acquisition**	2005
	Work Completed	The south side membrane of the parkade was replaced in 2005.
	Dollars Spent	An unknown amount was spent at that time.
Life Cycle Analysis	**Expected Lifespan**	35 years
	Effective Age	15 years
	Remaining Lifespan	20 years
Funding Analysis	**Work**	Cut away and remove damaged or failed roofing material, as well as a portion of wood siding and flashing. Replace underlay or insulation material as required. Clean sub surface and apply new membrane and repair entrances. Care to maintain solid seam finish and appropriate flashing at connector points.
	Budget	We have allowed for a full replacement of this component every 35 years.
Potential Deterioration	One of the most common problems with the substructure is cracking. Water and road salt can penetrate the surface of the concrete to the rebar. Hydraulic pressure caused by poor drainage and shifting could also cause concrete cracking. The membrane can be damaged by cracked concrete, wear and tear, and material breakdown due to age. Deep rooted landscaping can also be a major issue in the lifespan of the membrane.	
Suggested Maintenance	Regular visual inspection of the walls, columns, and slab edges for signs of cracking, damage, spalling, efflorescence, debris collection, and grading that slopes towards the foundation walls. Regular application of waterproof membranes, chloride extraction, re-alkalisation, and crack repair may extend the substructure's life.	

Component 3		Wall Assemblies - Wood Siding
		
Description	This component accounts for the wood siding envelope system. This system includes the studs, sheathing, building paper, insulation, and wood siding.	
	Quantity	7,500 SF
	Current Job Cost	$72,163
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	Siding on the east wall was replaced in 2018 involving units 102, 103, 202, 203, 302 and 303.
	Dollars Spent	Approximately $30,970 was spent in 2019 on the repairs.
Life Cycle Analysis	**Expected Lifespan**	35 years (Budget Provision)
	Effective Age	22 years
	Remaining Lifespan	13 years
Funding Analysis	**Work**	Remove and dispose of cracked or rotting wood boards. Repair damaged studs and sheathing. Replace building paper and insulation as needed. Install new wood siding, work-site clean up, and any special safety preparation and precautions as required.
	Budget	A budget equal to 50% of the estimated total cost is provided for significant expenditures every 35 years.
Potential Deterioration	Includes impact damage, water damage, warping, and infestation. Contributing factors include physical damage, failed windows or seals, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection of siding for splits, warping, debris build up, and rot. Regular maintenance, painting, cleaning, and caulking as required. Keep the boards dry: proper site grading and maintain a gap between the walls and the landscaping. Attention should be given to areas where siding abuts windows, doors and corners.	

Component 4		Wall Assemblies - Composite Siding
		
Description	This component accounts for the composite siding system. This system includes the building frame, sheathing, building paper, insulation, and the composite siding.	
	Quantity	1,200 SF
	Current Job Cost	$13,229
Condition Analysis	Based on a partial visual inspection, this component appears to be in good condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	2018
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	40 years (Budget Provision)
	Effective Age	2 years
	Remaining Lifespan	38 years
Funding Analysis	**Work**	Remove and dispose of all or damaged composite siding. Repair damaged building frame and sheathing. Replace building paper and insulation as needed. Install new composite system, work-site clean up, and any special safety preparation and precautions as required.
	Budget	A budget equal to 50% of the estimated total cost is provided for significant expenditures every 40 years.
Potential Deterioration	Includes cracking, chipping, peeling paint, and water ingress caused by environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure. Contributing factors include physical damage, debris accumulation, mold, and mildew.	
Suggested Maintenance	Regular visual inspection of siding for impact damage, cracking, chipping, peeling paint, water ingress, debris build up, and environmental damage. Clean, caulk, and repair as required.	

Component 5		Wall Assemblies - Brick Veneer Siding
		
Description	This component accounts for the brick veneer siding system. This system includes the building frame, sheathing, building paper, insulation, flashing, backer rods, sealant for the control joints, wall ties, shelf angles, and the non-load bearing brick walls.	
	Quantity	400 SF
	Current Job Cost	$1,755
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	25 years (Budget Provision)
	Effective Age	15 years
	Remaining Lifespan	10 years
Funding Analysis	**Work**	Re-point bricks: clean and clear loose mortar, replace damaged bricks, install new mortar, then tool to a concave surface to draw water away from the bricks.
	Budget	A budget equal to 10% of the estimated total cost is provided for significant expenditures every 25 years.
Potential Deterioration	Includes water damage, mortar joint deterioration, cracking, and crumbling. Contributing factors include physical damage, subsurface shifting, and damage from environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection of brick siding for brittle/missing/crumbling mortar, as well as discolored/pitted/split bricks. Clean, re-point, seal, and repair as required.	

Component 6		Commercial Storefront

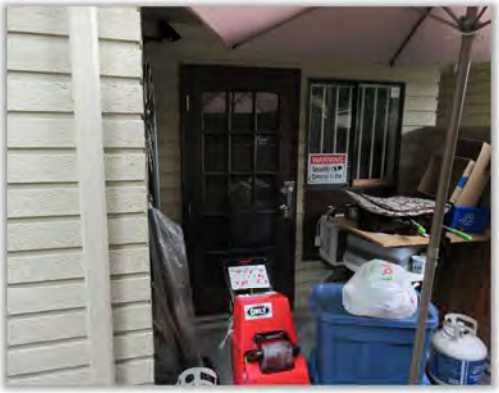


Description	This component accounts for the non-structural exterior commercial storefront assembly. This includes the metal frame, insulated glass units, caulking, and storefront doors with standard hardware.	
	Quantity	100 SF
	Current Job Cost	$4,503
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	25 years
	Effective Age	15 years
	Remaining Lifespan	10 years
Funding Analysis	**Work**	Remove and dispose of damaged storefront sections. Spot repairs to any damaged tube framing. Install new window walls with new caulking, work-site clean up, and any special safety preparation and precautions as required. Window wall systems may require re-caulking before the windows fail.
	Budget	We have allowed for a full replacement of this component every 25 years.
Potential Deterioration	Includes impact damage, deterioration of the seals, and hardening/cracking of the caulking. Contributing factors include physical damage, subsurface shifting, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection of the window walls for signs of impact damage, failed seals, and brittle caulking. Clean and caulk as required.	

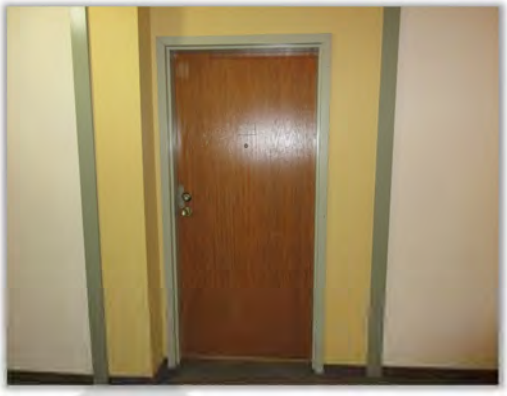
Component 7		Window Assemblies - Aluminum Frame
		
Description	This component accounts for the exterior aluminum-frame windows. This includes the frame, hardware, casing, and aluminum windows.	
	Quantity	34 Windows
	Current Job Cost	$25,514
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	New bathroom and other windows were installed in the east side unit during the wood siding replacement.
	Dollars Spent	Approximately $ 7,070 was spent on the replacement in 2019.
Life Cycle Analysis	**Expected Lifespan**	30 years (Budget Provision)
	Effective Age	18 years
	Remaining Lifespan	12 years
Funding Analysis	**Work**	Remove and dispose of damaged window assemblies, repairs to or replacement of the frame, casing, and hardware as required, and installation of new windows. Appropriate safety preparation and precautions as required.
	Budget	A budget equal to 75% of the estimated total cost is provided for significant expenditures every 30 years.
Potential Deterioration	Includes impact damage, failure or deterioration of the seals, failure of the opening mechanism, and wear-and-tear. Contributing factors include physical damage, seal deterioration, failed caulking, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure. Failure of the seals can cause fogging and moisture on the inner panes of the window.	
Suggested Maintenance	Regular visual inspection of the windows for signs of seal failure, water penetration, and impact damage. Clean, seal, caulk, and lubricate the tracks and hinges as required.	

Component 8		Window Assemblies - Vinyl Frame
		
Description	This component accounts for the exterior vinyl-frame windows. This includes the frame, hardware, casing, caulking, and vinyl windows.	
	Quantity	6 Windows
	Current Job Cost	$1,310
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	2018
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	35 years (Budget Provision)
	Effective Age	1year
	Remaining Lifespan	34 years
Funding Analysis	**Work**	Remove and dispose of damaged window assemblies, repairs to or replacement of the frame, casing, and hardware as required, and installation of new windows. Appropriate safety preparation and precautions as required.
	Budget	A budget equal to 50% of the estimated total cost is provided for significant expenditures every 35 years.
Potential Deterioration	Includes impact damage, failure or deterioration of the seals, failure of the opening mechanism, and wear-and-tear. Contributing factors include physical damage, seal deterioration, failed caulking, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure. Failure of the seals can cause fogging and moisture on the inner panes of the window.	
Suggested Maintenance	Regular visual inspection of the windows for signs of seal failure, cracking, and impact damage. Clean, caulk, and lubricate the tracks and hinges as required.	

Component 9		Overhead Parkade Gate
		
Description	This component accounts for the parkade's entrance gate. This excludes the remote openers but includes the gate, operating mechanism, tracks, rollers, and associated hardware.	
	Quantity	1 Opening
	Current Job Cost	$8,941
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	22 years
	Effective Age	15 years
	Remaining Lifespan	7 years
Funding Analysis	**Work**	Remove and replace damaged metal door components as required.
	Budget	We have allowed for a full replacement of this component every 22 years.
Potential Deterioration	Includes impact damage, wear-and-tear, electronic failure, mechanical failure, and water damage. Contributing factors include physical damage, debris accumulation, subsurface shifting, and damage from environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection of the door and tracks/rollers. Lubricate and clean as required.	

Component 10		Exterior Door Assemblies - French
		
Description	This component accounts for the common-element exterior French doors. This includes the doors, glass lites, frames, and all associated hardware. Each two-door system is counted as one opening for the purposes of this report.	
	Quantity	2 Openings
	Current Job Cost	$872
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	30 years (Budget Provision)
	Effective Age	20 years
	Remaining Lifespan	10 years
Funding Analysis	**Work**	Remove and replace damaged door system components as required or desired.
	Budget	A budget equal to 50% of the estimated total cost is provided for significant expenditures every 30 years.
Potential Deterioration	Includes impact damage, glass breakage, seal failure, misalignment, failure to latch, fading, warping, and other aesthetic degradation. Contributing factors include wear-and-tear, physical damage, excessive force, subsurface shifting, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection of the door and hardware. Clean and seal/paint as required.	

Component 11		Exterior Door Assemblies - Sliding, Metal
		
Description	This component accounts for the common-element sliding glass doors. This includes the doors, glass, frames, and all associated hardware. Each sliding door system is counted as one opening for the purposes of this report.	
	Quantity	21 Openings
	Current Job Cost	$43,864
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	30 years (Budget Provision)
	Effective Age	22 years
	Remaining Lifespan	8 years
Funding Analysis	**Work**	Remove and replace damaged door system components as required or desired.
	Budget	A budget equal to 75% of the estimated total cost is provided for significant expenditures every 30 years.
Potential Deterioration	Includes impact damage, glass breakage, seal failure, misalignment, roller failure, denting, and other aesthetic degradation. Contributing factors include wear-and-tear, physical damage, excessive force, subsurface shifting, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection of the door and hardware. Clean, lubricate, and seal/paint as required.	

Component 12		Interior Door Assemblies - Wood
		
Description	This component accounts for the common-element interior wooden doors. This includes the doors, frames, and all associated hardware.	
	Quantity	36 Openings
	Current Job Cost	$7,574
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	35 years (Budget Provision)
	Effective Age	18 years
	Remaining Lifespan	17 years
Funding Analysis	**Work**	Remove and replace damaged door system components as required or desired.
	Budget	A budget equal to 25% of the estimated total cost is provided for significant expenditures every 35 years.
Potential Deterioration	Includes impact damage, misalignment, failure to latch, and aesthetic degradation. Contributing factors include wear-and-tear, physical damage, excessive force, and subsurface shifting.	
Suggested Maintenance	Regular visual inspection of the door and hardware. Clean and paint as required.	

Component 13		Interior Door Assemblies - Metal
		
Description	This component accounts for the common-element interior metal doors. This includes the doors, frames, and all associated hardware.	
	Quantity	5 Openings
	Current Job Cost	$752
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	40 years (Budget Provision)
	Effective Age	18 years
	Remaining Lifespan	22 years
Funding Analysis	**Work**	Remove and replace damaged door system components as required or desired.
	Budget	A budget equal to 25% of the estimated total cost is provided for significant expenditures every 40 years.
Potential Deterioration	Includes impact damage, misalignment, failure to latch, and aesthetic degradation. Contributing factors include wear-and-tear, physical damage, excessive force, and subsurface shifting.	
Suggested Maintenance	Regular visual inspection of the door and hardware. Clean and paint as required.	

Component 14		Caulking
		
Description	This component accounts for the common-element caulking found around the windows, exterior doors, and some trim.	
	Quantity	2,000 LF
	Current Job Cost	$4,922
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	12 years (Budget Provision)
	Effective Age	7 years
	Remaining Lifespan	5 years
Funding Analysis	**Work**	Remove and replace failed caulking as required. Appropriate safety preparation and precautions as required.
	Budget	A budget equal to 50% of the estimated total cost is provided for significant expenditures every 12 years.
Potential Deterioration	Includes hardening, cracking, shrinking, and powdering of the caulking surface. Contributing factors include environmental factors such as temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual and tactile inspection of the exterior caulking. Replace as required.	

Components 15–16		Balcony Construction - Wood
		
Description	This component accounts for typical repairs to the common-element balcony structure. This includes repairs to the beams and girders, framing joists, beam-to-girder saddles, subfloor, and associated hardware.	
	Quantity	1,400 SF
	Current Job Cost	$36,677
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. There were deficiencies noted at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	Temporary balcony repairs to 203, 302 and 303. Permanent repairs to 105, 108 and 206 in 2020.
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	25 years
	Effective Age	20 years
	Remaining Lifespan	5 years
Funding Analysis	**Work**	Remove and replace failed structural elements as required. Appropriate safety preparation and precautions as required.
	Budget	We have allowed for a full replacement of this component every 25 years.
Potential Deterioration	Includes impact damage, water damage, and infestation. Contributing factors include physical damage, failed caulking or seals, failed balcony membrane, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection of balcony for debris build-up, water damage, and infestation. Seal, clean, caulk, and repair the membrane and flashing as required.	

Component 17		Balcony Railings
		
Description	This component accounts for the common-element balcony railing systems, including all associated fasteners and hardware.	
	Quantity	330 LF
	Current Job Cost	$18,183
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	30 years (Budget Provision)
	Effective Age	14 years
	Remaining Lifespan	16 years
Funding Analysis	**Work**	Remove and replace failed balcony railings. Appropriate safety preparation and precautions as required.
	Budget	A budget equal to 50% of the estimated total cost is provided for significant expenditures every 30 years.
Potential Deterioration	Includes breakage, water damage, loosening of fasteners, wear-and-tear, and aesthetic degradation. Contributing factors include physical damage, debris accumulation, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular inspection of railings for debris build-up, impact damage, water damage, and loose fasteners. Clean, seal, and repair as required.	

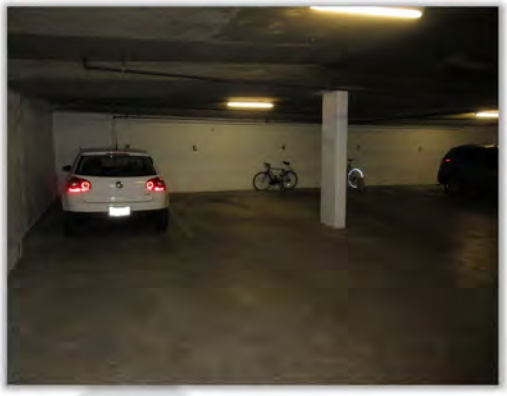
Components 18–19		Soffits
		
Description	This component accounts for the soffits, also known as the eaves.	
	Quantity	1,800 SF
	Current Job Cost	$3,575
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	A portion of the soffits were chamged in 2012.
	Dollars Spent	An unknown amount was spent from the CRF.
Life Cycle Analysis	**Expected Lifespan**	30 years (Budget Provision)
	Effective Age	16 years
	Remaining Lifespan	14 years
Funding Analysis	**Work**	Remove and replace damaged soffits. Appropriate safety preparation and precautions as required.
	Budget	A budget equal to 15% of the estimated total cost is provided for significant expenditures every 30 years.
Potential Deterioration	Includes impact damage, heat damage, water damage, fading, warping, and cracking. Contributing factors include physical damage and environmental factors such as extreme temperature changes, rain, snow, and wind exposure.	
Suggested Maintenance	Regular visual inspection for damage and missing sections. Clean and repair as required.	

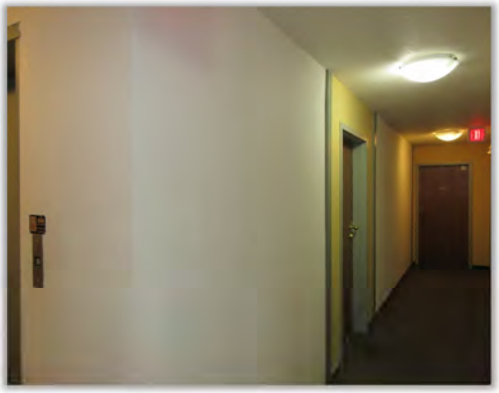
Component 20		Gutters and Downspouts
		
Description	This component accounts for the gutters (also referred to as "eavestroughs") and the downspouts.	
	Quantity	500 LF
	Current Job Cost	$5,416
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	2012
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	25 years
	Effective Age	20 years
	Remaining Lifespan	5 years
Funding Analysis	**Work**	Remove and replace damaged gutters and downspouts as required. Appropriate safety preparation and precautions as required.
	Budget	We have allowed for a full replacement of this component every 25 years.
Potential Deterioration	Includes impact damage, seal failure, warping, and deterioration. Contributing factors include physical damage and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection. Clean, seal, and caulk as required.	

Component 21	Roof Assembly - Asphalt / Fiberglass Shingle	
		
Description	This component accounts for the asphalt/fiberglass shingle roofing system. This includes the shingles, underlayment, flashing, and an allowance for replacement of damaged sheathing and roof-openings such as vents.	
	Quantity	500 SF
	Current Job Cost	$4,841
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	2012
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	22 years
	Effective Age	8 years
	Remaining Lifespan	14 years
Funding Analysis	**Work**	Remove and replace existing roofing assembly. Appropriate safety preparation and precautions as required.
	Budget	We have allowed for a full replacement of this component every 22 years.
Potential Deterioration	Includes curling, lifting, cracking, granule-loss, water damage, and wear-and-tear. Contributing factors include physical damage, debris accumulation, algae accumulation, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection of roof for water damage, debris accumulation, and shingle deterioration. Clean and repair as required.	

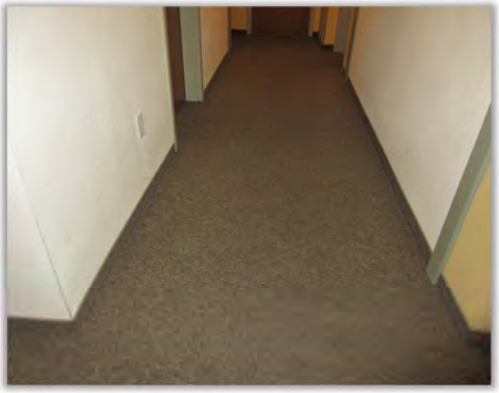
Component 22		Roof Assembly - Bituminous
		
Description	This component accounts for the modified bituminous membrane roofing system. This includes the cap sheet, base sheet, insulation, flashing, and an allowance for replacement of roof-openings such as vents.	
	Quantity	4,800 SF
	Current Job Cost	$79,955
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	2012
	Work Completed	The roof was replaced in 2012
	Dollars Spent	The cost was approximately
Life Cycle Analysis	**Expected Lifespan**	25 years
	Effective Age	8 years
	Remaining Lifespan	17 years
Funding Analysis	**Work**	Remove and replace existing roofing assembly. Appropriate safety preparation and precautions as required.
	Budget	We have allowed for a full replacement of this component every 25 years.
Potential Deterioration	Includes impact damage, water damage, cracking, blistering, alligatoring, and wear-and-tear. Contributing factors include physical damage, debris accumulation, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection of roof for leaks, cracking, blistering, alligatoring, and debris accumulation. Clean and repair as required.	

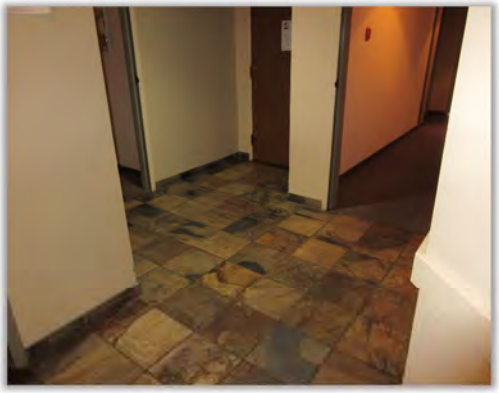
Component 23		Exterior Finishes - Paint
		
Description	This component accounts for the exterior paint finish. No caulking is accounted for in this component.	
	Quantity	8,800 SF
	Current Job Cost	$26,661
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	18 years
	Effective Age	15 years
	Remaining Lifespan	3 years
Funding Analysis	**Work**	Surface preparation, painting, and clean-up.
	Budget	We have allowed for a full replacement of this component every 18 years.
Potential Deterioration	Includes impact damage, fading, peeling, chipping, and water damage. Contributing factors include physical damage, debris accumulation, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure. Painting may also be done for aesthetic reasons.	
Suggested Maintenance	Regular visual inspection for fading, peeling, chipping, and water damage. Clean, touch-up, and repaint as required or desired.	

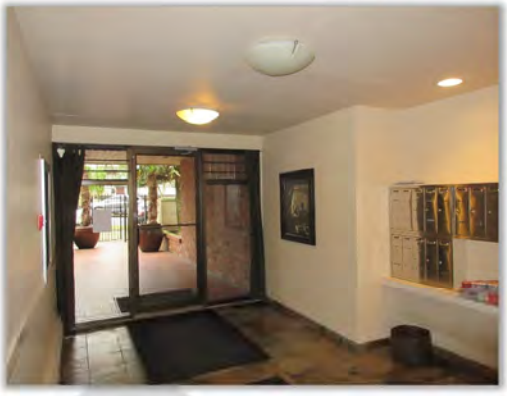
Component 24	Exterior Finishes - Parking Paint and Markings	
		
Description	This component accounts for the common-element pavement markings.	
	Quantity	23 Stalls
	Current Job Cost	$316
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	2005
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	10 years
	Effective Age	6 years
	Remaining Lifespan	4 years
Funding Analysis	**Work**	Repaint existing markings as required or desired.
	Budget	We have allowed for a full replacement of this component every 10 years.
Potential Deterioration	Includes chipping, fading, and obfuscation. Contributing factors include wear-and-tear, impact damage, debris accumulation, chemical damage (particularly from de-icing chemicals), and environmental factors such as temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular inspection of the markings for visibility. Inspect, clean, and repaint as required.	

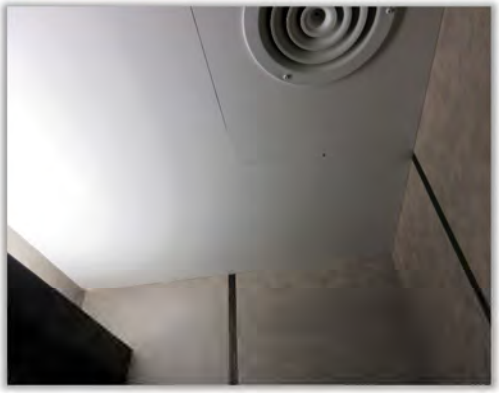
Component 25		Interior Finishes - Paint
		
Description	This component accounts for the interior paint finish in common areas.	
	Quantity	4,600 SF
	Current Job Cost	$18,090
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	16 years
	Effective Age	13 years
	Remaining Lifespan	3 years
Funding Analysis	**Work**	Surface preparation, painting, and clean-up.
	Budget	We have allowed for a full replacement of this component every 16 years.
Potential Deterioration	Includes impact damage, stains, markings, fading, and water damage. Contributing factors include physical damage, wear-and-tear, and environmental factors such as temperature changes, humidity, and sun exposure. Painting may also be done for aesthetic reasons.	
Suggested Maintenance	Regular visual inspection for aesthetic quality. Clean, touch-up, and repaint as required or desired.	

Components 26–27		Balcony Waterproofing
		
Description	This component accounts for the balcony waterproofing membrane.	
	Quantity	1,400 SF
	Current Job Cost	$9,933
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	15 years
	Effective Age	12 years
	Remaining Lifespan	3 years
Funding Analysis	**Work**	Remove old membrane. Prepare balcony surface. Re-install metal flashing. Install vinyl membrane with liquid adhesive and hot-air welding.
	Budget	We have allowed for a full replacement of this component every 15 years.
Potential Deterioration	Includes impact damage, delamination, fading, cracking, bubbling, wear-and-tear, and water damage. Contributing factors include physical damage, debris accumulation, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection for delamination, fading, cracking, bubbling, and water damage. Clean, patch, and repair as required.	

Component 28		Interior Flooring - Carpet
		
Description	This component accounts for the interior common-area carpet flooring.	
	Quantity	1,800 SF
	Current Job Cost	$18,645
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	2005
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	15 years
	Effective Age	12 years
	Remaining Lifespan	3 years
Funding Analysis	**Work**	Remove and replace the damaged carpet or the entire carpet, including the carpet pad, depending on the extent and cause of the damage.
	Budget	We have allowed for a full replacement of this component every 15 years.
Potential Deterioration	Includes fading, matting, colour-loss, wear-and-tear, wrinkles, ripples, stains, burns, strong odors, and lack of padding support. Contributing factors include physical damage, water damage, spills, debris accumulation, and damage from environmental factors such as temperature changes, humidity, and sun exposure. Carpet may also be replaced for aesthetic reasons.	
Suggested Maintenance	Regular inspection of the carpet for deterioration and odors. Vacuum, clean, and repair as required.	

Component 29		Interior Flooring - Ceramic Tile
		
Description	This component accounts for the interior common-area tile flooring.	
	Quantity	180 SF
	Current Job Cost	$3,646
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	2005
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	25 years
	Effective Age	11 years
	Remaining Lifespan	14 years
Funding Analysis	**Work**	Remove and replace the damaged flooring or the entire flooring, depending on the extent and cause of the damage.
	Budget	We have allowed for a full replacement of this component every 25 years.
Potential Deterioration	Includes water damage, grout deterioration, cracking, and wear-and-tear. Contributing factors include physical damage, water pooling, debris accumulation, and damage from environmental factors such as temperature changes, humidity, and sun exposure. Tile flooring may also be replaced for aesthetic reasons.	
Suggested Maintenance	Regular inspection of the tile for deterioration. Sweep, clean, and repair as required.	

Component 30		Lobby Renovation
		
Description	This component accounts for periodic renovations to the common-area lobby. This includes the flooring, lighting, finish, furniture, and décor.	
	Quantity	180 SF
	Current Job Cost	$3,359
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	2005
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	15 years (Budget Provision)
	Effective Age	11 years
	Remaining Lifespan	4 years
Funding Analysis	**Work**	Renovate the lobby components as desired.
	Budget	A budget equal to 75% of the estimated total cost is provided for significant expenditures every 15 years.
Potential Deterioration	Includes impact damage, water damage, wear-and-tear, aesthetic degradation, discoloration, stains, and fading. Contributing factors include physical damage, debris accumulation, changing preferences, and damage from environmental factors such as temperature changes, humidity, and sun exposure.	
Suggested Maintenance	Regular inspection for damage and to assess aesthetic quality. Clean and repair as required.	

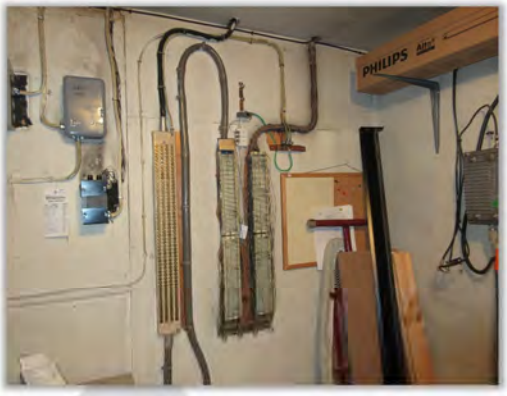
Component 31		Elevator Cab Renovation
		
Description	This component accounts for periodic renovations to the interior of the elevator cabs. This includes the flooring, wall panels, ceiling, lighting, and railings. This component does not include safety features or mechanical/electrical components within the elevator enclosure.	
	Quantity	1 Cab
	Current Job Cost	$6,386
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	2005
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	22 years
	Effective Age	12 years
	Remaining Lifespan	10 years
Funding Analysis	**Work**	Renovate the elevator cab components as desired.
	Budget	We have allowed for a full replacement of this component every 22 years.
Potential Deterioration	Includes impact damage, water damage, wear-and-tear, and aesthetic degradation. Contributing factors include physical damage (usually from moving items in and out), debris accumulation, changing preferences, and damage from environmental factors such as temperature changes and humidity.	
Suggested Maintenance	Regular inspection for damage and to assess aesthetic quality. Clean and repair as required.	

Component 32		HVAC - Fan Exhaust System
		
Description	This component accounts for the parkade exhaust fans.	
	Quantity	1 System
	Current Job Cost	$1,626
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	15 years (Budget Provision)
	Effective Age	10 years
	Remaining Lifespan	5 years
Funding Analysis	**Work**	Remove and replace the failed fan parts as required.
	Budget	A budget equal to 50% of the estimated total cost is provided for significant expenditures every 15 years.
Potential Deterioration	Includes corrosion, high operating costs, air leakage, motor failure, fan failure, and controls failure. Contributing factors include wear-and-tear, physical damage, frequent start-ups, overheating, debris accumulation, and environmental factors such as extreme temperatures and humidity.	
Suggested Maintenance	Regular inspection of the fans for adequate performance. Service and repair as required.	

Component 33		Domestic Water Distribution - Building
		
Description	This component accounts for the interior common-element domestic water distribution system. This includes risers, pumps, branch lines, valves, and backflow preventers for both the supply and removal of hot and cold water.	
	Quantity	1 System
	Current Job Cost	$20,406
Condition Analysis	We were not able to visually inspect this component. No major deficiencies were reported at the time of inspection, so we assume it to be in average condition for its age.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	A circulation pump was changed in 2004.
	Dollars Spent	An unknown amount was spent at that time.
Life Cycle Analysis	**Expected Lifespan**	25 years (Budget Provision)
	Effective Age	15 years
	Remaining Lifespan	10 years
Funding Analysis	**Work**	Notify residents of work scope, disruption, and timeline. Access relevant areas while causing minimal damage. Replace damaged water supply components (usually with PEX) or, if water damage is frequent and severe, repipe most or all of the property to prevent further damage from occurring. Test system. Repair any damage and clean work areas.
	Budget	A budget equal to 10% of the estimated total cost is provided for significant expenditures every 25 years.
Potential Deterioration	Includes pipe leaks and bursts, connection failure, pump failure, and valve failure. Contributing factors include impact damage, turbulence, the chemical makeup of supplied water (acidic water, hard water, highly chlorinated water, and chemical drain cleaners can sometimes cause deterioration), vibration and stress, and environmental factors such as extreme temperatures.	
Suggested Maintenance	Regular inspection for leaks (unusually high water bill, drips, pools, damp spots, discolouration, stains, dimpling, or flaking), unusual sounds (banging or knocking), water colour (brown or yellow is often a sign of decaying pipes, especially if the pipe has not been used for some time), low or inconsistent water pressure, and odors. Test and repair as required.	

Component 34		Domestic Water Distribution - Subsurface
		
Description	This component accounts for the subsurface common-element domestic water distribution system, both for the supply and removal of domestic water.	
	Quantity	1 System
	Current Job Cost	$3,976
Condition Analysis	We were not able to visually inspect this component. No major deficiencies were reported at the time of inspection, so we assume it to be in average condition for its age.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	25 years (Budget Provision)
	Effective Age	10 years
	Remaining Lifespan	15 years
Funding Analysis	**Work**	Video inspection and internal cleaning, if possible. More significant damage will need the following: surface removal, excavation, damaged-pipe section removal, pipe bedding installation, pipe installation, backfill and compaction, and surface restoration.
	Budget	A budget equal to 25% of the estimated total cost is provided for significant expenditures every 25 years.
Potential Deterioration	Includes leaks, cracks, clogs, and connection failure. Contributing factors include impact damage, vibration and stress, debris accumulation, tree root damage, and environmental factors such as extreme temperatures.	
Suggested Maintenance	Regular inspection for leaks (unusually high water bill, pools, damp spots, low spots, dead grass/plants), low or inconsistent water pressure, and odors. Scope, flush, and repair as required.	

Component 35		Sprinkler System - Dry
		
Description	This component accounts for the dry sprinkler system. This includes piping, pipe tees, valves, alarms, sprinkler heads, connections, air compression, and associated components.	
	Quantity	1 System
	Current Job Cost	$34,760
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	25 years (Budget Provision)
	Effective Age	12 years
	Remaining Lifespan	13 years
Funding Analysis	**Work**	Inspect and test system regularly to comply with local regulations. Do all work as required or recommended by the inspector. Remove and replace failing components.
	Budget	A budget equal to 20% of the estimated total cost is provided for significant expenditures every 25 years.
Potential Deterioration	Includes corrosion, pipe leaks and bursts, connection failure, and mechanical failure. Contributing factors include impact damage, wear-and-tear, the presence of oxygen and water in the pipes, and environmental factors such as extreme temperatures.	
Suggested Maintenance	Regular inspection as required or recommended by the inspector. Test, purge water from the lines, monitor corrosion, and repair as required. In some cases, filling the system with nitrogen instead of oxygen can increase the life expectancy of the pipes threefold.	

Component 36		Elevator Modernization - Hydraulic
		
Description	This component accounts for major elevator modernization projects. The scope of work will depend in part on technological improvements over the life of the elevator.	
	Quantity	1 Elevator
	Current Job Cost	$39,577
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	25 years (Budget Provision)
	Effective Age	16 years
	Remaining Lifespan	9 years
Funding Analysis	**Work**	Consult with certified elevator repair technicians. Repair and update the various elevator components according to the recommendations of the technicians.
	Budget	A budget equal to 33% of the estimated total cost is provided for significant expenditures every 25 years.
Potential Deterioration	Includes hydraulic leaks, motor failure, controller failure, electrical failure (relays, contractors, windings, computer processors, and buttons), and mechanical breakdown (bearings, gears, valves, pumps, and door operators). Contributing factors include wear-and-tear, debris accumulation, corrosion, obsoletion, and environmental factors such as extreme temperatures and humidity.	
Suggested Maintenance	Regular inspection as required by law or recommended by technicians. Maintain and repair the elevator as recommended.	

Component 37		Electrical Service and Distribution

Description	This component accounts for the common-element electrical service and distribution system. This includes wiring, service panels, breakers, switches, receptacles, and various electrical accessories. Strata council indicated the building has aluminum wiring.	
	Quantity	1 System
	Current Job Cost	$9,485
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	30 years (Budget Provision)
	Effective Age	18 years
	Remaining Lifespan	12 years
Funding Analysis	**Work**	Remove and replace the various electrical components as required or desired.
	Budget	A budget equal to 15% of the estimated total cost is provided for significant expenditures every 30 years.
Potential Deterioration	Includes component failure, wire degradation, wire insulation failure, loosening of connections, and insufficient power. Contributing factors include wear-and-tear, usage, load demand, debris accumulation, corrosion, increased power demands, and environmental factors such as extreme temperatures, humidity, and ventilation.	
Suggested Maintenance	Regular inspection of electrical equipment and systems to determine maintenance requirements and priorities. Inspect, test, service, and repair as required.	

Component 38		Fire Detection System
		
Description	This component accounts for the fire detection and notification system. This includes initiating devices, relays, conduits, wiring, panels, and fire equipment.	
	Quantity	1 System
	Current Job Cost	$2,308
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	15 years (Budget Provision)
	Effective Age	10 years
	Remaining Lifespan	5 years
Funding Analysis	**Work**	Repair or replace the various components as required or recommended by qualified fire inspectors.
	Budget	A budget equal to 20% of the estimated total cost is provided for significant expenditures every 15 years.
Potential Deterioration	Includes component failure, wire degradation, electrical failure, impact damage, and functional obsolescence. Contributing factors include wear-and-tear, usage, debris accumulation, corrosion, physical damage, technological improvements, building code changes, and environmental factors such as extreme temperatures, humidity, and ventilation.	
Suggested Maintenance	Regular inspection and testing of the fire alarm system as required or recommended. Service and repair as required or recommended.	

Component 39		Access Entry System
		
Description	This component accounts for the common-element access entry system. This includes the intercom terminal and door-release system.	
	Quantity	1 System
	Current Job Cost	$8,710
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	15 years
	Effective Age	10 years
	Remaining Lifespan	5 years
Funding Analysis	**Work**	Remove and replace failing access control systems as required or replace as desired for upgraded security. Integrate the new system with the connected components where possible.
	Budget	We have allowed for a full replacement of this component every 15 years.
Potential Deterioration	Includes impact damage, electrical failure, component degradation, and functional obsolescence. Contributing factors include wear-and-tear, physical damage, technological improvements, and environmental factors such as extreme temperatures and humidity.	
Suggested Maintenance	Regular inspection of the system for vandalism. Be alert to complaints of system failures. Inspect and repair as required.	

Component 40		Lighting - Interior

Description	This component accounts for the interior common-area lighting. This includes the fixtures and a small allowance for box and wiring costs.	
	Quantity	34 Lights
	Current Job Cost	$5,652
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	2005
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	25 years (Budget Provision)
	Effective Age	10 years
	Remaining Lifespan	15 years
Funding Analysis	**Work**	Remove and replace failed lighting components as required or desired.
	Budget	A budget equal to 60% of the estimated total cost is provided for significant expenditures every 25 years.
Potential Deterioration	Includes impact damage, electrical component failure, and water damage. Contributing factors include physical damage, power surges, usage, and damage from environmental factors such as temperature changes and humidity. Fixtures may also be replaced due to functional obsolescence or for aesthetic reasons.	
Suggested Maintenance	Regular visual inspection of the fixtures for damage. Regular replacement of bulbs as required. Limit on/off cycles.	

Component 41		Lighting - Parkade

Description	This component accounts for the lighting in the underground parking area. This includes the fixtures and a small allowance for box and wiring costs.	
	Quantity	25 Lights
	Current Job Cost	$2,359
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	2012
	Work Completed	The parkade lighting was upgraded with new flourscent fixtures in 2012.
	Dollars Spent	An unknown amount was spent from the reserve fund.
Life Cycle Analysis	**Expected Lifespan**	20 years (Budget Provision)
	Effective Age	7 years
	Remaining Lifespan	13 years
Funding Analysis	**Work**	Remove and replace failed lighting components as required or desired.
	Budget	A budget equal to 50% of the estimated total cost is provided for significant expenditures every 20 years.
Potential Deterioration	Includes impact damage, electrical component failure, and water damage. Contributing factors include physical damage, power surges, usage, and damage from environmental factors such as temperature changes and humidity. Fixtures may also be replaced due to functional obsolescence or for aesthetic reasons.	
Suggested Maintenance	Regular visual inspection of the fixtures for damage. Regular replacement of bulbs as required. Limit on/off cycles.	

Component 42		Lighting - Exterior
		
Description	This component accounts for the common-element exterior lighting. This includes the fixtures and a small allowance for box and wiring costs.	
	Quantity	7 Lights
	Current Job Cost	$254
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	2020
	Work Completed	New exterior lighting was installed in 2020.
	Dollars Spent	Approximately $1,500 was spent in 2020.
Life Cycle Analysis	**Expected Lifespan**	10 years (Budget Provision)
	Effective Age	1year
	Remaining Lifespan	9 years
Funding Analysis	**Work**	Remove and replace failed lighting components as required or desired.
	Budget	A budget equal to 15% of the estimated total cost is provided for significant expenditures every 10 years.
Potential Deterioration	Includes impact damage, electrical component failure, and water damage. Contributing factors include physical damage, power surges, usage, and damage from environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure. Fixtures may also be replaced due to functional obsolescence or for aesthetic reasons.	
Suggested Maintenance	Regular visual inspection of the fixtures for damage. Regular replacement of bulbs as required. Limit on/off cycles.	

Component 43		Mailboxes
		
Description	This component accounts for the mailboxes.	
	Quantity	23 Mailboxes
	Current Job Cost	$2,350
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	30 years
	Effective Age	15 years
	Remaining Lifespan	15 years
Funding Analysis	**Work**	Remove and replace the failed mailboxes.
	Budget	We have allowed for a full replacement of this component every 30 years.
Potential Deterioration	Includes impact damage and corrosion. Contributing factors include physical damage, wear-and-tear, and environmental factors such as temperature changes and humidity.	
Suggested Maintenance	Regular inspection of the mailboxes for deterioration and vandalism. Clean and repair as required.	

Component 44		Landscaping
		
Description	This component accounts for the common-element landscaping. This excludes any routine maintenance that is covered by the operating fund.	
	Quantity	4,100 SF
	Current Job Cost	$11,915
Condition Analysis	Based on a partial visual inspection, this component appears to be in good condition. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	5 years (Budget Provision)
	Effective Age	3 years
	Remaining Lifespan	2 years
Funding Analysis	**Work**	Regrade as necessary. Replace or repair dead and damaged vegetation. Top up beds. Change landscaping for aesthetic purposes.
	Budget	A budget equal to 15% of the estimated total cost is provided for significant expenditures every 5 years.
Potential Deterioration	Includes poor grading, impact damage, and wear-and-tear. Contributing factors include physical damage, subsurface shifting, debris accumulation, lack of maintenance, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection of landscaping for deterioration and poor grading. Regular landscaping maintenance as required.	

Component 45		Concrete Patios
		
Description	This component accounts for the concrete patios.	
	Quantity	625 SF
	Current Job Cost	$8,227
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	25 years
	Effective Age	14 years
	Remaining Lifespan	11 years
Funding Analysis	**Work**	Break and remove concrete slabs. Repair the subgrade and base course as required. Form and pour concrete with relief joints.
	Budget	We have allowed for a full replacement of this component every 25 years.
Potential Deterioration	Includes holes, cracking, spalling, delamination, poor grading, ponding water, and expansion joint failure. Contributing factors include impact damage, wear-and-tear, debris accumulation, subsurface shifting, and environmental factors such as temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular inspection of the patios for deterioration and shifting. Inspect, clean, and repair as required.	

Component 46		Driveways - Concrete
		
Description	This component accounts for the concrete driveways.	
	Quantity	1 EA
	Current Job Cost	$2,944
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	35 years
	Effective Age	20 years
	Remaining Lifespan	15 years
Funding Analysis	**Work**	Break and remove concrete slab. Repair the subgrade and base course as required. Form and pour concrete. Spray membrane curing compound. Saw cut relief joints.
	Budget	We have allowed for a full replacement of this component every 35 years.
Potential Deterioration	Includes potholes, cracking, spalling, delamination, ponding water, and expansion joint failure. Contributing factors include impact damage, wear-and-tear, salt damage, debris accumulation, subsurface shifting, and environmental factors such as temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular inspection of the driveways for deterioration. Inspect, clean, and repair as required.	

Component 47		Retaining Walls - Concrete
		
Description	This component accounts for the common-element concrete retaining wall system.	
	Quantity	250 LF
	Current Job Cost	$4,933
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	40 years (Budget Provision)
	Effective Age	25 years
	Remaining Lifespan	15 years
Funding Analysis	**Work**	Remove damaged sections. Install new retaining wall system with proper drainage.
	Budget	A budget equal to 10% of the estimated total cost is provided for significant expenditures every 40 years.
Potential Deterioration	Includes impact damage, cracking, spalling, water damage, buckling, and leaning. Contributing factors include physical damage, subsurface shifting, debris accumulation, improper installation, poor drainage, and environmental factors such as temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection of the retaining wall for wall movement and concrete deterioration. Inspect, slope the ground around the retaining wall for drainage, and repair as required.	

Component 48		Fencing - Wood
		
Description	This component accounts for the common-element wood fencing.	
	Quantity	700 LF
	Current Job Cost	$35,205
Condition Analysis	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	2016
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	25 years
	Effective Age	18 years
	Remaining Lifespan	7 years
Funding Analysis	**Work**	Remove and replace fencing as required or desired.
	Budget	We have allowed for a full replacement of this component every 25 years.
Potential Deterioration	Includes impact damage, cracking, splitting, warping, water damage, infestation, wear-and-tear, and leaning. Contributing factors include physical damage, subsurface shifting, debris accumulation, lack of maintenance, proximity to organic material, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection of fence for leaning, rot, cracks, damaged or missing boards, water damage, and infestation. Clean, seal/paint, and repair as required.	

Component 49		Exterior Railings - Metal
		
Description	This component accounts for the common-element exterior metal railings.	
	Quantity	10 LF
	Current Job Cost	$208
Condition Analysis	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
Reserve History	**Year of Acquisition**	1977
	Work Completed	None noted or reported
	Dollars Spent	N/A
Life Cycle Analysis	**Expected Lifespan**	30 years (Budget Provision)
	Effective Age	12 years
	Remaining Lifespan	18 years
Funding Analysis	**Work**	Remove and replace railing as required or desired.
	Budget	A budget equal to 25% of the estimated total cost is provided for significant expenditures every 30 years.
Potential Deterioration	Includes impact damage, breakage, corrosion, wear-and-tear, and leaning. Contributing factors include physical damage, subsurface shifting, debris accumulation, lack of maintenance, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
Suggested Maintenance	Regular visual inspection of railing for deterioration. Clean and repair as required.	

Appendix F—Construction Cost Inflation

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

Statistics Canada

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

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

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

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

We obtained data on the price indexes of Low-Rises construction in Vancouver from 2017 to 2019. We calculated the average annual increase in construction inflation since 1992 and use this as our long-term construction inflation rate in this report.

The average expected annual rate of Low-Rises Construction Cost Inflation in Vancouver for the next 30 years is 3.25%.

Marshall & Swift / Boeckh (MSB)

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

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

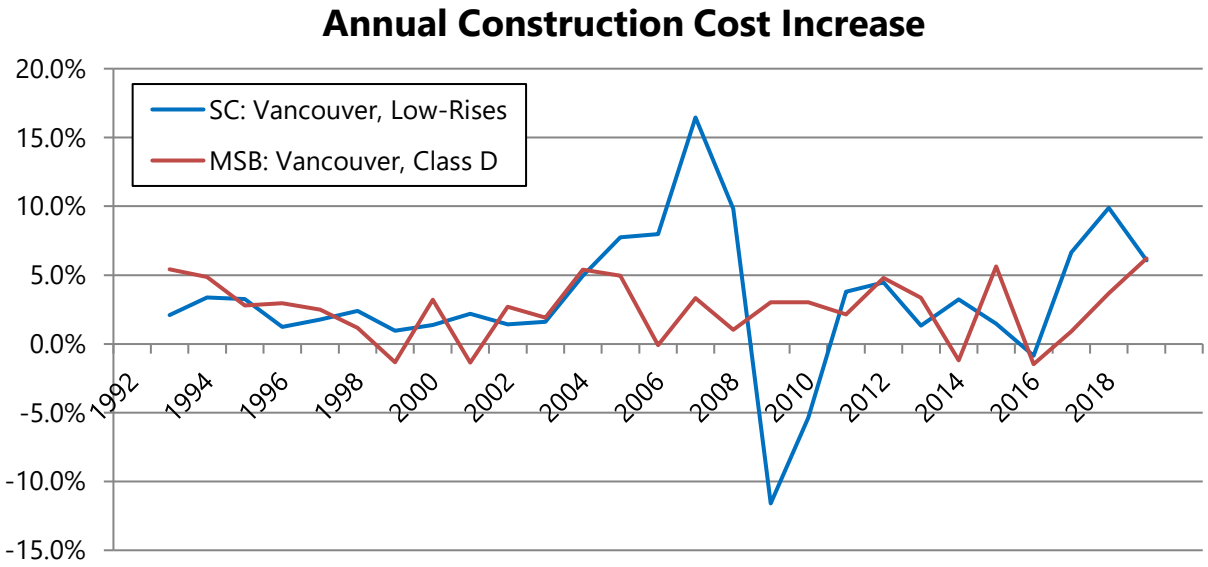
The subject property is classified as a Class D building. We obtained comparative cost multipliers for those buildings in Vancouver from 1992 to 2019. The following table describes Class D buildings.

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

The average expected annual rate of Construction Cost Inflation for Class D buildings in Vancouver, BC for the next 30 years is 2.57%.

Conclusion

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



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

Predicted Long-Term Construction Inflation	
Statistics Canada	3.25%
MSB	2.57%
Average	**2.9%**

We have rounded this average to the nearest 0.1% to highlight the uncertainty in long-term economic forecasting. We have adopted a rate of 2.9% for annual construction inflation in calculating the future replacement costs.

Appendix G—Interest Rates

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

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

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

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

We also obtained historical interest rates on three various one-year flexible GICs, where you can withdraw your money whenever you want and still earn some interest up to that point. Ideally, we would have liked to look at more GICs than this. However, these were the only rates we could find in Canada that have existed and have kept records since before the year 2000. For example, TD Bank's one-year cashable GIC only has data going to mid-2011 but seems to track closely with RBC's rates. Tangerine has data for a one-year non-flexible GIC going back to 2007, although their rates are consistently higher than any others we have seen.

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

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

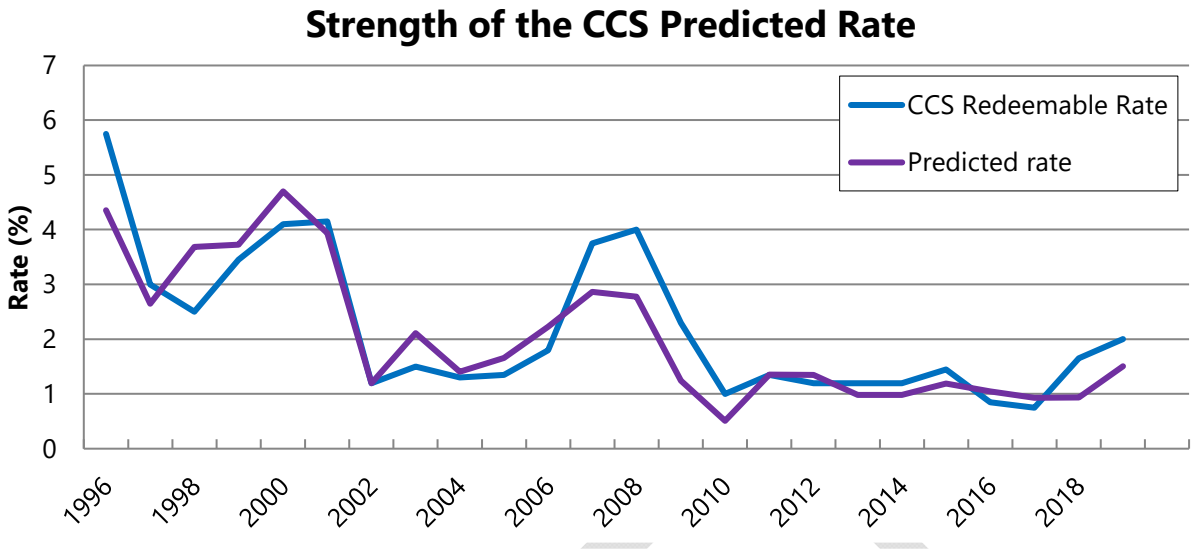
Ideally, we would like to start our dataset from 1992 when predicting future interest rates because that was the year that Canada focused on keeping inflation around 2%, as outlined in Appendix H. That would also keep our data internally consistent. While data on the Bank of Canada's fixed-rate GICs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

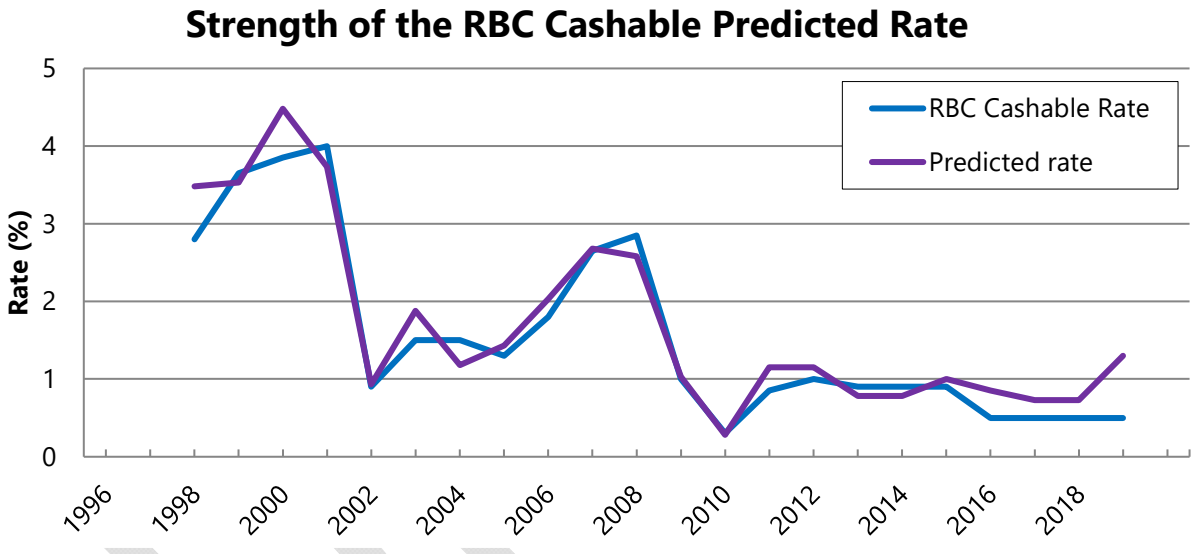
We compare each of the three flexible rates to the Bank of Canada rates to create three algorithms that use the Bank of Canada rates to predict each of the three flexible rates.

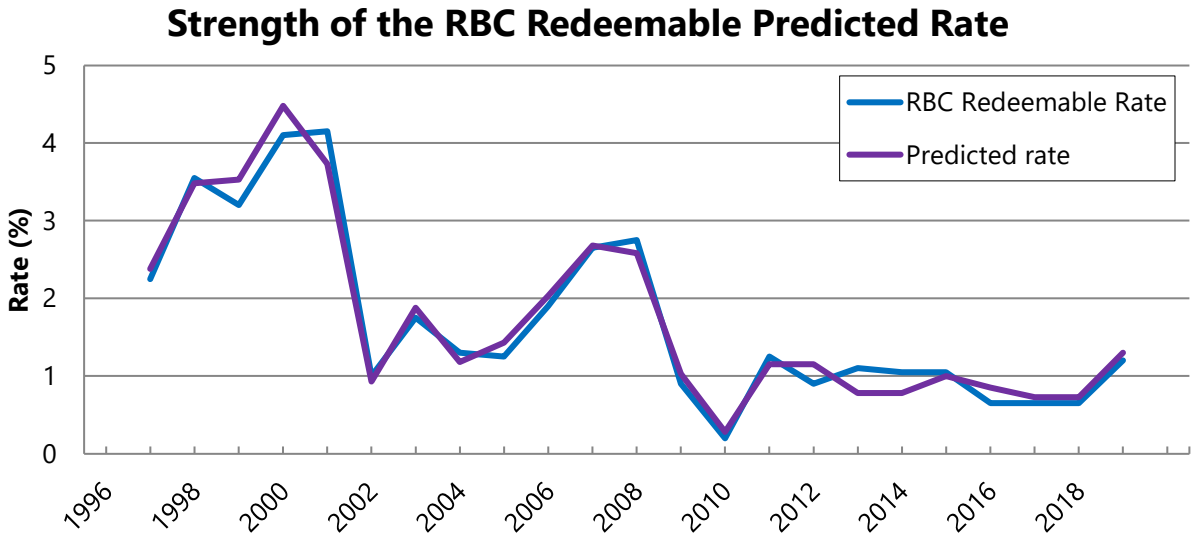
The formula for each predicted rate is determined as follows: the Bank of Canada's three rates are multiplied by weighted factors for each year with available flexible GIC rate data and added to a constant. The weighted factors are all greater than zero and sum to one. The constant and weighted factors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

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

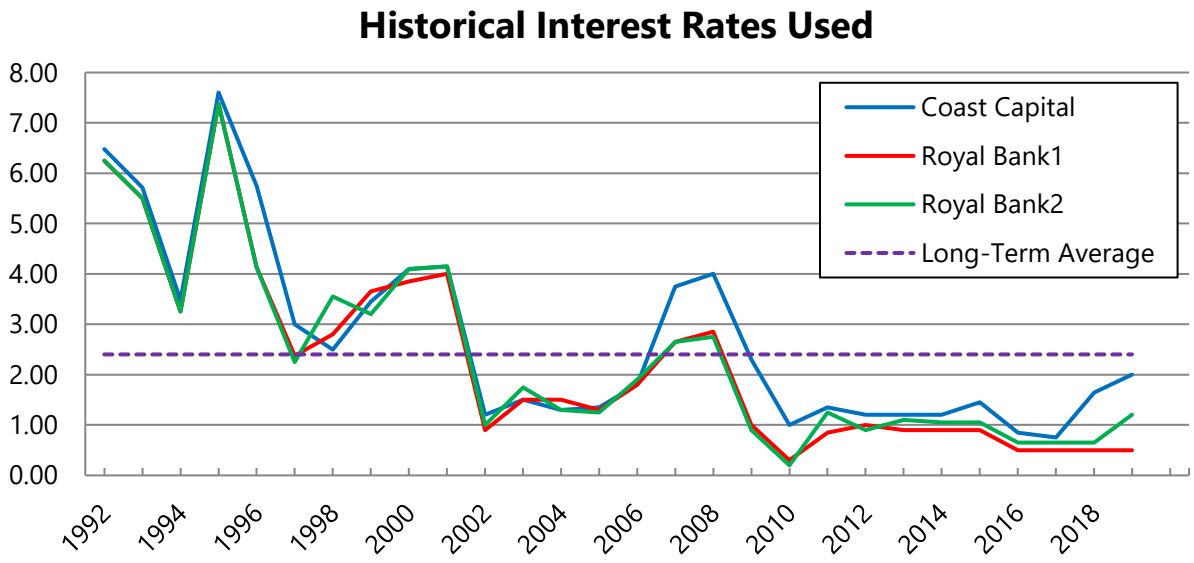
The following charts illustrate the strength of the predicted rate for each flexible GIC; this predictive formula is later applied to the Bank of Canada's posted rates to fill in the missing data back to 1992.


Strength of the CCS Predicted Rate
Rate (%)
CCS Redeemable Rate
Predicted rate
0
1
2
3
4
5
6
7
1996
1998
2000
2002
2004
2006
2008
2010
2012
2014
2016
2018


Strength of the RBC Cashable Predicted Rate
Rate (%)
RBC Cashable Rate
Predicted rate
0
1
2
3
4
5
1996
1998
2000
2002
2004
2006
2008
2010
2012
2014
2016
2018


Strength of the RBC Redeemable Predicted Rate
Rate (%)
RBC Redeemable Rate
Predicted rate
0
1
2
3
4
5
1996
1998
2000
2002
2004
2006
2008
2010
2012
2014
2016
2018

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



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

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

Predicted Long-Term Flexible GIC Rates	
CCS	2.72%
RBC Cashable	2.27%
RBC Redeemable	2.36%
Average	**2.4%**

We have selected a **conservative 2.4%** interest rate in calculating the future investment performance of the strata corporation's reserve fund. This rate has been rounded and is intentionally nonspecific to highlight the uncertainty in long-term economic forecasting. It is conservative because it assumes that strata councils need extremely high levels of flexibility in their investments, and because it averages the rates from available banks rather than choosing the highest.

The entire balance of the reserve fund does not need to always be available. Therefore, it is likely that the interest rates the reserve fund planner can obtain will be higher than the one-year cashable GIC rates. Prudent reserve fund investing requires that investments are reasonably matched with anticipated reserve fund expenditures, ensuring reserve fund liquidity. Therefore, funds should often be invested in a laddered portfolio which ensures that reserve funds are available when needed.

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

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

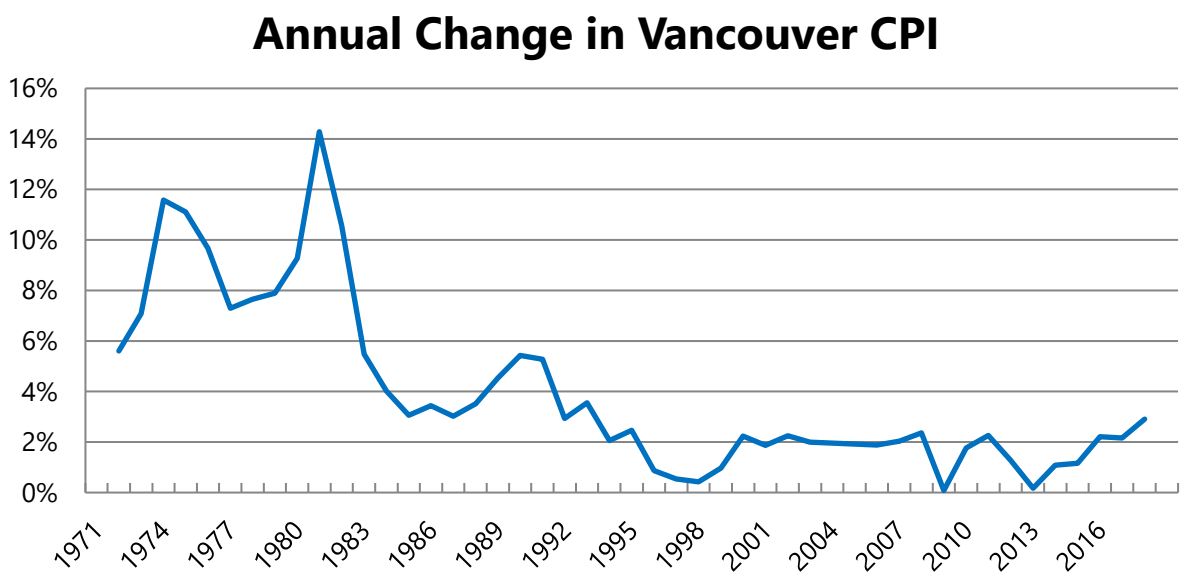
NOTE: We suggest a review of the long-term interest rate on every update.

Appendix H—Consumer Price Index (CPI) Inflation

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

We have selected data from Statistics Canada for Vancouver, which is the most fitting region that has available localized inflation data. Data are available from 1971 to 2018; however, inflation data collected prior to 1992 are likely poor predictors of future inflation. In 1991 the Government of Canada and the Bank of Canada set a goal to reduce national inflation from about 5% to 2% by 1995. Although national inflation climbed close to 7% in 1991, it dropped to 1.6% in 1992 because of government intervention. Since then, the goal has been to keep national inflation between 1% and 3% with an average of 2%. To reflect this important change in inflation policy, we have elected to limit our analysis to CPI data since 1992.

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



The average expected annual rate of CPI increase in Vancouver, BC for the next 30 years is 1.8%.

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

Appendix I—Funding Future Components

Funding Principles

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

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

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

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

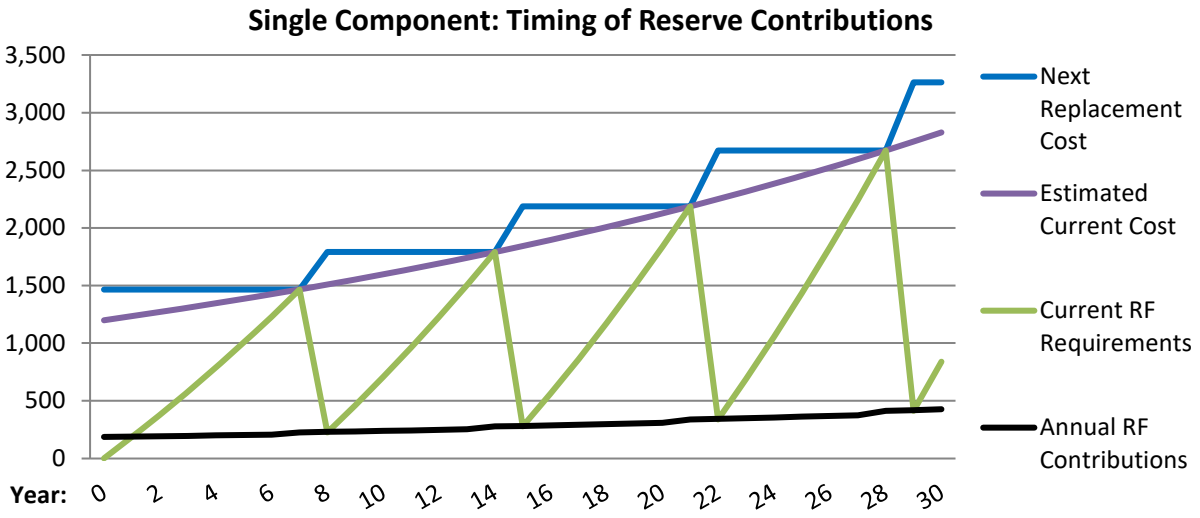
Given the level of uncertainty in economic forecasting, even reserve funds with ideal balances and ideal contributions will not be perfectly equitable. Earlier owners bear too much of the cost when repairs are cheaper or later than expected and when interest rates or CPI inflation is higher than expected.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

At any given time, current owners should be saving towards each component's next replacement rather than towards all its replacements during the life of the building, or worse, towards those expenditures that happen to fall in an arbitrary time period. This protects against price fluctuations and, in the likely case where construction inflation differs from CPI inflation, ensures a more equitable payment schedule. Also, component quality tends to upgrade over time; it is not equitable for current owners to pay for higher quality future components that they will never use and never be compensated for when they sell.

Funding with No Reserve Fund Deficiency (Benchmark Model)

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

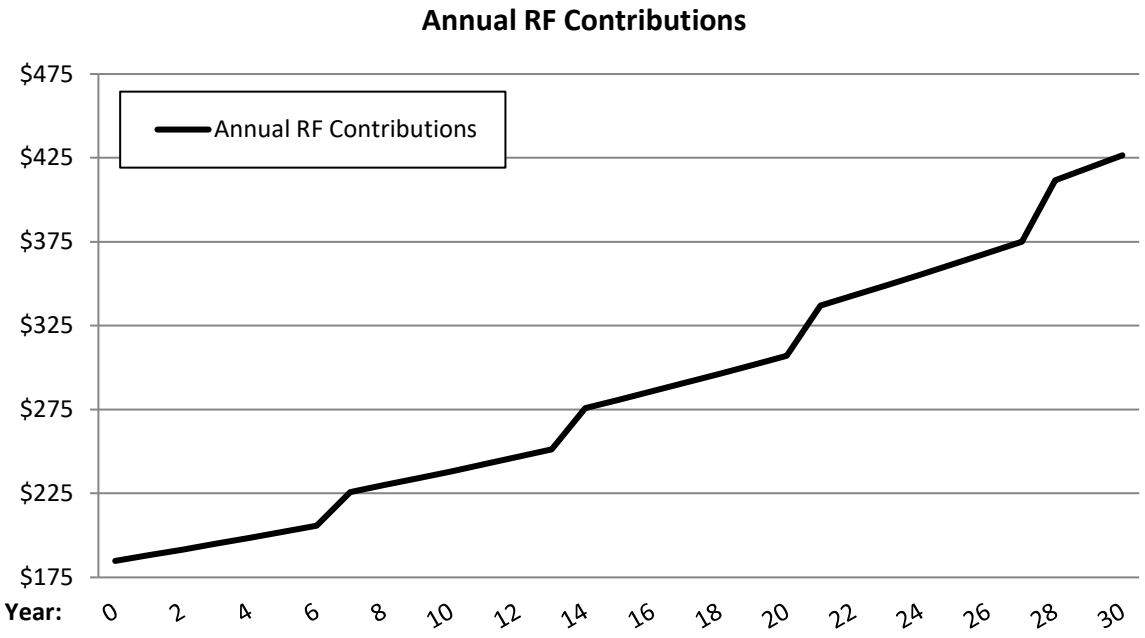
The graph below illustrates this with a hypothetical component that has an expected lifespan of seven years, an effective age of zero years, and an Estimated Current Cost of $1,200. The Estimated Current Cost increases by construction inflation (2.9%) every year. The Next Replacement Cost is equal to the Estimated Current Cost every seven years, during the years of replacement. The Current RF Requirements is a running total of the Annual RF Contributions plus interest on the previous year's Current RF Requirements. The Annual RF Contributions are determined such that they increase with inflation every year, and when saved over the life of the component and combined with interest exactly equal the replacement cost in the years that the component is replaced.



This graph is explained numerically in the table below. Note that interest (2.4%) is calculated conservatively: annual contributions are assumed to occur at the end of the year, earning no interest in the year that they are made, and all replacements are assumed to occur at the beginning of the year, eliminating interest income in replacement years.

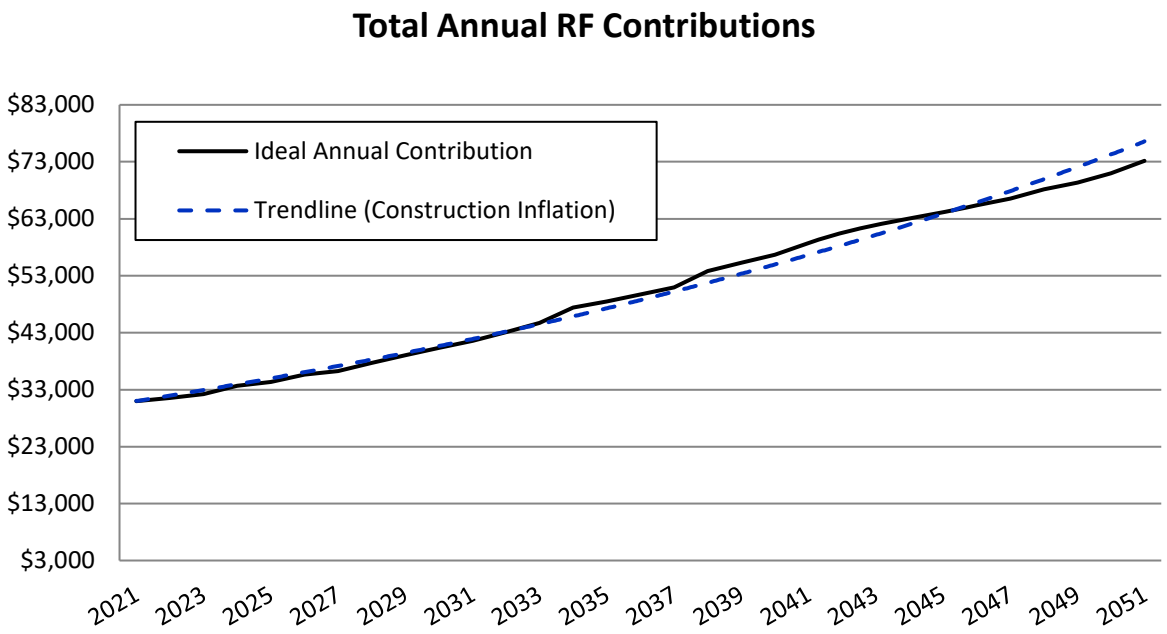
Year	Estimated Current Cost	Next Replacement Cost	Opening Balance Requirement	Annual RF Contributions	Interest	Closing Balance
0	1,200	1,466	0	185	0	185
1	1,235	1,466	185	188	4	377
2	1,271	1,466	377	192	9	578
3	1,307	1,466	578	195	14	787
4	1,345	1,466	787	199	19	1,004
5	1,384	1,466	1,004	202	24	1,231
6	1,425	1,466	1,231	206	30	1,466
7	1,466	1,466	1,466	226	0	226
8	1,508	1,791	226	230	5	461
9	1,552	1,791	461	234	11	706
10	1,597	1,791	706	238	17	961
11	1,643	1,791	961	243	23	1,227
12	1,691	1,791	1,227	247	29	1,503
13	1,740	1,791	1,503	251	36	1,791
14	1,791	1,791	1,791	276	0	276
15	1,843	2,187	276	281	7	563
16	1,896	2,187	563	286	14	863
17	1,951	2,187	863	291	21	1,174
18	2,008	2,187	1,174	296	28	1,499
19	2,066	2,187	1,499	302	36	1,836
20	2,126	2,187	1,836	307	44	2,187
21	2,187	2,187	2,187	337	0	337
22	2,251	2,672	337	343	8	688
23	2,316	2,672	688	349	17	1,054
24	2,383	2,672	1,054	355	25	1,434
25	2,452	2,672	1,434	362	34	1,831
26	2,523	2,672	1,831	368	44	2,243
27	2,597	2,672	2,243	375	54	2,672
28	2,672	2,672	2,672	412	0	412
29	2,749	3,264	412	419	10	840
30	2,829	3,264	840	427	20	1,287

The graph on the following page shows a closer look at the Annual RF Contributions. Note that each year's payment increases by CPI's inflation rate (1.8%), though there is a larger increase after each component replacement. Taken on average, the annual payments increase with construction inflation. Each year's owners equitably save for the component's next replacement cost in this model.



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

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



Funding an Existing Reserve Fund Deficiency

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

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

Our Minimum Funding Model (Appendix J) illustrates what will happen if the strata corporation makes no funding changes other than increasing the contributions by CPI inflation while meeting legislative requirements. Adequate Funding (Recommended model, Section 5) balances equity and practicality by providing a funding model with few or no special assessments, depending on the property's upcoming expenditures. Full Funding (Appendix J) puts more emphasis on eliminating the existing reserve fund deficiency within 30 years while incurring no special assessments, if feasible, with less concern for the practicality of the funding model.

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

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

Appendix J—Alternate Funding Models

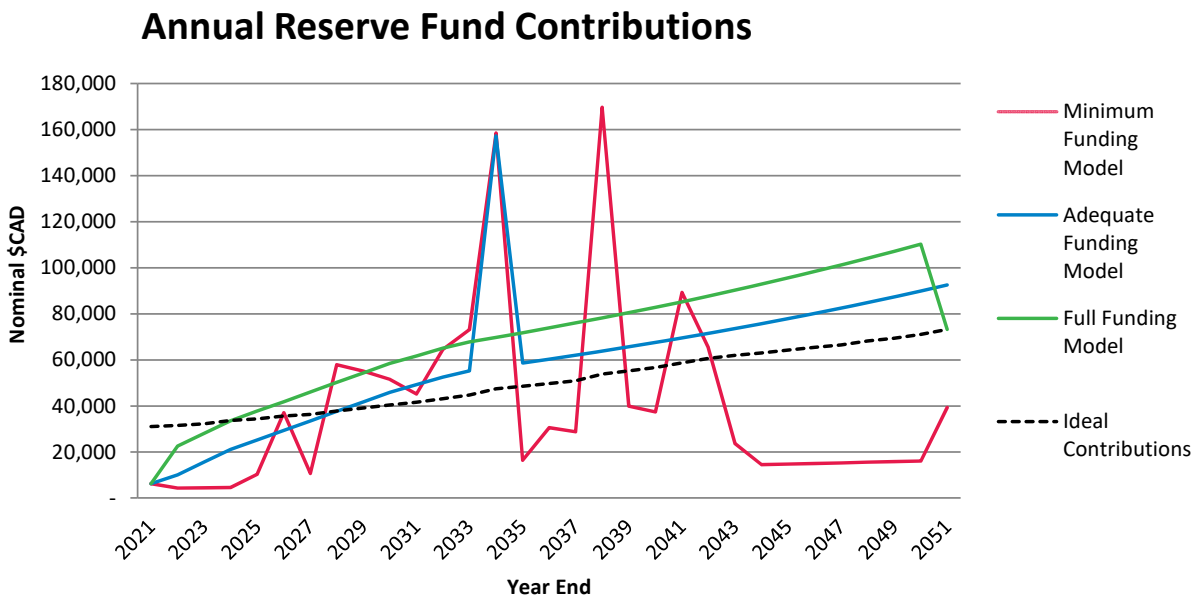
Three Funding models are proposed in this report and have been named as follows: Minimum Funding, Adequate Funding, and Full Funding. Adequate Funding is our recommended model and can be found in Section 5 of this report; Minimum and Full Funding are in this appendix. Each model outlines a different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

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

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

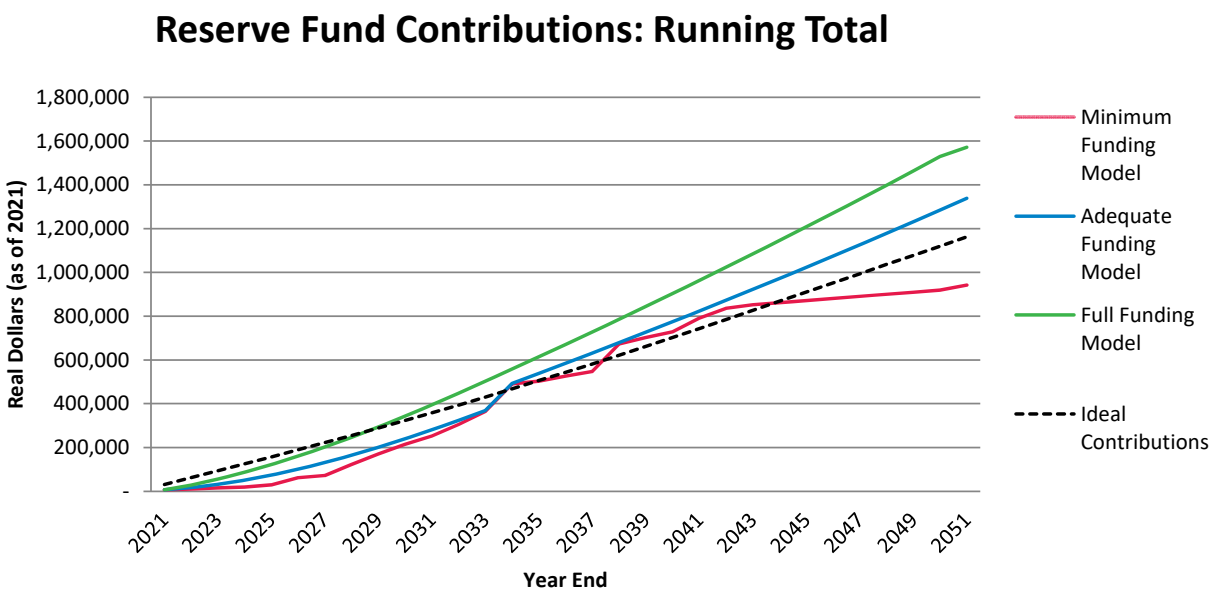
The Full Funding Model favours equitable payments in a risk-averse manner, with the goal of attaining eventual full funding and minimizing the risk of special assessments.

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



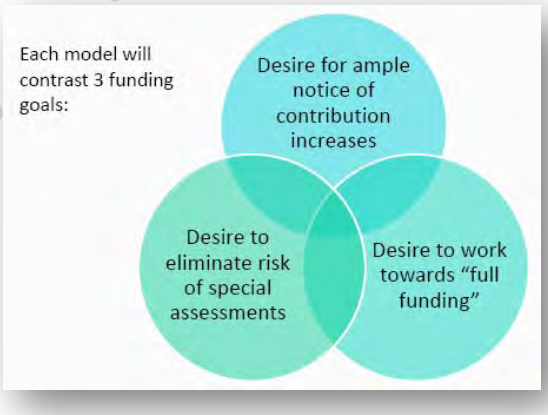
Ignoring interest, each funding model contributes the exact same amount over the life of the building (although it has been our experience that buildings with less money in their reserve fund often make decisions to repair or replace their components in such a way as to pay more in the long-term). Due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

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



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

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



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

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

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

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

Reserve Fund Projection—Minimum Funding Model

Oasis

Construction Inflation Rate	2.9%
Long-Term Interest Rate	2.4%
Inflation Rate (CPI)	1.8%

Cashflow	Aug 2020–Jul 2021	Aug 2021–Jul 2022	Aug 2022–Jul 2023	Aug 2023–Jul 2024	Aug 2024–Jul 2025	Aug 2025–Jul 2026	Aug 2026–Jul 2027	Aug 2027–Jul 2028	Aug 2028–Jul 2029	Aug 2029–Jul 2030	Aug 2030–Jul 2031	Aug 2031–Jul 2032	Aug 2032–Jul 2033	Aug 2033–Jul 2034	Aug 2034–Jul 2035	Aug 2035–Jul 2036
Opening Balance	**76,400**	**84,500**	**90,900**	**84,600**	**14,800**	**21,300**	**-**	**10,700**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Reserve Fund Income																
Recommended Annual Contribution	4,300	4,300	4,400	4,500	10,300	10,500	10,700	10,900	11,100	11,300	11,500	11,700	11,900	12,100	12,300	12,500
Special Assessment						**26,500**		**47,000**	**44,100**	**40,300**	**33,700**	**52,800**	**61,200**	**146,400**	**4,100**	**18,000**
Transfers to (from) the Reserve Fund																
Other Income	2,000															
Interest Income	1,800	2,000	1,900	200	300	-	-	-	-	-	-	-	-	-	-	-
Total Cash Resources	**84,500**	**90,900**	**97,200**	**89,300**	**25,400**	**58,200**	**10,700**	**68,500**	**55,100**	**51,500**	**45,100**	**64,400**	**73,100**	**158,500**	**16,400**	**30,500**
Reserve Fund Expenditures																
Total Expenditures	**-**	**-**	**12,600**	**74,500**	**4,100**	**58,200**	**-**	**68,500**	**55,100**	**51,500**	**45,100**	**64,400**	**73,100**	**158,500**	**16,400**	**30,500**
Closing Balance	**84,500**	**90,900**	**84,600**	**14,800**	**21,300**	**-**	**10,700**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Deficiency Analysis																
Ideal Annual Contribution	31,000	31,500	32,200	33,700	34,300	35,600	36,300	37,700	39,000	40,300	41,600	43,100	44,700	47,400	48,500	49,700
Ideal Closing Balance	473,100	516,000	547,700	518,300	560,800	550,200	599,700	581,700	578,200	579,700	588,900	580,200	564,000	462,700	505,500	536,100
Reserve Fund Deficiency (Surplus)	**388,600**	**425,100**	**463,200**	**503,400**	**539,600**	**550,200**	**589,000**	**581,700**	**578,200**	**579,700**	**588,900**	**580,200**	**564,000**	**462,700**	**505,500**	**536,100**
Actual/Ideal Contributions	**14%**	**14%**	**14%**	**13%**	**30%**	**29%**	**29%**	**29%**	**28%**	**28%**	**28%**	**27%**	**27%**	**25%**	**25%**	**25%**
DCQ Score	**47.9**	**66.7**	**73.5**	**106.0**	**51.1**	**14.9**	**55.2**	**10.1**	**10.5**	**11.3**	**13.0**	**9.0**	**7.7**	**2.9**	**30.8**	**17.6**

All values in $CAD, rounded to the nearest hundred

Minimum Funding Model, Continued

Oasis

Cashflow	Aug 2036–Jul 2037	Aug 2037–Jul 2038	Aug 2038–Jul 2039	Aug 2039–Jul 2040	Aug 2040–Jul 2041	Aug 2041–Jul 2042	Aug 2042–Jul 2043	Aug 2043–Jul 2044	Aug 2044–Jul 2045	Aug 2045–Jul 2046	Aug 2046–Jul 2047	Aug 2047–Jul 2048	Aug 2048–Jul 2049	Aug 2049–Jul 2050	Aug 2050–Jul 2051
Opening Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**14,400**	**28,900**	**41,600**	**57,800**	**37,300**	**54,000**	**38,300**
Reserve Fund Income															
Recommended Annual Contribution	12,700	13,000	13,200	13,500	13,700	13,900	14,200	14,400	14,700	15,000	15,200	15,500	15,800	16,100	16,400
Special Assessment	**16,000**	**156,700**	**26,600**	**23,900**	**75,500**	**51,400**	**9,600**								**23,000**
Transfers to (from) the Reserve Fund															
Other Income															
Interest Income	-	-	-	-	-	-	-	-	300	600	1,000	500	900	500	-
Total Cash Resources	**28,700**	**169,700**	**39,800**	**37,400**	**89,200**	**65,300**	**23,800**	**14,400**	**29,500**	**44,500**	**57,800**	**73,900**	**54,000**	**70,600**	**77,600**
Reserve Fund Expenditures															
Total Expenditures	**28,700**	**169,700**	**39,800**	**37,400**	**89,200**	**65,300**	**23,800**	**-**	**600**	**2,800**	**-**	**36,500**	**-**	**32,300**	**77,600**
Closing Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**14,400**	**28,900**	**41,600**	**57,800**	**37,300**	**54,000**	**38,300**	**-**
Deficiency Analysis															
Ideal Annual Contribution	50,900	53,800	55,300	56,700	58,700	60,600	61,900	63,000	64,200	65,400	66,500	68,100	69,400	71,000	73,200
Ideal Closing Balance	570,500	464,200	489,800	520,000	499,800	505,500	555,200	631,600	710,300	789,800	875,300	927,000	1,018,600	1,080,900	1,100,600
Reserve Fund Deficiency (Surplus)	**570,500**	**464,200**	**489,800**	**520,000**	**499,800**	**505,500**	**555,200**	**617,100**	**681,400**	**748,200**	**817,400**	**889,700**	**964,600**	**1,042,700**	**1,100,600**
Actual/Ideal Contributions	**25.0%**	**24.1%**	**23.9%**	**23.7%**	**23.3%**	**23.0%**	**22.9%**	**22.9%**	**22.9%**	**22.9%**	**22.9%**	**22.8%**	**22.8%**	**22.6%**	**22.4%**
DCQ Score	**19.9**	**2.7**	**12.3**	**13.9**	**5.6**	**7.7**	**23.4**	**42.7**	**45.3**	**48.0**	**50.3**	**55.5**	**57.8**	**62.8**	**28.0**

All values in $CAD, rounded to the nearest hundred

Nominal Cash Flow—Minimum Funding

Oasis

Construction Inflation Rate	2.9%
Long-Term Interest Rate	2.4%
Inflation Rate (CPI)	1.8%

Fiscal Year End	Opening Balance	Annual Contribution	Avg Monthly Contribution per Unit	Special Assessments	Interest Income	Projected Expenditures	Closing Balance
2021	76,389	4,272	15	-	1,833	-	82,494
2022	82,494	4,349	16	-	2,028	-	88,871
2023	88,871	4,427	16	-	1,878	12,616	82,560
2024	82,560	4,507	16	-	242	74,485	12,824
2025	12,824	10,293	37	-	257	4,120	19,254
2026	19,254	10,478	38	26,517	-	58,249	(2,000)
2027	(2,000)	10,666	39	-	-	-	8,666
2028	8,666	10,858	39	46,956	-	68,481	(2,000)
2029	(2,000)	11,054	40	44,081	-	55,135	(2,000)
2030	(2,000)	11,253	41	40,266	-	51,518	(2,000)
2031	(2,000)	11,455	42	33,692	-	45,147	(2,000)
2032	(2,000)	11,662	42	52,774	-	64,436	(2,000)
2033	(2,000)	11,872	43	61,240	-	73,112	(2,000)
2034	(2,000)	12,085	44	146,384	-	158,470	(2,000)
2035	(2,000)	12,303	45	4,092	-	16,395	(2,000)
2036	(2,000)	12,524	45	17,960	-	30,484	(2,000)
2037	(2,000)	12,750	46	15,979	-	28,728	(2,000)
2038	(2,000)	12,979	47	156,697	-	169,676	(2,000)
2039	(2,000)	13,213	48	26,636	-	39,849	(2,000)
2040	(2,000)	13,451	49	23,910	-	37,361	(2,000)
2041	(2,000)	13,693	50	75,545	-	89,237	(2,000)
2042	(2,000)	13,939	51	51,370	-	65,310	(2,000)
2043	(2,000)	14,190	51	9,569	-	23,759	(2,000)
2044	(2,000)	14,445	52	-	-	-	12,445
2045	12,445	14,706	53	-	332	627	26,856
2046	26,856	14,970	54	-	624	2,841	39,610
2047	39,610	15,240	55	-	999	-	55,848
2048	55,848	15,514	56	-	512	36,528	35,345
2049	35,345	15,793	57	-	896	-	52,035
2050	52,035	16,078	58	-	521	32,345	36,288
2051	36,288	16,367	59	22,964	-	77,619	(2,000)

All values in $CAD

Real Dollar Cash Flow—Minimum Funding

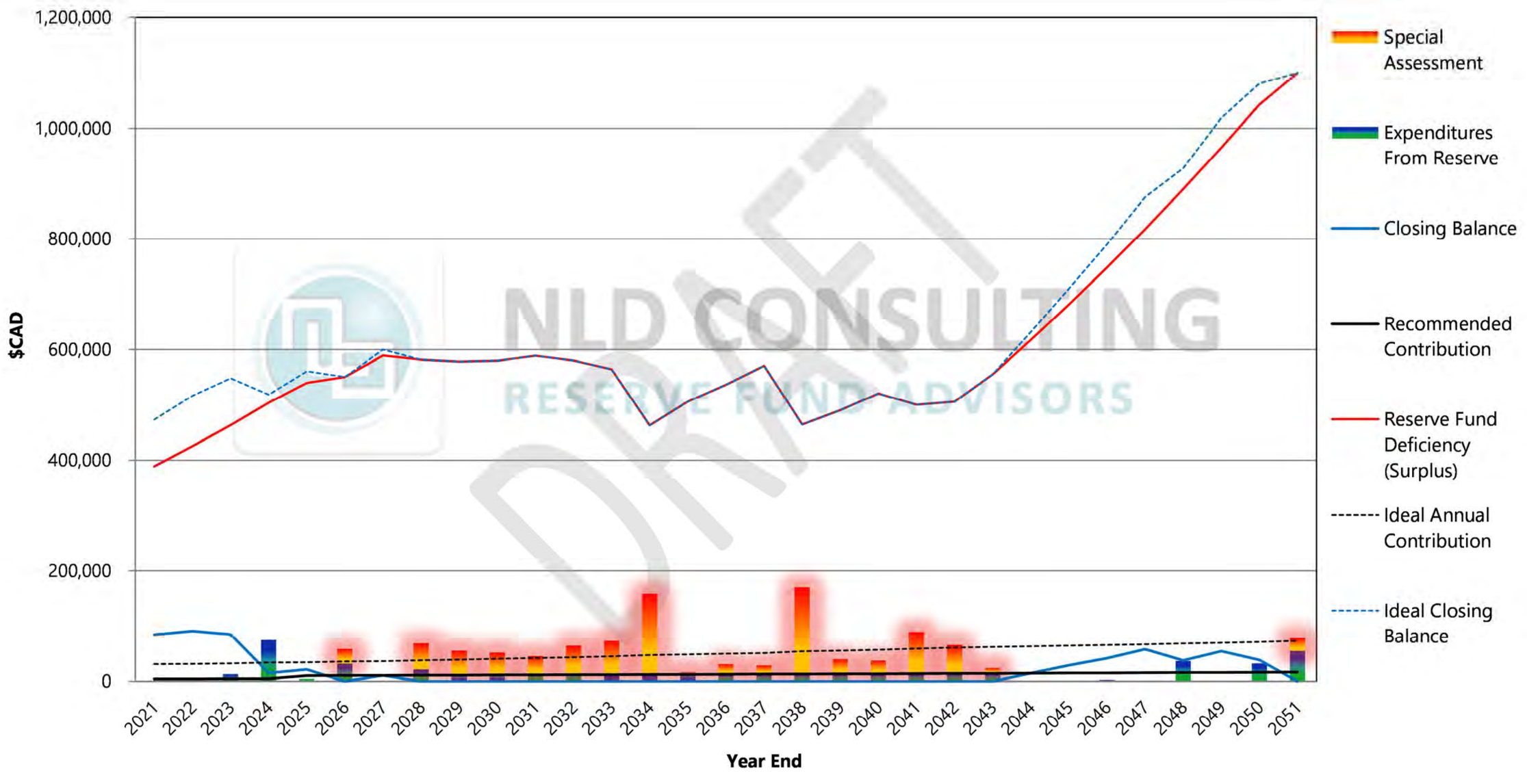
Oasis

Construction Inflation Rate	2.9%
Long-Term Interest Rate	2.4%
Inflation Rate (CPI)	1.8%

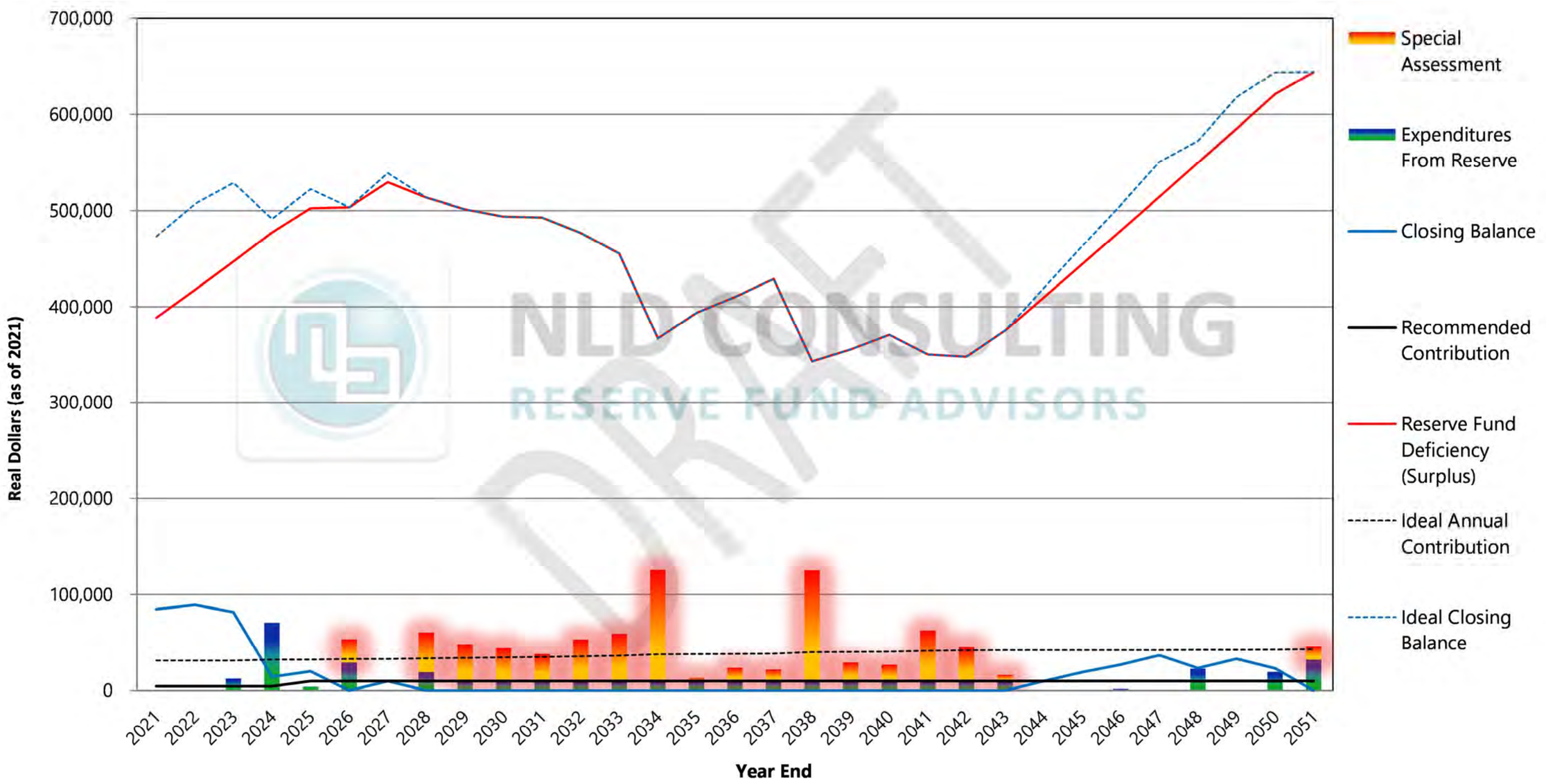
Fiscal Year End	Opening Balance	Annual Contribution	Avg Monthly Contribution per Unit	Special Assessments	Interest Income	Projected Expenditures	Closing Balance
2021	76,389	4,272	15	-	1,833	-	82,494
2022	81,036	4,272	15	-	1,992	-	87,300
2023	85,756	4,272	15	-	1,812	12,174	79,666
2024	78,258	4,272	15	-	229	70,603	12,156
2025	11,941	9,584	35	-	239	3,836	17,928
2026	17,611	9,584	35	24,254	-	53,278	(1,829)
2027	(1,797)	9,584	35	-	-	-	7,787
2028	7,649	9,584	35	41,444	-	60,442	(1,765)
2029	(1,734)	9,584	35	38,218	-	47,802	(1,734)
2030	(1,703)	9,584	35	34,293	-	43,877	(1,703)
2031	(1,673)	9,584	35	28,187	-	37,771	(1,673)
2032	(1,644)	9,584	35	43,371	-	52,955	(1,644)
2033	(1,615)	9,584	35	49,438	-	59,022	(1,615)
2034	(1,586)	9,584	35	116,084	-	125,668	(1,586)
2035	(1,558)	9,584	35	3,188	-	12,772	(1,558)
2036	(1,530)	9,584	35	13,743	-	23,327	(1,530)
2037	(1,503)	9,584	35	12,011	-	21,595	(1,503)
2038	(1,477)	9,584	35	115,704	-	125,288	(1,477)
2039	(1,451)	9,584	35	19,320	-	28,904	(1,451)
2040	(1,425)	9,584	35	17,036	-	26,620	(1,425)
2041	(1,400)	9,584	35	52,875	-	62,458	(1,400)
2042	(1,375)	9,584	35	35,319	-	44,903	(1,375)
2043	(1,351)	9,584	35	6,463	-	16,047	(1,351)
2044	(1,327)	9,584	35	-	-	-	8,257
2045	8,111	9,584	35	-	216	408	17,502
2046	17,193	9,584	35	-	400	1,819	25,358
2047	24,909	9,584	35	-	628	-	35,121
2048	34,500	9,584	35	-	316	22,565	21,834
2049	21,448	9,584	35	-	544	-	31,576
2050	31,018	9,584	35	-	310	19,281	21,631
2051	21,249	9,584	35	13,447	-	45,450	(1,171)

All values in $CAD, adjusted for CPI inflation

Minimum Funding Schedule



Minimum Funding Schedule (Real Dollars)



Reserve Fund Projection—Full Funding Model

Oasis

Construction Inflation Rate	2.9%
Long-Term Interest Rate	2.4%
Inflation Rate (CPI)	1.8%

Cashflow	Aug 2020–Jul 2021	Aug 2021–Jul 2022	Aug 2022–Jul 2023	Aug 2023–Jul 2024	Aug 2024–Jul 2025	Aug 2025–Jul 2026	Aug 2026–Jul 2027	Aug 2027–Jul 2028	Aug 2028–Jul 2029	Aug 2029–Jul 2030	Aug 2030–Jul 2031	Aug 2031–Jul 2032	Aug 2032–Jul 2033	Aug 2033–Jul 2034	Aug 2034–Jul 2035	Aug 2035–Jul 2036
Opening Balance	**76,400**	**84,500**	**109,100**	**126,800**	**87,200**	**122,800**	**107,900**	**156,500**	**140,300**	**141,500**	**150,500**	**169,600**	**172,800**	**169,800**	**81,400**	**138,400**
Reserve Fund Income																
Recommended Annual Contribution	4,300	22,500	28,100	33,600	37,700	41,900	46,000	50,100	54,300	58,400	61,700	65,000	67,800	69,800	71,800	73,900
Special Assessment																
Transfers to (from) the Reserve Fund																
Other Income	2,000															
Interest Income	1,800	2,000	2,300	1,300	2,000	1,500	2,600	2,100	2,000	2,200	2,500	2,500	2,400	300	1,600	2,600
Total Cash Resources	**84,500**	**109,100**	**139,400**	**161,700**	**126,900**	**166,200**	**156,500**	**208,800**	**196,600**	**202,000**	**214,800**	**237,200**	**243,000**	**239,900**	**154,800**	**214,800**
Reserve Fund Expenditures																
Total Expenditures	**-**	**-**	**12,600**	**74,500**	**4,100**	**58,200**	**-**	**68,500**	**55,100**	**51,500**	**45,100**	**64,400**	**73,100**	**158,500**	**16,400**	**30,500**
Closing Balance	**84,500**	**109,100**	**126,800**	**87,200**	**122,800**	**107,900**	**156,500**	**140,300**	**141,500**	**150,500**	**169,600**	**172,800**	**169,800**	**81,400**	**138,400**	**184,300**
Deficiency Analysis																
Ideal Annual Contribution	31,000	31,500	32,200	33,700	34,300	35,600	36,300	37,700	39,000	40,300	41,600	43,100	44,700	47,400	48,500	49,700
Ideal Closing Balance	473,100	516,000	547,700	518,300	560,800	550,200	599,700	581,700	578,200	579,700	588,900	580,200	564,000	462,700	505,500	536,100
Reserve Fund Deficiency (Surplus)	**388,600**	**407,000**	**420,900**	**431,100**	**438,100**	**442,300**	**443,200**	**441,400**	**436,700**	**429,200**	**419,300**	**407,400**	**394,200**	**381,300**	**367,100**	**351,700**
Actual/Ideal Contributions	**14%**	**71%**	**87%**	**100%**	**110%**	**118%**	**127%**	**133%**	**139%**	**145%**	**148%**	**151%**	**152%**	**147%**	**148%**	**149%**
DCQ Score	**47.9**	**16.6**	**13.9**	**12.4**	**11.0**	**10.2**	**9.1**	**8.4**	**7.8**	**7.1**	**6.5**	**6.0**	**5.6**	**5.4**	**5.0**	**4.6**

All values in $CAD, rounded to the nearest hundred

Full Funding Model, Continued

Oasis

Cashflow	Aug 2036–Jul 2037	Aug 2037–Jul 2038	Aug 2038–Jul 2039	Aug 2039–Jul 2040	Aug 2040–Jul 2041	Aug 2041–Jul 2042	Aug 2042–Jul 2043	Aug 2043–Jul 2044	Aug 2044–Jul 2045	Aug 2045–Jul 2046	Aug 2046–Jul 2047	Aug 2047–Jul 2048	Aug 2048–Jul 2049	Aug 2049–Jul 2050	Aug 2050–Jul 2051
Opening Balance	**184,300**	**235,400**	**145,500**	**188,700**	**237,800**	**237,300**	**263,800**	**336,100**	**437,000**	**542,400**	**650,800**	**767,600**	**852,700**	**980,300**	**1,080,900**
Reserve Fund Income															
Recommended Annual Contribution	76,000	78,200	80,500	82,800	85,200	87,700	90,200	92,900	95,500	98,300	101,200	104,100	107,100	110,200	73,200
Special Assessment															
Transfers to (from) the Reserve Fund															
Other Income															
Interest Income	3,700	1,600	2,500	3,600	3,600	4,100	5,800	8,100	10,500	12,900	15,600	17,500	20,500	22,800	24,100
Total Cash Resources	**264,100**	**315,200**	**228,500**	**275,100**	**326,500**	**329,100**	**359,800**	**437,000**	**543,000**	**653,600**	**767,600**	**889,200**	**980,300**	**1,113,300**	**1,178,200**
Reserve Fund Expenditures															
Total Expenditures	**28,700**	**169,700**	**39,800**	**37,400**	**89,200**	**65,300**	**23,800**	**-**	**600**	**2,800**	**-**	**36,500**	**-**	**32,300**	**77,600**
Closing Balance	**235,400**	**145,500**	**188,700**	**237,800**	**237,300**	**263,800**	**336,100**	**437,000**	**542,400**	**650,800**	**767,600**	**852,700**	**980,300**	**1,080,900**	**1,100,600**
Deficiency Analysis															
Ideal Annual Contribution	50,900	53,800	55,300	56,700	58,700	60,600	61,900	63,000	64,200	65,400	66,500	68,100	69,400	71,000	73,200
Ideal Closing Balance	570,500	464,200	489,800	520,000	499,800	505,500	555,200	631,600	710,300	789,800	875,300	927,000	1,018,600	1,080,900	1,100,600
Reserve Fund Deficiency (Surplus)	**335,100**	**318,800**	**301,200**	**282,200**	**262,500**	**241,700**	**219,200**	**194,600**	**167,900**	**139,000**	**107,700**	**74,300**	**38,300**	**-**	**-**
Actual/Ideal Contributions	**149%**	**145%**	**146%**	**146%**	**145%**	**145%**	**146%**	**147%**	**149%**	**150%**	**152%**	**153%**	**154%**	**155%**	**100%**
DCQ Score	**4.2**	**4.0**	**3.6**	**3.3**	**3.0**	**2.6**	**2.3**	**1.9**	**1.6**	**1.2**	**0.9**	**0.6**	**0.3**	**0.0**	**0.0**

All values in $CAD, rounded to the nearest hundred

Nominal Cash Flow—Full Funding

Oasis

Construction Inflation Rate	2.9%
Long-Term Interest Rate	2.4%
Inflation Rate (CPI)	1.8%

Fiscal Year End	Opening Balance	Annual Contribution	Avg Monthly Contribution per Unit	Special Assessments	Interest Income	Projected Expenditures	Closing Balance
2021	76,389	4,272	15	-	1,833	-	82,494
2022	82,494	22,538	82	-	2,028	-	107,060
2023	107,060	28,058	102	-	2,315	12,616	124,816
2024	124,816	33,578	122	-	1,256	74,485	85,166
2025	85,166	37,718	137	-	1,993	4,120	120,757
2026	120,757	41,858	152	-	1,548	58,249	105,914
2027	105,914	45,998	167	-	2,590	-	154,502
2028	154,502	50,138	182	-	2,113	68,481	138,271
2029	138,271	54,278	197	-	2,043	55,135	139,457
2030	139,457	58,418	212	-	2,159	51,518	148,515
2031	148,515	61,730	224	-	2,529	45,147	167,626
2032	167,626	65,042	236	-	2,525	64,436	170,757
2033	170,757	67,802	246	-	2,391	73,112	167,838
2034	167,838	69,768	253	-	273	158,470	79,410
2035	79,410	71,791	260	-	1,560	16,395	136,366
2036	136,366	73,873	268	-	2,589	30,484	182,345
2037	182,345	76,016	275	-	3,735	28,728	233,367
2038	233,367	78,220	283	-	1,577	169,676	143,487
2039	143,487	80,489	292	-	2,535	39,849	186,662
2040	186,662	82,823	300	-	3,631	37,361	235,755
2041	235,755	85,225	309	-	3,564	89,237	235,307
2042	235,307	87,696	318	-	4,128	65,310	261,821
2043	261,821	90,239	327	-	5,761	23,759	334,063
2044	334,063	92,856	336	-	8,066	-	434,984
2045	434,984	95,549	346	-	10,473	627	540,379
2046	540,379	98,320	356	-	12,949	2,841	648,807
2047	648,807	101,171	367	-	15,619	-	765,598
2048	765,598	104,105	377	-	17,546	36,528	850,720
2049	850,720	107,124	388	-	20,465	-	978,310
2050	978,310	110,231	399	-	22,751	32,345	1,078,947
2051	1,078,947	73,174	265	-	24,080	77,619	1,098,582

All values in $CAD

Real Dollar Cash Flow—Full Funding

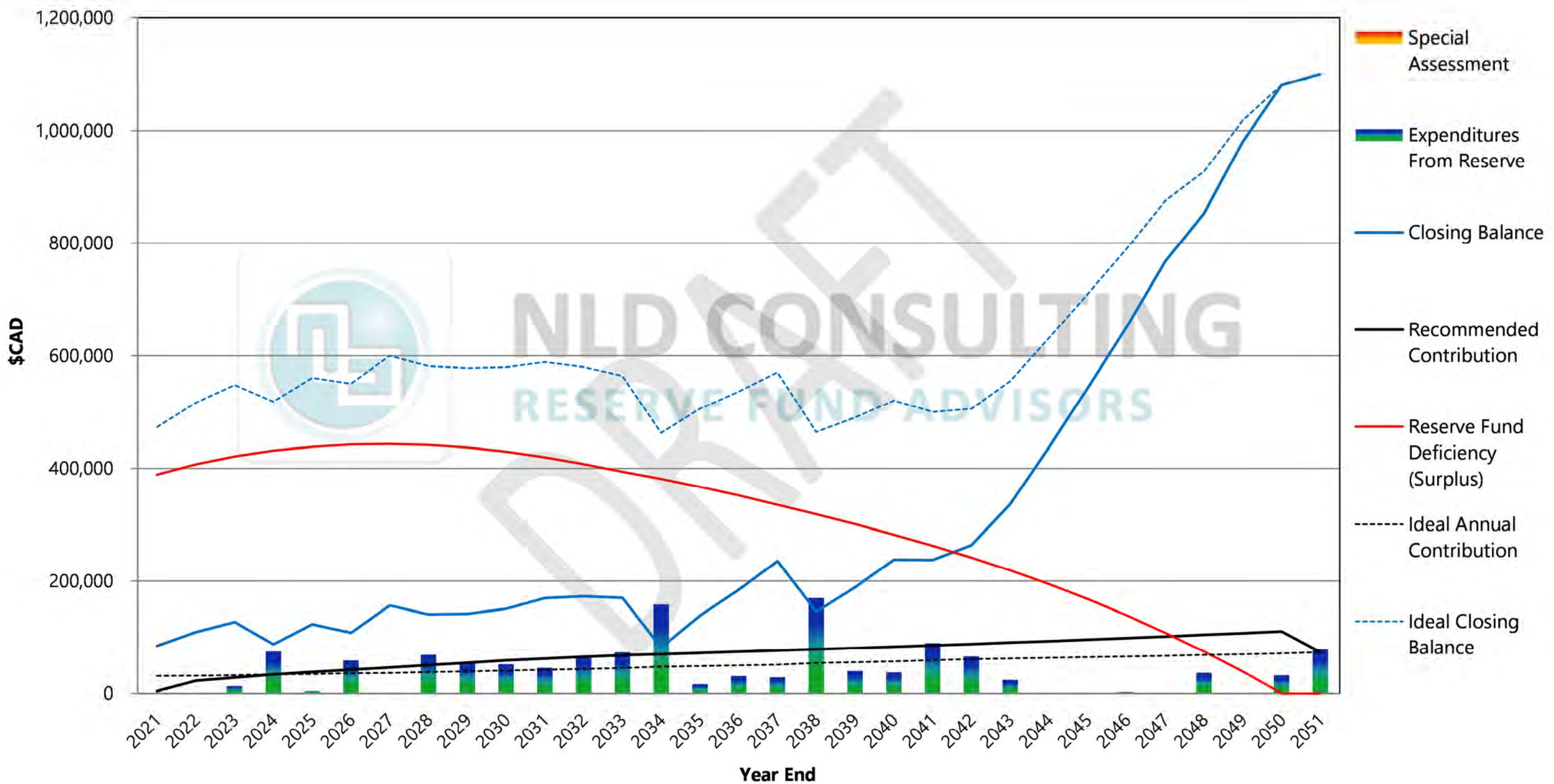
Oasis

Construction Inflation Rate	2.9%
Long-Term Interest Rate	2.4%
Inflation Rate (CPI)	1.8%

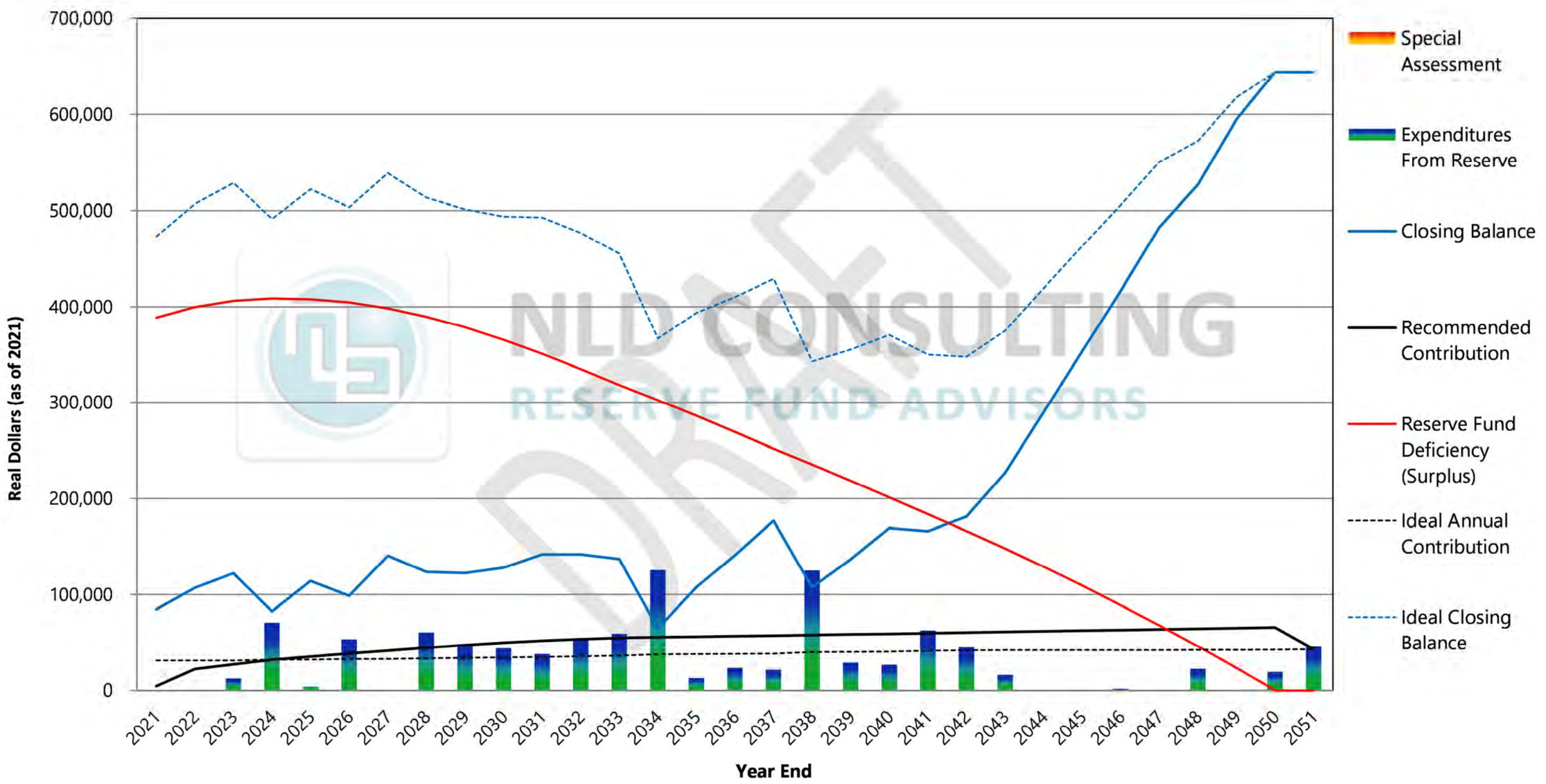
Fiscal Year End	Opening Balance	Annual Contribution	Avg Monthly Contribution per Unit	Special Assessments	Interest Income	Projected Expenditures	Closing Balance
2021	76,389	4,272	15	-	1,833	-	82,494
2022	81,036	22,139	80	-	1,992	-	105,167
2023	103,308	27,074	98	-	2,234	12,174	120,441
2024	118,312	31,828	115	-	1,191	70,603	80,727
2025	79,300	35,120	127	-	1,856	3,836	112,440
2026	110,452	38,286	139	-	1,416	53,278	96,876
2027	95,163	41,329	150	-	2,327	-	138,819
2028	136,364	44,252	160	-	1,865	60,442	122,039
2029	119,881	47,059	171	-	1,772	47,802	120,909
2030	118,771	49,753	180	-	1,838	43,877	126,486
2031	124,249	51,644	187	-	2,116	37,771	140,238
2032	137,758	53,452	194	-	2,075	52,955	140,331
2033	137,849	54,735	198	-	1,931	59,022	135,493
2034	133,098	55,327	200	-	216	125,668	62,973
2035	61,859	55,925	203	-	1,215	12,772	106,228
2036	104,349	56,529	205	-	1,981	23,327	139,533
2037	137,066	57,140	207	-	2,807	21,595	175,418
2038	172,317	57,757	209	-	1,164	125,288	105,950
2039	104,077	58,381	212	-	1,839	28,904	135,393
2040	132,999	59,012	214	-	2,587	26,620	167,978
2041	165,008	59,650	216	-	2,495	62,458	164,694
2042	161,782	60,294	218	-	2,838	44,903	180,012
2043	176,829	60,946	221	-	3,891	16,047	225,620
2044	221,630	61,604	223	-	5,351	-	288,586
2045	283,483	62,270	226	-	6,825	408	352,170
2046	345,943	62,943	228	-	8,290	1,819	415,357
2047	408,013	63,623	231	-	9,822	-	481,458
2048	472,945	64,311	233	-	10,839	22,565	525,529
2049	516,237	65,005	236	-	12,419	-	593,661
2050	583,164	65,708	238	-	13,562	19,281	643,153
2051	631,781	42,847	155	-	14,100	45,450	643,279

All values in $CAD, adjusted for CPI inflation

Full Funding Schedule



Full Funding Schedule (Real Dollars)



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

CUSPAP 2016 comprises six standards, each containing rules, comments, practice notes, and definitions. These Standards include an Ethics Standard, a Real Property Appraisal Standard, a Review Standard, a Consulting Standard, a Reserve Planning Standard, and a Machinery and Equipment Appraisal Standard. A Reserve Fund Study falls under the Reserve Planning Standard of the Appraisal Institute of Canada (AIC) CUSPAP rules.

More specifically, **CUSPAP Section 12 - Reserve Fund Planning Rules** deals with the procedures for the development and communication of a Reserve Fund Study and incorporates the minimum content necessary to produce a credible result.

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

Identify the client and other intended users by name

VAS 495—"Oasis", c/o Harbourside Property Management

Identify the intended use of the opinions and conclusions

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

Identify the purpose of the study

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

Identify the characteristics of the property

Refer to Section 2.

Identify the effective date of the study

December 10, 2020

Identify the date of completion of the study

February 2, 2021

Identify the legislation that applies to the assignment

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

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

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

Identify all assumptions and limiting conditions

See Appendix B.

Identify any hypothetical conditions (including proposed improvements)

No hypothetical conditions are invoked, unless otherwise indicated.

Describe and analyze all relevant data to complete the reserve fund study

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

Define and delineate the pertinent components the reserve fund study is to cover

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

Provide a Benchmark Analysis

See Section 5.1 of the report.

Provide a Cash Flow projection

See Section 5.3 of the report.

Provide an opinion on the adequacy of the reserve fund contributions

See Sections 5.4 of the report.

Provide a reserve fund model

See Section 5.2 of the report.

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

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

Report the final conclusions/recommendations

Please refer to section 6 of the report.

Include a signed certification

See signed certification, page 6.

Additionally, **CUSPAP Section 13 - Reserve Fund Standard - Comments** provides additional details in order to clarify, interpret, explain, and elaborate on the rules, and form an integral part of the Standards. Their action is compulsory.

The Practice Notes offer advice, examples and resolution; their application is not mandatory. The **Practice Notes Section of CUSPAP** related to Reserve Fund Studies states:

16.46.1 Since Reserve Fund Studies are completed to provide financial planning advice, the reserve fund planning service should:

16.46.1.i consider the stated policies defining those components to be covered by the study

16.46.1.ii and incorporate a comprehensive benchmark analysis including life cycle

analysis, current and future replacement costs and future reserve fund accumulations.

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

16.49.2 Due to the number of technical issues, the reserve fund planner should consider including a section of defined terms, as they are applied in the study. A definitions section in the report would aid the client and the intended user in understanding how the conclusions in the report were reached.

16.49.3 For example, many clients relying on the report may not be familiar with terms common to Reserve Fund Studies such as:

16.49.3.i Future Reserve Requirement,

16.49.3.ii Future Reserve Fund Accumulation,

16.49.3.iii Remaining Life.

16.49.4 The terminology may also vary between provinces or be determined by legislation. The definition of these terms could vary somewhat between one reserve planner and another.

16.50.1 Various models, which can affect the basis of calculation in the benchmark analysis as well as the cash flow projections are available for the reserve fund planner's consideration. Reasoning should be included in the report to understand the basis of calculations and how they relate to the recommendations.

Additionally, a signed certification must be included, and this certification must clearly specify which individual(s) did or did not make a personal inspection of the subject property. Additionally, the report must be signed or co-signed by an accredited member of the AIC holding the designation AACI, P. App., and/or a designated member of the AIC holding the designation CRA (see CUSPAP 5.5.3.i).

Appendix L—Glossary

Adequate Funding Model

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

Annual Contribution

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

Benchmark Analysis

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

Budget Percentage

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

Certified Reserve Planner (CRP)

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

Closing Balance

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

Component

A physical improvement to the development.

Condominium Act

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

Condominium Act Regulation

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

Construction Cost Inflation

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

Contingency Reserve Fund (CRF)

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

Contribution

See Annual Contribution.

CPI Inflation

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

Current Age

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

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

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

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

Deficiency

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

Deficiency/Contribution Quotient (DCQ)

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

Depreciation Report

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

Effective Age

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

End of Life

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

Expenditure

See Reserve Expenditure.

Full Funding Model

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

Fully Funded

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

Functional Obsolescence

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

Funding Model

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

Ideal Annual Contribution

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

Ideal Balance

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

Ideal Closing Balance

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

Interest

Money earned on all reserve fund investments.

Lifespan

The average life expectancy of a Reserve Component.

Minimum Balance

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

Minimum Funding Model

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

Nominal Dollars

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

Non-Reserve Component

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

Opening Balance

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

Operating Fund

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

Qualified Person

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

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

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

"Who may conduct a reserve fund study

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

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

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

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

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

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

Real Dollars

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

Remaining Life

The difference between Effective Age and Lifespan.

Reserve Component

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

Reserve Expenditure

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

Reserve Fund

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

Reserve Fund Deficiency

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

Reserve Fund Study

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

Special Assessment/Levy

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

Strata Property Act

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

Strata Property Regulation

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

Threshold Funding

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

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