



2018 DEPRECIATION REPORT
UPDATE (REVISED)
FOR
PACIFIC LANDMARK II,
930 CAMBIE STREET, VANCOUVER

PREPARED FOR:

The Owners, Strata Plan LMS 1588
c/o Ascent Real Estate Management
2176 Willingdon Avenue
Burnaby, BC V6H 3X8
Attention: Mr. Jihad Faris, Strata Manager

PREPARED BY:

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June 19, 2019
Sense's Project No. 17A004A



EXECUTIVE SUMMARY

The Owners of Strata Plan LMS 1588 retained *Sense Engineering* to prepare this 2018 Depreciation Report for Pacific Landmark II at 930 Cambie Street, Vancouver. This report satisfies the requirements of the BC *Strata Property Act* and Regulations.

This report has been revised to incorporate an alternate strategy for managing the windows, instead of replacing the windows. The strategy is based on “Option 5 – Do Nothing” from *Sense Engineering’s* revised Building Envelope Evaluation report, dated June 18, 2019. As EIFS replacement was previously included with general window replacement, we’ve added an EIFS repair budget to the projected expenditures.

The Strata Corporation's present fiscal year runs from May 1 to April 30. For the purposes of this report the 2018 Fiscal Year runs from May 1, 2017 to April 30, 2018.

Pacific Landmark II is a 31 storey tower with 122 residential units and one commercial unit, constructed over a 2 storey (4 split levels) underground parking garage. Amenities include common corridors, bike storage, meeting room, and party room with a kitchen and bathroom. The building was constructed in 1994.

We understand the Strata shares the entrance plaza with Pacific Landmark I at 950 Cambie Street. The two water features in the plaza are also shared, as are two access ramps within the parkade below the plaza. There is also a recreation/fitness facility in Pacific Landmark I, which Landmark Pacific II has use of and pays a monthly fee to Pacific Landmark I to cover the cost of maintenance and any capital repairs.



The property and building have been well maintained over the years.

The Common Assets section of this report (see Appendix A) details each common asset at the property, listed under a building system heading. Under each common asset there is a brief description of the asset, a section on known history of repairs and renewals (where information was available), a section dedicated to our analysis of existing conditions, and then our recommended repair and renewal projects, including costs and timing.

The timing of repair and renewal projects in this report is based on past performance and existing conditions and assume continued maintenance. Actual timing can vary depending on many factors, including the frequency or intensity of future building maintenance. Under strict maintenance regimens, the timing of repairs and renewal projects could possibly extend beyond what is presented in this report. Conversely, should essential and timely maintenance not be carried out, the timing of repairs and renewal projects could possibly occur years sooner than what is presented in this report.

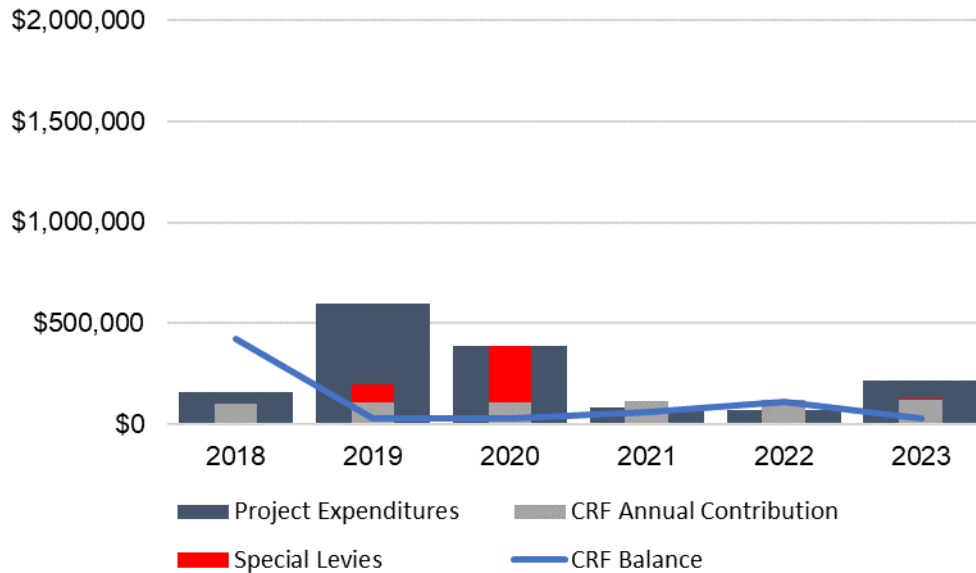
You will note that there are recommended projects and investigations in the next three years, i.e., before the next update to this Depreciation Report. These projects are summarized on the following page.

<p>2018 \$157,000</p>	<p><u>1.2 Balconies</u> Evaluate Condition of the Balconies, including Coatings and Guards – \$5,000</p> <p><u>1.4 Parking Garage</u> Evaluate Condition of the Parking Garage – \$10,000</p> <p><u>5.1 Site Features and Paving</u> Locally Repair Colonnade and Trellis, including concrete and masonry repairs and re-painting – \$70,000</p> <p><u>7.1 Domestic Hot Water</u> Replace Boilers (1 per cycle) – \$12,000</p> <p><u>9.1 Elevators</u> Replace Elevator Door Operators – \$60,000</p>
<p>2019 \$599,460</p>	<p><u>1.4 Parking Garage</u> Re-waterproof Suspended Slabs – \$113,300 Re-waterproof Garage Roof Slab at South Side of the Building (at Pacific Landmark II property only) – \$309,000</p> <p><u>2.1 Exterior Walls</u> Repair Masonry and Improve Water Shedding at Masonry and Concrete Clad Walls, Clean and Re-coat Exposed EIFS and Replace Caulking – \$149,350</p> <p><u>2.2 Windows, Balcony and Roof Deck Doors</u> Locally Repair Windows and Doors – \$15,450</p> <p><u>7.1 Domestic Hot Water</u> Replace Boilers (1 per cycle) – \$12,360</p>
<p>2020 \$390,199</p>	<p><u>1.2 Balconies</u> Repair Balconies, including Re-coating and Local Repairs – \$90,177</p> <p><u>2.2 Windows, Balcony and Roof Deck Doors</u> Locally Repair Windows and Doors – \$26,523</p> <p><u>2.4 Roofing</u> Replace Main and Mechanical Penthouse Roofs – \$169,744</p> <p><u>3.3 Suppression</u> Replace Fire Pump and Controller – \$53,045</p> <p><u>6.1 Heating and Cooling</u> Replace Electrical Room Air Conditioning Unit – \$21,218</p> <p><u>7.1 Domestic Hot Water</u> Replace Boilers (1 per cycle) – \$12,731</p> <p><u>7.2 Domestic Water Piping/Valves</u> Evaluate Domestic Water Distribution System – \$8,487</p> <p><u>12.1 Depreciation Reports</u> Depreciation Report Update – \$8,275</p>

The Common Asset information was input into a Projected Expenditures spreadsheet, which shows all common assets and their related repair and renewal projects, costs, and timing over a 30-year period (see Appendix B). You will note that critical years (years with significant expenditures) include: 2025 and 2030. The 30-year Projected Expenditures sheet has generated Contingency Reserve Fund cash flows, including opening balance, inflation, interest, and minimum balance. The three cash flows we have provided (see Appendices C, D and E) show varying funding scenarios for the Reserve Fund and are summarized as follows:

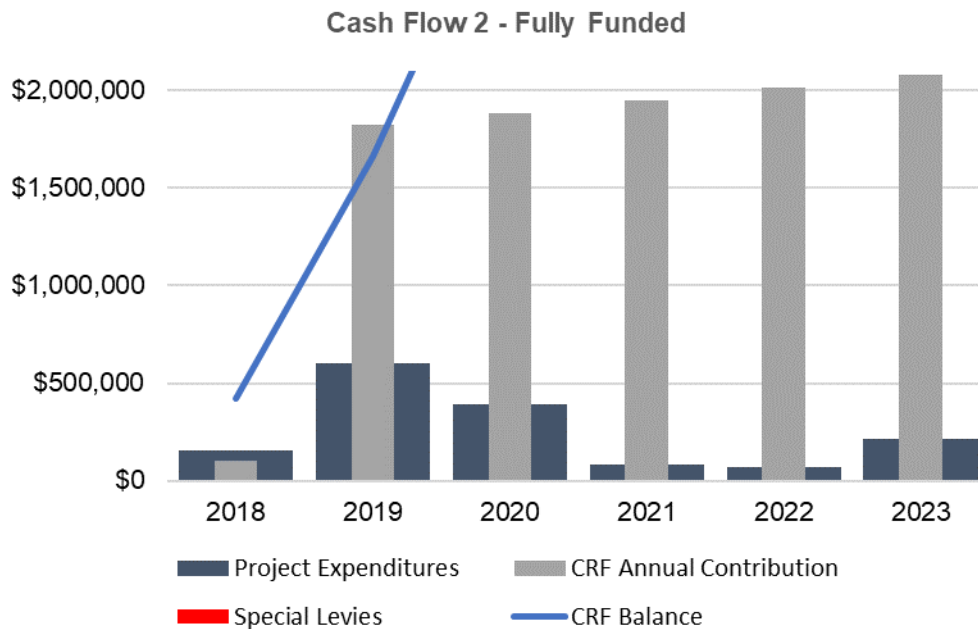
Cash Flow Analysis 1 - Status Quo: This funding scenario shows contributions to the Contingency Reserve Fund at the same level as is presently being contributed. This shows that there are several years where the amount in the Reserve Fund will not be sufficient to cover the costs of required repairs and renewals and the resultant amount of the Special Levy, in that particular year, that will be required in order to cover costs. See below for the first six year snap shot of this scenario, see Appendix C for both 10 year and full 30 year presentation tables and graphs.

Cash Flow 1 - Status Quo



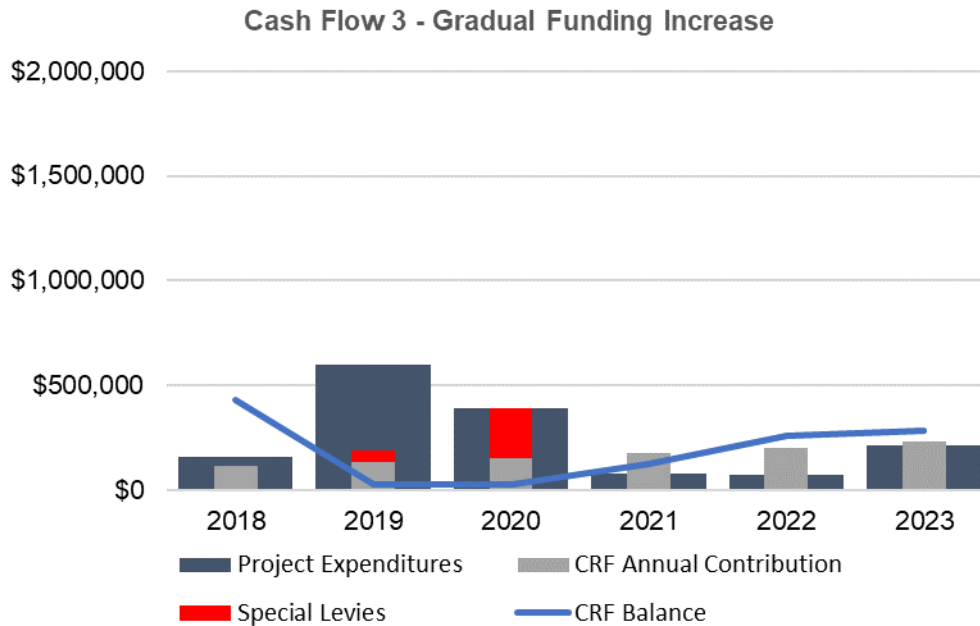
Year	2018	2019	2020	2021	2022	2023
Project Expenditures	\$157,000	\$599,460	\$390,199	\$79,769	\$69,782	\$213,075
CRF Annual Contribution	\$103,300	\$106,709	\$110,230	\$113,868	\$117,626	\$121,507
Special Levies	\$0	\$92,377	\$279,790	\$0	\$0	\$7,641
CRF Balance	\$420,430	\$25,825	\$26,677	\$61,841	\$111,198	\$29,406
Min Required CRF Balance	\$25,000	\$25,825	\$26,677	\$27,558	\$28,467	\$29,406

Cash Flow Analysis 2 - Fully Funded (No Special Levies): This funding scenario shows contributions to the Contingency Reserve Fund that would be required to cover the cost of future repairs and replacements with no Special Levies. Annual contributions would only be increased by the amount of inflation. See below for the first six year snap shot of this scenario, see Appendix D for both 10 year and full 30 year presentation tables and graphs.



Year	2018	2019	2020	2021	2022	2023
Project Expenditures	\$157,000	\$599,460	\$390,199	\$79,769	\$69,782	\$213,075
CRF Annual Contribution	\$103,300	\$1,824,695	\$1,884,910	\$1,947,112	\$2,011,367	\$2,077,742
Special Levies	\$0	\$0	\$0	\$0	\$0	\$0
CRF Balance	\$420,430	\$1,662,642	\$3,189,711	\$5,108,245	\$7,124,589	\$9,088,778
Min Required CRF Balance	\$25,000	\$25,825	\$26,677	\$27,558	\$28,467	\$29,406

Cash Flow Analysis 3 (RECOMMENDED) - Gradual Funding Increase: This funding scenario shows gradual increases in contributions to the Contingency Reserve Fund and special levies for large expenditure years, so as not to overly burden the existing Owners; but, also to eventually (after 2030) bring the contributions to a level where the Reserve Fund is fully funded and annual contributions only needing to be increased by the amount of inflation. You will note that initial contribution amounts will be less than in the scenario of Cash Flow Analysis 2, but more in later years. See below for the first six year snap shot of this scenario, see Appendix E for both 10 year and full 30 year presentation tables and graphs.



Year	2018	2019	2020	2021	2022	2023
Project Expenditures	\$157,000	\$599,460	\$390,199	\$79,769	\$69,782	\$213,075
CRF Annual Contribution	\$115,000	\$132,250	\$152,088	\$174,901	\$201,136	\$231,306
Special Levies	\$0	\$54,751	\$237,660	\$0	\$0	\$0
CRF Balance	\$432,206	\$25,825	\$26,677	\$123,272	\$257,425	\$280,272
Min Required CRF Balance	\$25,000	\$25,825	\$26,677	\$27,558	\$28,467	\$29,406

Note: As per the BC *Strata Property Act Regulations*, the funding requirements and cash flows have been projected over a 30-year period. There are repair and replacement projects which will be required beyond the 30-year window of this report, and in future updates to your Depreciation Report these projects will eventually come into play and affect the future funding requirements of the Contingency Reserve Fund. These effects may be either negative or positive.

Assumptions: We had to make certain assumptions in preparing this Depreciation Report (see Appendix F). These assumptions should be reviewed by the Strata Corporation and confirmed as being accurate, or otherwise.

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1.0 STRATA PLAN LMS 1588

The *Strata Property Act* states that unless otherwise shown on the Strata Plan, if a Strata lot is separated from another Strata lot, the common property, or another parcel of land by a wall, floor or ceiling, the boundary of the Strata lot is midway between the surface of the structural portion of the wall, floor or ceiling that faces the lot, and the surface of the structural portion of the wall, floor or ceiling that faces the other Strata lot, the common property or another parcel of land. The *Act* also has easement provisions, reciprocally in favour of each Strata lot and common Strata property, in relation to services such as mechanical and electrical equipment.

Legal interpretations of the repair and maintenance obligations of the Strata Corporation as noted in the Statutes of the *Act* have generally stated that any component which plays an integral part in the performance of the common assets, say, the exterior wall, is generally the responsibility of the Strata Corporation (as opposed to an individual owner) to maintain, repair and replace.

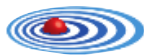
The Strata Corporation may wish to have this reviewed by its solicitor for the appropriateness of our understanding and assumptions of the unit boundaries and the responsibility thereof. These assumptions define the expenses included in the study.

Our interpretation of the Strata Plan and how we understand the Strata Corporation to be operating are that the following property assets (building components and systems) are the common assets, which must be addressed as part of this Depreciation Report:

- Structural frame, including exclusive use balconies;
- Roofs, including exclusive use roof decks;
- Exterior cladding, windows and doors;
- Interior finishes in common areas;
- Site finishes; and
- Common mechanical and electrical facilities.

We understand that components and systems, which are not common assets and are the responsibility of the individual owners include:

- Interior suite finishes;
- In-suite-specific plumbing and electrical fixtures and associated piping and wiring;
- In-suite HVAC units; and
- In-suite fireplaces.



2.0 STRATA PROPERTY ACT REQUIREMENTS

As per the BC *Strata Property Act* and Regulations:

"Depreciation reports help strata corporations plan for the repair, maintenance and replacement of common property, limited common property and common assets over a 30 year period.

The report must contain:

- A physical inventory of the common property and assets.
- Anticipated maintenance, repair and replacement costs for common expenses projected over 30 years.
- A financial forecasting section with at least three cash flow funding models.

Depreciation reports provide useful information to strata lot owners, prospective purchasers, mortgage providers and insurance companies."

Note: Our Depreciation Report provides information satisfying the above requirements.

In response to other requirements of the Regulations:

- The employees at *Sense Engineering* have prepared Depreciation-type reports across the Country since the early '90s, and our Team is familiar with virtually all building systems, failure mechanisms and required maintenance, and repair and replacement needs.
- *Sense Engineering* was retained by the Strata Corporation, and at the time of writing this report, no employees of *Sense Engineering* have any ownership interest (present or prospective) in the Strata Corporation or its management company, thereby solely providing independent 3rd party consulting services to the Strata Corporation.
- *Sense Engineering* carries \$5,000,000 in errors and omissions insurance.

3.0 SENSE'S SCOPE OF WORK

The Owners of Strata Plan LMS 1588 retained *Sense Engineering* to prepare this 2018 Depreciation Report update, in accordance with our proposal dated March 16, 2016.

Our intent in preparing this Depreciation Report update for the Strata Corporation was to:

- meet the requirements of the BC *Strata Property Act* and Regulations,
- make the report easy to understand and be a useful document to assist in managing the building, and
- include a sensible plan for managing costs to maintain, repair and renew the building over both the short and long term.

As part of our review and preparation of this report, we:

- Reviewed the information made available (see Appendix G) and had discussions with Mr. Tom Poirier (Building Operator) and Mr. Jihad Faris (Strata Manager) to:
 - verify which components of the Strata Corporation are common assets;
 - understand the extent of the Strata Corporation's interests with respect to shared facilities;
 - understand the general construction of the building and property;
 - understand the type and level of maintenance and repairs carried out in the past and planned for the future; and
 - understand the financial status of the Strata Corporation.
- Completed a visual review of a sampling of each of the common assets to make an assessment of existing conditions. As part of this review, we:
 - made observations of common assets from the ground, accessible roofs, suites and the commercial unit, and common and service areas;
 - gained access to suites 806, 903 and PH1; and
 - gained access to the commercial unit.

There was no access to the elevator pit or hoistway, so these areas were not reviewed.

We completed our site review on March 21, 2017.

- Created an inventory of common assets, including present age of each asset/system, and also assigned related repairs and renewals (and costs^{1,2}) that will be required over the remaining life of each asset/system.
- Calculated various funding scenarios to develop options for contributions to the Contingency Reserve Fund.
- Ted Denniston, AScT, LEED AP, reviewed the site and wrote this report. Brennan Vollerling, M.A.Sc., P.Eng, LEED AP, reviewed this report.

¹ Projected expenditures for repair and renewal projects assume a prudent level of ongoing maintenance. Costs shown are inflated and include contingencies (typically 5 to 15%) and allowances for design/project management (5 to 15%), where appropriate. GST (5%) has also been included.

² As per the *Act*, a depreciation report is to include anticipated maintenance, repair and replacement costs for common expenses that usually occur less often than once a year. In general, any repair or renewal project greater than \$2,500 has been captured and included in the Depreciation Report. Smaller repairs and replacement work, and routine building maintenance items have not been included in the report, except where significant programs of maintenance to defer future repair or renewal projects, or one-time maintenance projects to catch-up on deferred maintenance were deemed to be required.

Should you have any immediate questions, please feel free to contact us.

Yours truly,



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4.0 LIMITATIONS

No party other than the Client (*Strata Plan LMS 1588*) shall rely on the Consultant's work without the express written consent of the Consultant (*Sense Engineering Ltd.*). The scope of work and related responsibilities are defined in the Consultant's proposal and Conditions of Assignment. Any use which a third party makes of this work, or any reliance on or decisions to be made based on it, is the responsibility of such third parties. Decisions made or actions taken as a result of our work shall be the responsibility of the parties directly involved in the decisions or actions. Any third party user of this report specifically denies any right to any claims, whether in contract, tort and/or any other cause of action in law, against the Consultant (including Sub-Consultants, their officers, agents and employees).

The work reflects the best judgement of the Consultant in light of the information reviewed by them at the time of preparation. Unless otherwise agreed in writing by the Consultant, it shall not be used to express or imply warranty as to the fitness of the property for a particular purpose. This is not a certification of compliance with past or present regulations. No portion of this report may be used as a separate entity; it is written to be read in its entirety.

This work does not wholly eliminate uncertainty regarding the potential for existing or future costs, hazards or losses in connection with a property. No physical or destructive testing and no design calculations have been performed unless specifically recorded. Conditions existing, but not recorded, were not apparent given the level of study undertaken. Only conditions actually seen during examination of representative samples can be said to have been appraised and comments on the balance of the conditions are assumptions based upon extrapolation. We can perform further investigation(s) on items of concern, if so required.

Only the specific information identified has been reviewed. The Consultant is not obligated to identify mistakes or insufficiencies in the information obtained from the various sources or to verify the accuracy of the information.

The Consultant was not to investigate or provide advice, and is not investigating or providing advice, about pollutants, contaminants or hazardous materials.

The Client and other users of this report expressly deny any right to any claim, including personal injury claims, which may arise out of pollutants, contaminants or hazardous materials, including but not limited to asbestos, mould, mildew or other fungus.

Projected project expenditure figures are our opinion of a probable current dollar value of the work and are provided for approximate budget purposes only. Accurate figures can only be obtained by establishing a scope of work and receiving quotes from suitable contractors.

Time frames given for undertaking work represent our opinion of when to budget for the work. Failure of the item, or the optimum repair/replacement process, may vary from our estimate.

As per our conditions of assignment pertaining to this project: The liability of *Sense Engineering* is limited to the Client in Contract and Tort to the amount available through *Sense Engineering's* professional liability insurance coverage. The Client expressly agrees that the individuals engaged by the Consultant shall have no personal liability to the Client in respect of a claim, whether in contract, tort and/or any other cause of action in law. The Client expressly agrees that it will bring no proceedings and take no action in any court of law against any of the individuals in their personal capacity.

APPENDIX A – COMMON ASSETS

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Note: The timing of repairs and renewal projects in this report are based on past performance and existing conditions and assume continued maintenance. Actual timing can vary depending on many factors, including the frequency or intensity of future building maintenance. Under strict maintenance regimens, the timing of repairs and renewal projects could possibly extend beyond what is presented in this report. Conversely, should essential and timely maintenance not be carried out, the timing of repairs and renewal projects could possibly occur years sooner than what is presented in this report.



1. STRUCTURE

1.1 STRUCTURAL FRAME

BRIEF DESCRIPTION:

The structure is concrete-framed, with cast-in-place reinforced concrete slabs, supported by reinforced concrete columns and walls. Drawings indicate that the floor slabs are conventionally reinforced.

The below-grade foundation walls are cast-in-place reinforced concrete. Drawings indicate that the lowest levels of the parking garage (P2 upper and lower levels) have 4" concrete slabs on grade and there are reinforced concrete strip and pad footings.

An opening was cut in the concrete wall between the parking garages of Pacific Landmark I and II to allow access from the shared ramp on the Pacific Landmark I side to the lower P2 level parking at the Pacific Landmark II side. A steel beam is installed to support the structure above the opening. We assume that this opening was made at the time of construction.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

No significant capital projects were reported to have been completed in relation to the structural frame of the building.

PRESENT CONDITIONS AND RECOMMENDATIONS:

Most of the structural components are concealed from view. We noted no evidence of unusual settlement, displacement, or structural cracking in the areas reviewed.

The interior portions of the structure are generally protected from weather and are not expected to require major repair within the term of this report. Expected repairs to structural elements exposed to weather are discussed in other sections of this report.

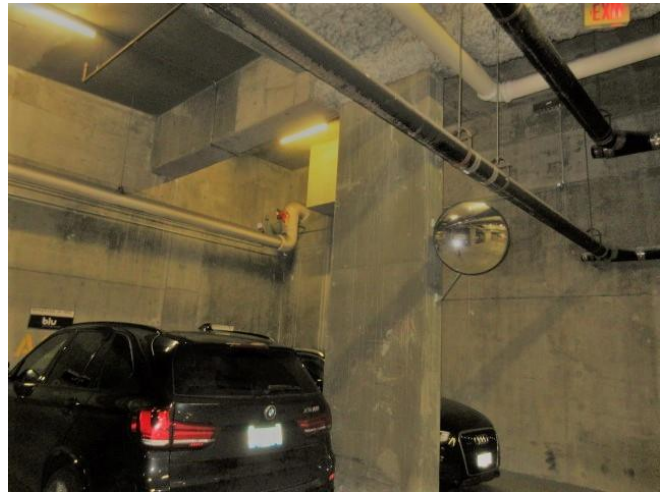


Photo 1: Typical structural frame in the parking garage.

This building is located in an area with a relatively high risk of strong seismic activity. *Sense Engineering* has not completed a structural analysis to confirm whether the building meets current earthquake resistance requirements. Upgrading to meet current Code requirements is not mandatory, so we have not included a projected expenditure for any structural retrofits. However, retrofits could be required if there is a major loss to the building, e.g., due to a fire or flood, or if a major renovation is carried out in the future.



1. STRUCTURE

1.2 BALCONIES

BRIEF DESCRIPTION:

There are balconies at the four outside corners of the building at the 13th to 29th floor levels. The balconies are formed by cantilevered extensions of the concrete floor slabs. There is a liquid applied urethane pedestrian traffic coating on the top surface of the slabs. The front edges of the slabs are covered with metal panels, similar to the window walls, and the undersides of the slabs are unfinished.

Balcony guards are aluminum-framed with tempered glass infill panels. The guards are secured to the top of the concrete slabs.

There are roof decks (similar to balconies, but over living space below) at the four outside corners of the building at the 12th floor level, at the east side of the building at the 3rd floor level, and at the penthouse level (30th floor). These roof decks are discussed under the Roofing section of this report.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

No significant capital projects were reported to have been completed in relation to the balconies.

PRESENT CONDITIONS AND RECOMMENDATIONS:

We did not access a suite with a balcony; however, based on past reports and our understanding, the balconies, pedestrian traffic coating, and guards are all in relatively good condition. The 2013 Depreciation Report indicated that guard fasteners are rusting and the finish to the guards is faded.

Pedestrian traffic coatings such as installed are required to protect the concrete from deterioration and prevent water from leaking through cracks in the concrete. Coatings of this type typically have a service life of 20 to 25 years.



Photo 2: Typical balconies at corners of the building.

The projected expenditures allow for an evaluation of the condition of the balconies, to better develop a scope and timing of required maintenance and repairs in relation to the concrete, pedestrian coating, guard finishes and fasteners, etc. Pending this evaluation, the projected expenditures allow for periodic programs of re-coating of the balconies, including local repairs to the concrete and guard fasteners.

Replacement of the metal panels at the front edges of the balcony slabs, and re-finishing of the guards, including at the balconies and roof decks, is included in the projected expenditures for the re-cladding project to maintain consistent aesthetics (see the Windows, Balcony and Roof Deck Doors section of this report). The projected expenditures also allow for eventual replacement of the guards.

The balcony slabs should be checked regularly to identify and remove any loose concrete that may form at the slab edges or soffits. We assume this will be done as part of ongoing maintenance.



CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
-------------	--------------	---------------	---------------

Evaluate Condition of the Balconies, including Coatings and Guards	\$5,000	2018	
Repair Balconies, including Re-coating and Local Repairs	\$85,000	2020	25
Repair Balconies, including Re-coating, Local Repairs, and Replacement of Guards at Balconies and Roof Decks	\$385,000	2040	



1. STRUCTURE

1.3 SUSPENDED ACCESS

BRIEF DESCRIPTION:

The building has a permanent tie-back anchor system to permit suspended access to the exterior walls. Anchors are typically cast into the concrete walls. There are also some anchors welded to the steel support framing to the walls enclosing mechanical equipment.

Based on documents provided, we understand that there is a drawing indicating the type and location of the anchors and a description of their intended use. This drawing was not available at the time of our review, but we understand that the drawing was prepared by Fulton Engineering and signed and sealed by Robert Harry Fulton, P.Eng., dated August 12, 1994.



Photo 3: Typical roof anchors.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

No significant capital projects were reported to have been completed in relation to the suspended access system.

PRESENT CONDITIONS AND RECOMMENDATIONS:

No major concerns were reported by Management or in the latest annual inspection report (dated October 25, 2016).

A copy of the roof anchor drawing should be posted at all roof exits, as required by the governing Regulation.

The system relies on cast-in-place and welded anchors, which are required to be annually inspected, but not load-tested. The welds on the welded anchors also require periodic testing. We assume that inspections, testing, and minor repairs arising from inspection and testing, will be completed as a maintenance expense.

Based on the age of the system and the absence of major concerns to date, capital expenditures are not expected within the report term.



1. STRUCTURE

1.4 PARKING GARAGE

BRIEF DESCRIPTION:

There is a four, split-level, underground parking garage. Access to the garage is provided from the entrance drive to the complex, to a suspended down ramp at the south-east corner of the building. The entrance ramp leads to the P1 upper level and P1 lower and P2 levels below. The P1 levels are concrete suspended slabs with a traffic deck coating. The P2 levels are concrete slabs on grade.

The top portion of the garage entrance ramp, down to the trench drain, appears to have a concrete topping. There is a herringbone finish in the topping. The topping is likely installed over waterproofing and the structural suspended slab. The entrance ramp below the trench drain is a concrete suspended slab with traffic deck coating similar to the other P1 suspended slabs.

There are openings in the wall between the parking garages of Pacific Landmark I and II to allow access from/to shared ramps on the Pacific Landmark I side at both the P1 and P2 levels.

There are painted metal guards and railings at various stairs and changes in elevation in the parking garage. There is also metal picket and chain link fencing at some locations in the garage.

The garage extends beyond the building footprint on all sides. The entrance drive, visitor parking spaces, and part of the center water feature, are located on top of the garage roof slab at the south end of the property. Walkways and landscaped areas cover the roof slab at the north, east, and west sides of the building. Drawings available do not provide details of the construction of the roof slab; but, we assume that waterproofing is installed over the concrete roof slab, i.e., under the paved and landscape finishes.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

No significant capital projects were reported to have been completed in relation to the parking garage.



Photo 4: Typical parking garage.

PRESENT CONDITIONS AND RECOMMENDATIONS:

The projected expenditures allow for periodic garage evaluations to better develop a scope and timing of required maintenance and repairs related to the parking garage.

We assume that any required maintenance and repairs to the guards, railings, and fencing in the parking garage will be carried out on an as-needed basis or as part of other projects.

Suspended Slabs

The waterproofing to the suspended slabs is worn, particularly at drive and turn areas. The waterproofing is also scrapped down to bare concrete at some locations. Past repairs are evident at some crack locations. We understand that there is no active leakage through the suspended parking slabs and we noted no significant hollow sounding concrete at the topside of the slabs or visible concrete deterioration on the slab soffits.

The suspended parking slabs are waterproofed to prevent leakage to the parking levels below and also to protect the concrete. Should water be allowed to leak through worn or damaged parts of the traffic coating system, there is a potential for the moisture in the concrete to induce corrosion of the steel reinforcing embedded in the concrete, which can result in deterioration of the concrete and costly repairs in the future.



The shared ramps on the Pacific Landmark I side have been re-waterproofed in recent years. We understand that Pacific Landmark II is responsible for 40% of any costs associated with these shared ramps.

The projected expenditures allow for periodically re-waterproofing of the suspended slabs.

Isolated leaks through the suspended slabs are expected to be addressed on an as-needed basis as part of ongoing maintenance.

Garage Entrance Ramp

Waterproofing below garage entrance ramps such as at Pacific Landmark II should have a life expectancy of about 30 years. The projected expenditures allow for eventual replacement of the concrete topping and waterproofing. The timing and phasing of this project will be based on performance and tolerance to leakage and should be further considered as part of future updates to this Depreciation Report.

Garage Roof Slab

The waterproofing membrane at the garage roof slab is believed to be original to the building, so about 23 years old.

Buried waterproofing under areas subject to vehicle traffic, such as at the south side of the building, should have a service life of about 30 years. Buried waterproofing under areas of pedestrian traffic and landscaped areas should have a service life of 35 years. There are a few locations of leakage through the garage roof slab, including:

- Along expansion joint between the parking garages of Pacific Landmark I and II (water leaks into the P1 levels and also runs down to the P2 levels), and
- Through cracks in the garage roof slab in the P1 bicycle storage room at the east side of the parking garage.

There is also settlement of the paving along the joint between the parking garages of Pacific Landmark I and II, resulting in ponding water. Mature trees around the center water feature may be resulting in root damage to the waterproofing.

Pending results of the recommended garage evaluation, the projected expenditures allows for eventual re-waterproofing of the garage roof slab. We suspect that this work can be phased with the roof slab first re-waterproofed under the traffic bearing areas at the south side of the building, followed by re-waterproofing remaining roof slab areas in later years. The projected expenditures for the re-waterproofing of the garage roof slab below the traffic bearing areas only include those areas over the Pacific Landmark II parking garage. As this area is shared between Pacific Landmark I and II, consideration should be given to replacing the garage roof slab waterproofing over the entirety of the shared traffic and center water feature areas. We understand that costs related to these shared areas would be proportioned 60% to Pacific Landmark I and 40% to Pacific Landmark II; however, for the purposes of this report, the projected expenditures allow for 100% of the cost of re-waterproofing over the Pacific Landmark II parking garage.

Isolated leaks through the garage roof slab are expected to be addressed on an as-needed basis, likely through injection type repairs (see below).

Garage Perimeter Foundations Walls

There are some locations of evidence of past leakage through cracks in the exterior walls of the garage.

We expect that most leaks through the foundation walls can be addressed through injection type repairs, as part of ongoing maintenance; however, the projected expenditures allow for a periodic allowance to address leaks. This repair allowance should be considered to address leaks associated with the exterior foundation walls and garage roof slab.

Slab-On-Grade

There are some cracks in the concrete slab-on-grade. However, we noted no excessive cracking or significant differential settlement that would suggest there are sub-grade problems. As the cracking is not affecting use, we have not included projected expenditures for repair.



CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
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Evaluate Condition of the Parking Garage	\$10,000	2018	
Re-waterproof Suspended Slabs	\$110,000	2019 2034	15
Re-waterproof Shared Ramps on the Pacific Landmark I Side (cost shown is 40% of total, representing the Strata's share)	\$9,000	2031 2046	15
Replace Garage Entrance Ramp Concrete Topping and Waterproofing	\$95,000	2025	30
Re-waterproof Garage Roof Slab at South Side of the Building (at Pacific Landmark II property only)	\$300,000	2019	30
Re-waterproof Garage Slab at North, East and West Sides of the Building	\$190,000	2030	35
Local Repairs at Leaks through Foundation Walls and the Garage Roof Slab	\$10,000	2025 2035 2045	10



2. BUILDING ENVELOPE

2.1 EXTERIOR WALLS

BRIEF DESCRIPTION:

A “window wall” system clads most of the building with some areas of exterior insulation and finishing system (EIFS), including at the penthouse exterior walls. There is also brick veneer masonry at some areas at the ground floor and unfinished concrete at the top of the commercial unit walls.

See the Windows, Balcony and Roof Deck Doors section of this report for further discussion about the window walls and projected expenditures.

The EIFS consists of a textured acrylic finish applied to rigid insulation boards. The type of sheathing and back-up structure are unknown. Horizontal and vertical joints within and at the perimeter of the EIFS are covered with silicone bands (likely “Dow Corning 123 Silicone Seal” system). It appears that the EIFS cladding is designed as a face sealed system, meaning that the walls need to be watertight on the exterior to perform satisfactorily.

The masonry veneer cladding is typically vertically supported by the concrete foundation walls at the base of the building. The method of lateral connection is unknown. Weep holes located at the base of each masonry panel suggests that the walls are intended to function as a drained system, meaning that the outer surface does not need to be perfectly watertight to perform satisfactorily. A drainage cavity has been incorporated to drain water which penetrates through the face back to the exterior.

Joints between the various cladding components are typically sealed with caulking.



Photo 5: Typical exterior walls.

PRESENT CONDITIONS AND RECOMMENDATIONS:

The exterior walls have been problematic over the years, resulting in leaks into the suites at many locations. Leaks have been most commonly associated with the window walls (see the Windows, Balcony and Roof Deck Doors section of this report for further discussion). Following re-cladding there will be a need for future maintenance of the exterior cladding; however, until the type of new cladding is determined, it is difficult to predict the type, extent and frequency of maintenance type repairs. The projected expenditures provide an allowance for future repairs, which should be reconsidered as part of updates to the Depreciation Report, once the new cladding system is determined.

The EIFS is heavily stained at top of the building due to exposure. The projected expenditures allow for cleaning and re-coating the EIFS. Caulking will also be replaced/installed at exposed walls throughout the exterior of the building (not including joints within window assemblies), as part of this project.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

- ~2008: Installed silicone seals at EIFS clad walls (as indicated by the Building Operator).
- 2011: Replaced caulking at the exterior of the building (as indicated in documents provided).



The masonry is stained, covered with moss, and mortar joints are deteriorating, typically at the top of the masonry panels at locations where water run-off from above is concentrated and not shed away from the masonry. There are rowlock courses of masonry (bricks turned on their side) at the top of the masonry panels, which is not ideal with respect to masonry absorbing moisture. The concrete walls at the top of the commercial unit walls are also similarly stained with some moisture apparently gaining access to the walls from the top and opposite/roof side of the walls. The projected expenditures allow for local repairs to address present deterioration and improve water shedding of these wall areas, followed by local repairs in the future.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
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Repair Masonry and Improve Water Shedding at Masonry and Concrete Clad Walls, Clean and Re-coat Exposed EIFS and Replace Caulking	\$145,000	2019	
Locally Repair Masonry and Concrete Clad Walls	\$10,000	2029 2039	10



2. BUILDING ENVELOPE

2.2 WINDOWS, BALCONY AND ROOF DECK DOORS

BRIEF DESCRIPTION:

A window wall system clads most of the building. The window walls span from floor slab to floor slab. The system consists of tinted, double-glazed insulating glass units (IGUs), with both fixed and casement-type operables, in pre-finished extruded aluminum frames. Casement operables have compression gasket type weatherstripping. There are horizontal metal panels which cover the floors slabs with waterproofing behind. The original window system was designed to drain to the exterior; however, repairs to address leakage over the years has resulted in most exterior joints being sealed with caulking to reduce bulk water from entering the system and for the most part changing the original drained design to a face-sealed design.

Balcony and roof deck doors typically consist of sliding glass doors (two-panel, double glazed). There are also outward swinging metal doors, integral with the window wall system.

There is aluminum-framed storefront type glazing with IGU windows and doors at the commercial unit.



Photo 6: Typical window wall.

PRESENT CONDITIONS AND RECOMMENDATIONS:

Intermittent leaks at the window walls continue to be a problem. The trial repairs completed in 2015, 2016, and 2018 were successful in alleviating most leakage, although we understand some windows previously repaired continue to leak.

Sense Engineering prepared a revised Building Envelope Evaluation report, dated June 18, 2019. In the report, *Sense* advised that the windows appear to have reached the end of their service life. However, due to the significant cost to replace windows, *Sense* presented a number of strategies to repair or replace the windows, for the Strata’s consideration. As per the Strata’s direction, we have allowed for “Option 5 – Do Nothing” in the projected expenditures. This approach budgets for localized window repairs to address leaks on an as-needed basis, in order to defer general window replacement to 2030.

We expect that failed IGUs will continue to be replaced on an as-needed basis out of operating budgets.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

Various Dates:	Extensive localized repairs completed in an attempt to address leaks through the window walls (as indicated in documents provided).
2007 / 2008:	Partial removal and reinstatement of window wall sections to facilitate sill waterproofing and drainage improvements at the north-east and south-east corners of the building (as indicated in documents provided).
2015:	Completed trial repairs to exterior of window wall at suite 2706 (as indicated in documents provided).
2016:	Expanded trial repairs to window wall at entire height of the building, i.e., at one drop location (as indicated in documents provided).



We were not made aware of any problems with the commercial storefront glazing. There have been leaks around the glazing, which have been addressed by replacing perimeter caulking and some of the IGUs have been replaced over the years, but the system is in relatively good condition. The projected expenditures allow for eventual replacement of the storefront glazing. Consideration could be given to moving this project forward to be completed as part of the general re-cladding project, if desired for aesthetics and continuity.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
Locally Repair Windows and Doors	\$15,000	2019	
Locally Repair Windows and Doors	\$25,000	2020	
Locally Repair Windows and Doors	\$35,000	2021	
Locally Repair Windows and Doors	\$50,000	2022	
Locally Repair Windows and Doors	\$75,000	2023	
Locally Repair Windows and Doors	\$115,000	2024	
Locally Repair Windows and Doors	\$170,000	2025	
Locally Repair Windows and Doors	\$255,000	2026	
Locally Repair Windows and Doors	\$380,000	2027	
Locally Repair Windows and Doors	\$575,000	2028	
Locally Repair Windows and Doors	\$860,000	2029	
Replace Windows, Doors, EIFS, Balcony Slab Edge Covers, and Repaint Railings	\$14,507,000	2030	
Replace Commercial Storefront Glazing	\$155,000	2035	40



2. BUILDING ENVELOPE

2.3 EXTERIOR DOORS

BRIEF DESCRIPTION:

Exterior doors include the following:

- Main Entrance to the Tower: Glazed aluminum, double doors with windows above and at the sides.
- Commercial Entrances: Aluminum doors within the storefront glazing system (see the Windows, Balcony and Roof Deck Doors section of this report for further discussion).
- Ground Floor Exits: Steel doors in steel frames, some with small glass inserts.
- Garage: Metal picket overhead door at the entrance to the parking garage with a mechanical operator. There is a similar overhead door with screened enclosure above separating the commercial and residential parking areas.
- Doors at Openings between Pacific Landmark I and II Parking Garages: Coiling overhead fire doors.

Balcony and roof deck doors are discussed in the "Windows, Balcony and Roof Deck Doors" section of this report.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

Various Dates: Replaced bottom picket sections of garage overhead doors and operators (as noted on site).

PRESENT CONDITIONS AND RECOMMENDATIONS:

The Building Operator was not sure if the coiling overhead fire doors in the parking garage work, but he was not aware of any major problems with the other doors.

The fire doors in the parking garage should be tested to ensure they operate as intended. We assume that any repairs required to make the doors operational can be carried out as part of maintenance. The projected expenditures allow for replacement of the garage overhead and coiling doors.

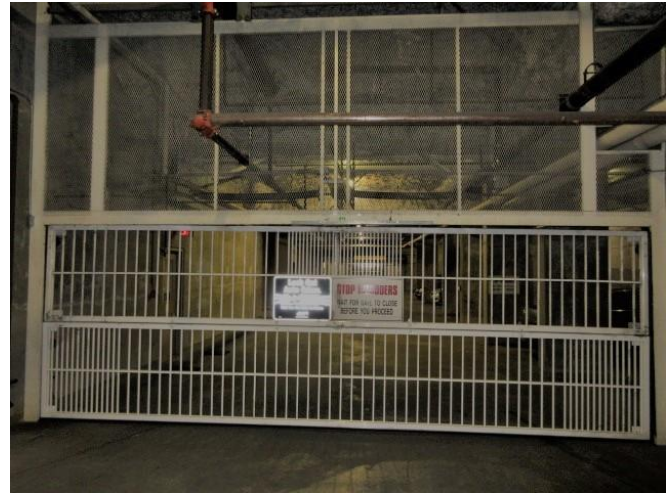


Photo 7: Door separating commercial and residential areas.

The remaining doors are few in number and less expensive to replace, and are therefore expected to be repaired or replaced on an individual and as-needed basis as a maintenance expense.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
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Replace Garage Entrance Overhead Door	\$7,500	2029	35
Replace Door and Screened Enclosure Separating the Commercial and Residential Parking Areas	\$9,500	2031	35
Replace Coiling Overhead Fire Doors in the Parking Garage - per phase (cost shown is 40% of the total, representing the Strata's share)	\$5,000	2039 2041	40



2. BUILDING ENVELOPE

2.4 ROOFING

BRIEF DESCRIPTION:

There are flat/low-sloped roofs as described below (from the top of the building, down), based on site observations and documents provided:

- Mechanical Penthouse Roof: Original stone ballast, scrim sheet (filter fabric), expanded polystyrene insulation, liquid applied asphalt based waterproofing, and concrete deck. This roof is accessed by a fixed, wall-mounted ladder, from the main roof below.
- Main Building Roof: Original stone ballast, scrim sheet, expanded polystyrene insulation, liquid applied asphalt based waterproofing, and concrete deck.
- 30th Floor (PH) Exclusive Use Roof Decks: Original concrete pavers, modified bitumen waterproofing, insulation (type not determined), and concrete deck.
- 12th Floor (Corner Suites) Exclusive Use Roof Decks: Not accessed, but assumed to be original concrete pavers, modified bitumen waterproofing, insulation, and concrete deck.
- 3rd Floor (East End Suites) Exclusive Use Roof Decks: Not accessed, but assumed to be original concrete pavers, modified bitumen waterproofing, insulation, and concrete deck.
- 2nd and 3rd Floor Roof Decks over the Commercial Unit: Re-used original concrete pavers, new drainage mat over replaced 2-ply modified bitumen waterproofing, insulation, and concrete decks.

Waterproof flashings at the perimeter of the roof decks are covered with sheet metal flashing, whereas they are not at the main and mechanical penthouse roofs. Internal area drains typically provide drainage with the exception of the mechanical penthouse roof, which has a scupper drain connected to a downspout that discharges onto the lower main roof.



Photo 8: Mechanical penthouse roof.



Photo 9: 30th floor roof decks.



Photo 10: 2nd floor roof deck.



MAINTENANCE, REPAIR AND RENEWAL HISTORY:

2013: Replaced 2nd and 3rd floor roofs over the commercial unit (at a cost of \$74,530, as indicated in documents provided).

PRESENT CONDITIONS AND RECOMMENDATIONS:

The waterproofing materials are generally concealed from view at all roofs. We understand that presently there are no active leaks through the roofs.

The waterproofing is exposed at upturns at the main and mechanical penthouse roofs, which is not ideal since asphalt degrades over time when exposed to ultraviolet rays (sunlight), which is why such waterproofing is typically covered with metal flashing, a granulated (protective) cap sheet, or similar. That said, the exposed asphalt appears to be in good condition, where checked.

Design Roofing reviewed the roofs in both 2014 and 2016 and completed maintenance and local repairs, as-needed.

Protected roofs such as installed at Pacific Landmark II should have a serviceable life of 25 to 30 years, and possibly more if they continue to be well maintained. Given the performance of the roofs to date, and the level of proactive maintenance being carried out, the projected expenditures allow for phased replacements of the roofs. Conditions and timing of replacement should be monitored and considered as part of future updates to the Depreciation Report.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
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Replace Main and Mechanical Penthouse Roofs	\$160,000	2020 2045	25
Replace 30th Floor Exclusive Use Roof Decks	\$110,000	2024	30
Replace 3rd and 12th Floor Exclusive Use Roof Decks	\$25,000	2026	30
Replace 2nd and 3rd Floor Roof Decks over the Commercial Unit	\$80,000	2038	25



3. FIRE SAFETY

3.1 GENERAL

BRIEF DESCRIPTION:

The building is protected by a fire alarm/detection system, and wet and dry sprinkler systems. A generator provides emergency power. Refer to the following individual sections of this report for further discussion on the fire alarm/detection, suppression and emergency power systems.

Fire separations are generally formed by rated drywall assemblies and concrete and concrete masonry fire walls.

Various stairwells provide egress from the building.

PRESENT CONDITIONS AND RECOMMENDATIONS:

In some of the electrical closets in the corridors it was noted that there are some unsealed penetrations in the fire separations (at electrical conduits, etc.). Penetrations through the fire separations should be sealed to provide the required fire and smoke separation. We assume that these local repairs will be carried out as part of routine maintenance.



3. FIRE SAFETY

3.2 DETECTION / ALARM

BRIEF DESCRIPTION:

The building is equipped with a single-stage “Edwards EST” fire alarm system with integrated voice communication. The control panel is located just inside the entrance lobby to the building.

The fire alarm system monitors smoke and heat detectors located throughout the building, supervised valves in the suppression systems, and manual pull stations at exits. Signalling devices (speakers) are located throughout the building, and within individual suites. Firefighters’ handsets are also located in the corridors and entrance lobby to the building.

Each residential suite has a smoke alarm that locally sounds within the suite.



Photo 11: Fire alarm control panel.

While the system is presently performing well, the projected expenditures allow for eventual replacement of the control panel. The projected expenditure assumes that the panel will be replaced with a similar compatible system, re-using the majority of the existing field devices and wiring; however, allows for upgrades to accommodate modernization of the elevators (see the Elevators section of this report for further discussion). Replacement timing will be dependent on performance of the system and the service contractor’s ability to continue to find replacement parts. Replacement timing should be re-considered as part of future updates to the Depreciation Report.

Addressable systems, where each field device can be uniquely identified by the panel, are becoming the modern standard. As the existing system is conventional, upgrading to an addressable system would require replacement of all the wiring and devices. This is considered an upgrade, and is not budgeted.

<u>MAINTENANCE, REPAIR AND RENEWAL HISTORY:</u>	
2005:	Replaced the fire alarm control panel (as indicated in the manual for the panel on site). Replacement was due to water damage from a flood.

PRESENT CONDITIONS AND RECOMMENDATIONS:

Black Tusk Fire & Security presently maintains the detection/alarm system. According to the Building Operator, there have been no major issues with the system and no major issues are identified in the latest annual inspection report (dated March 16, 2016).

Minor repairs and replacement of individual modules, as identified to be required by ongoing inspections, are expected to be completed as part of ongoing maintenance. Similarly, local replacement of individual devices is expected to be carried out on an as-needed basis as a part of maintenance.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
Replace Fire Alarm Control Panel	\$130,000	2025 2045	20



3. FIRE SAFETY

3.3 SUPPRESSION

BRIEF DESCRIPTION:

Suppression systems include:

- dry sprinkler system serving the parking garage;
- wet sprinkler system serving the suites and common areas;
- standpipe system in stairwells; and
- portable fire extinguishers throughout the building.

A combined incoming water service splits to supply the domestic and fire suppression systems. The suppression systems are served by a 50 Hp fire pump with a dedicated “Torna Tech” controller, all located in the Water Entry Room at the P1 lower level. The fire pump is designed to start automatically if there is a pressure drop in the system.

Fire department siamese connections are located on a wall outside the south entrance to the tower.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

No significant capital projects were reported to have been completed in relation to the suppression systems.

PRESENT CONDITIONS AND RECOMMENDATIONS:

Black Tusk Fire & Security presently maintains the suppression system. According to the Building Operator, there have been no major issues with the suppression systems, and no major issues are indicated on the latest annual testing report (dated March 16, 2016).

Black Tusk advised that three styles of “Omega” sprinkler heads have been recalled and indicated that a survey would be required to determine whether any of the heads at Pacific Landmark II are on the recall list. A survey of the sprinkler heads should be completed as recommended, which we assume will be carried out as part of maintenance. Should any of the sprinkler heads be required to be replaced as part of the recall, we assume that the original manufacturer will cover the cost of supplying and installing new heads, as required.

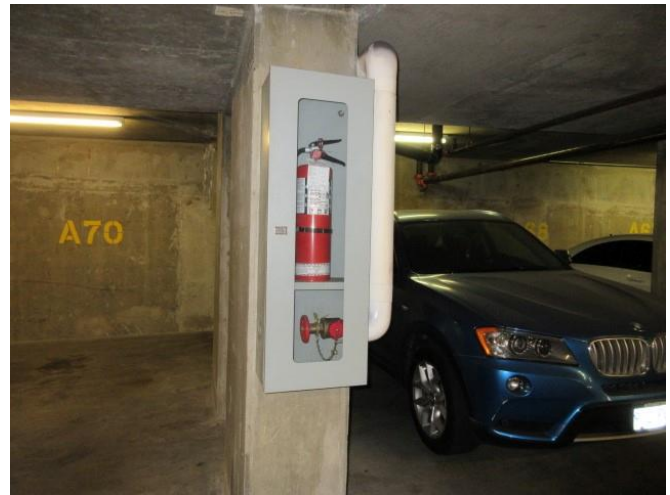


Photo 12: Typical fire extinguisher and hose connection.

Dry-pipe systems are vulnerable to corrosion from the inside out. From the outside, we cannot determine the condition of the piping.

Repairs to some individual components should be expected (e.g., valves, localized piping, sprinkler heads, etc.). We assume this work, as well as other minor repairs identified by annual testing, will be managed as a maintenance expense.

The projected expenditures allow for a periodic allowance to address more significant problems, which may arise as the systems age, including replacing portions of the sprinkler piping. Required repairs should be closely tracked, and projected expenditures and timing should be modified as required as part of future updates to the Depreciation Report.

Based on age, the projected expenditures include for eventual replacement of the fire pump and controller.



CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
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Periodic Repairs to Suppression Systems	\$20,000	2033 2040 2047	7
Replace Fire Pump and Controller	\$50,000	2020	25



3. FIRE SAFETY

3.4 EMERGENCY POWER

BRIEF DESCRIPTION:

Emergency power is provided by a diesel-fired “Simpower” 286kW generator. The generator is located in Generator Room on the P1 level and provides power through an automatic transfer switch to supply essential systems, e.g., exit signs, emergency lighting, the fire alarm system, elevators, etc. The diesel storage tank is located in the Generator Room.

The transfer switch is rated for 400A, 347/600V, and is located in the Emergency Distribution Room on the P1 level.

There are also battery powered emergency lighting units at some locations throughout the building.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

No significant capital projects were reported to have been completed in relation to the emergency power systems.

PRESENT CONDITIONS AND RECOMMENDATIONS:

The generator is exercised monthly by in-house staff, and every six months by Finning Cat. The unit had logged 113.8 hours at the time of our visit. Generator batteries have been periodically replaced, the radiator was also replaced, and we understand that there have been no major issues with the generator.

The generator is currently about 23 years old. With age, performance typically degrades to the point where it cannot meet the full load requirements and a major overhaul or replacement is required. Major manufacturers will typically not support older equipment, and we cannot predict how long replacement parts will remain available. Based on the age of the unit, the projected expenditures allow to replace the generator and transfer switch.

We assume that the battery powered emergency lights will be serviced and replaced on an as-needed basis, as part of maintenance.



Photo 13: Emergency generator.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
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Replace Transfer Switch	\$15,000	2025	30
Replace Generator	\$125,000	2030	35



4. INTERIOR

4.1 FF&E (FURNITURE, FIXTURES, AND EQUIPMENT)

BRIEF DESCRIPTION:

Common areas are finished as follows:

Front Entrance Lobby: Tile flooring, painted walls with some wood laminate and mirror accents, and painted ceiling. Furnishings include seating, table, etc. There are built in aluminum mailboxes.

Ground Floor Elevator Lobby: Tile flooring, painted walls with some wood laminate and tile accents, and painted ceiling.

2nd to 29th Floor Corridors: Carpeted floors, painted walls with some wood laminate accents, and painted ceilings.

30th Floor Corridor: Carpeted floors, painted walls with some textured and mirror accents, and painted ceiling.

P1 and P2 Level Elevator Lobbies: Tiled flooring and painted walls and ceilings. Painted steel windows with wired glass, between the lobbies and parking garage.

Meeting Room: Carpeted flooring, painted walls and ceiling. Furnishings include a meeting table and chairs.

Party Room: Carpeted flooring in common areas and vinyl flooring in the kitchen area, painted walls and ceiling. Furnishings are minimal. The kitchen area includes a counter with double sink, cabinets, cupboards, refrigerator, stove and microwave. The bathroom off the common areas has vinyl flooring, painted walls and ceiling, a vanity with sink, bathtub with tile surround, and toilet.

Stairwells: Stairwells above grade are unfinished. Stairwells below grade are painted. There are painted metal railings.

Parking Garage: Unfinished.

Service Roofs: Unfinished.



Photo 14: Main entrance lobby.

Elevators: Tiled flooring; laminate, stainless steel, and mirrored walls; and stainless steel ceiling panels.

There is a rental suite, which was not accessed.

There is also a recreation/fitness facility in Pacific Landmark I, which Landmark Pacific II has use of and pays a monthly fee to Pacific Landmark I to cover the cost of maintenance and any capital repairs; so, no projected expenditures related to the recreation/fitness facility are included in this report.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

2011:	Replaced carpet and re-painted 2nd to 29th floor corridors, meeting room and party room (as indicated by the Building Operator).
Recent Years:	Replaced carpet and re-painted 30th floor corridor (as indicated by the Building Operator).
2015:	Repainted front entrance and elevator lobby and replaced furnishings (as indicated in documents provided).

PRESENT CONDITIONS AND RECOMMENDATIONS:

The common area finishes are in good condition. We did not note excessive wear or tear in the areas reviewed.



The timing and scope of interior finish renewal generally depends on management objectives. We assume that minor renovations of less finished areas, including the rental suite, individual replacement of appliances, etc., will be carried out as part of maintenance under operating budgets. The projected expenditures allow for renovation of the main entrance and elevator lobby, corridors, elevator cabs, meeting and party rooms. Renovation timing and costs can vary significantly depending on desires of the Strata. The projected expenditures included assume similar finishes to existing.

Should areas being renovated contain hazardous materials, e.g., asbestos, lead, etc., additional costs may be required to properly abate the hazardous materials.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
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Renovate Main Entrance and Elevator Lobby (not including flooring)	\$15,000	2030 2045	15
Replace Main Entrance and Elevator Lobby Flooring	\$50,000	2045	45
Renovate Corridors (including replacement of carpet)	\$200,000	2026 2041	15
Renovate Meeting and Party Rooms, including the washroom in the party room	\$25,000	2026 2041	15
Renovate Elevator Cabs	\$35,000	2025	30



5. SITE

5.1 SITE FEATURES AND PAVING

BRIEF DESCRIPTION:

Site features include the following:

Soft Landscaping: Mature trees and plantings at all sides of the building. There are metal grates at tree wells along the north side of the property. There is an irrigation system along the east side of the building.

Water Features: There is a tiled water feature at the center of the entrance driveway round-about with a planter at the perimeter. There is also a painted water feature at the south-east corner of the property with a sculpture. Equipment includes a sand filter and circulation pump for each water feature. These water features, and related equipment, are shared with the adjacent Strata.

Fencing and Gate: There is a metal picket fence on top of a concrete retaining wall with intermittent concrete piers along the east side of the property and a gate at the north end.

Colonnade: There is a colonnade along the west side of the property. The colonnade has concrete columns, clad with masonry at the bottom, concrete beams, and painted steel accents.

Trellis: There is a trellis along the east side of the building. The trellis is painted steel, supported by concrete columns and also anchored to the exterior walls of the building.

Front Entrance Canopy: There is a standalone canopy at the front entrance to the building. The canopy has masonry clad columns on concrete foundations and a painted steel, sloped, canopy frame with laminated glass.

Bike Racks and Planters: There are two stainless steel bike racks at the west side of the building. There are potted plants at the main entrance to the building.



Photo 15: Entrance drive and water features.

Paving includes the following:

Driveway/Entrances: The entrance drive to the property, round-about, at-grade visitor parking, and approach to the garage entrance ramp, are paved with unit pavers with concrete accents. The entrance drive to the property and round-about are shared with the adjacent Strata.

Walkways: There are concrete paved walkways along the east, north and west sides of the property.

All of the site features and paving are located on top of the garage roof slab.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

No significant capital projects were reported to have been completed in relation to the site features and paving.

PRESENT CONDITIONS AND RECOMMENDATIONS:

The site features and paving are generally well-maintained.

We assume that the landscaping will continue to be managed as a maintenance expense.



The central water feature has not worked for a number of years and the sand filter for the south-east water feature does not work. We assume that central water feature can either be restored to working operation or decommissioned, and equipment can be replaced on an individual basis, as part of maintenance. We also assume that the water features will receive a major over haul/refurbishment as part of the garage roof slab re-waterproofing project (see the Parking Garage section of this report for further discussion and projected expenditures).

We assume that the fencing, gate, front entrance canopy, bike racks, and planters, will be repaired on an as-needed basis as part of maintenance.

Sections of the concrete to the colonnade are cracked and deteriorating and steel to the metal accents and trellis are beginning to rust. The projected expenditures allow for periodic repairs to the colonnade and trellis.

Areas of the entrance drive to the property and round-about are settled, which is resulting in localized areas of ponding water. We assume these conditions will be addressed as part of addressing leakage into the parking garage below (see the Parking Garage section of this report for further discussion and projected expenditures).

There are some areas of settled and heaved concrete paving at the north end of the building. Some patch repairs have been completed. We assume that repairs and local replacement of sections of the paving will be carried out on an as-needed basis, as part of maintenance, to restore conditions and reduce potential liabilities associate with potential trip hazards. These areas of paving will be replaced in their entirety as part of the garage roof slab re-waterproofing project (see the Parking Garage section of this report for further discussion and projected expenditures).

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
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Locally Repair Colonnade and Trellis, including concrete and masonry repairs and re-painting	\$70,000	2018 2028 2038	10
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6. HVAC

6.1 HEATING AND COOLING

BRIEF DESCRIPTION:

The suites are heated by wall mounted electrical heaters. There are also gas fireplaces in the penthouse suites. We understand that the individual owners are responsible for these heaters and fireplaces, including controls.

There are electric wall mounted and baseboard heaters at select common areas and in service rooms.

There is an “Engineered Air” roof-top make up air unit (model DJ-60), which pressurizes and serves the upper and mid level corridors and elevator lobbies with tempered/heated air. The unit is gas-fired and has a designed airflow of 6800cfm and an input rating of 550,000BTUH.

There is also an air handling unit above the ceiling in the Meeting Room, which serves the lower level corridors, lobbies, and amenity areas with tempered/heated air. This unit was not accessed; however, based on information provided, we understand the unit was manufactured by “Engineered Air” (model DJ-60), has a hot water heating coil and a designed airflow of 2500cfm. A “Teledyne Laars” boiler in a mechanical room on the P1 level serves this air handling unit. The boiler is gas-fired and has an input rating of 400,000BTUH.

There is no central cooling to the residential or common areas of the building.

A “Trane” split system air conditioning unit provides cooling to the main electrical room on the P1 level. The remote condenser, designed to provide 10tons of cooling capacity, is located in the parking garage at the P2 level.

Ductless split system air condition units serve the commercial unit; however, we understand that the owner of the commercial unit is responsible for these units.



Photo 16: Roof-top make up air unit.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

- 2013: Rebuilt the roof-top make-up air unit, including the heat exchanger (as indicated by the Building Operator).
- 2016: Repainted the metal casing to the roof-top make-up air unit, as part of roof maintenance work (as indicated in documents provided).

PRESENT CONDITIONS AND RECOMMENDATIONS:

According to the Building Operator the heating and cooling systems have been performing well.

The equipment is routinely maintained, including the roof-top make-up air unit having received an overhaul in recent years. We assume repairs will continue to be handled on an as-needed basis as a maintenance expense. We also assume that the electric wall mounted and baseboard heaters in the common areas and service rooms will be replaced on an individual, as-needed basis, as part of maintenance.

The make-up air and air handling units have a standard service life of about 25 years. However, they can last much longer with maintenance as many of the components can be changed without replacing the units outright, particularly since the one unit is located indoors and as long as the casings to the outdoor unit protect the inside from getting wet. The projected expenditures allow for eventual replacement. See the Domestic Hot Water section of this report for further discussion and projected expenditures regarding the boiler serving the air handling unit.



Individual air conditioning components of the unit serving the electrical room should be able to be replaced on an as-needed basis as part of ongoing maintenance. These types of units have a wide service life range from 20 to 30 years, depending on a number of factors. We understand that the unit was not working for a number of years; but, was restored and has been working well. The projected expenditures allow for periodic replacement of the unit.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
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Replace the Roof-Top Make-up Air Unit	\$35,000	2023	25
Replace Air Handling Unit	\$30,000	2025	30
Replace Electrical Room Air Conditioning Unit	\$20,000	2020 2040	20



6. HVAC

6.2 EXHAUST FANS

BRIEF DESCRIPTION:

Suite bathrooms and kitchens are ventilated by individual exhaust fan units, which vent through the exterior walls. These fans and controls are the responsibility of the individual unit owners.

There is a “Loren Cook” smoke exhaust fan attached to ductwork at the end of the roof-top make-up air unit.

The parking garage is ventilated by four propeller-type exhaust fan units, rated at either 1½ or 2Hp. The fans are controlled by a carbon monoxide (CO) monitoring system.

There are small individual fans for the storage rooms, service rooms, etc.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

No significant capital projects were reported to have been completed in relation to the exhaust systems.

PRESENT CONDITIONS AND RECOMMENDATIONS:

The smoke exhaust and pressurization fans are installed and designed to operate only in the event of a fire. These fans are operated infrequently. As such, these and the other small exhaust fans serving the storage rooms and service rooms are expected to be replaced on an individual, as-needed, basis as part of maintenance.

We assume that gas detection sensors for the garage exhaust fans will also be replaced on an individual, as-needed basis, as part of routine maintenance. The projected expenditures allow for phased replacement of the garage exhaust fans.



Photo 17: Smoke exhaust fan.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
Replace Garage Exhaust Fans (1 per cycle)	\$5,000	2023 2025 2027 2029	30



7. PLUMBING

7.1 DOMESTIC HOT WATER

BRIEF DESCRIPTION:

Domestic hot water is generated and delivered to each of three zones, as follows:

Upper Zone (about top 10 floors): Two “Teledyne Laars” gas-fired boilers (400,000BTUH each) and three storage tanks (115US Gal each) all located in the roof-top mechanical room

Mid Zone (about middle 10 floors): Two “Teledyne Laars” gas-fired boilers (400,000BTUH each) and three storage tanks (115US Gal each) all located in the roof-top mechanical room

Lower Zone (about bottom 10 floors): Two “Teledyne Laars” gas-fired boilers (400,000BTUH each) and four storage tanks (115US Gal each) all located in the mechanical room on the P1 level

There is also “Teledyne Laars” gas-fired boiler (400,000BTUH each) in the mechanical room on the P1 level, which serves the air handling unit above the ceiling in the Meeting Room.



Photo 18: Typical domestic hot water boilers and storage tanks.

The projected expenditures allow for periodic, phased, replacement of the boilers and storage tanks. We assume the boilers will continue to be maintained and overhauled, on an as-needed basis, as part of maintenance.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

- 2011: Replace two of six storage tanks in the roof-top mechanical room (as observed on site and indicated by the Building Operator).
- 2015: Replace remaining four of six storage tanks in the roof-top mechanical room (as observed on site and indicated by the Building Operator).
- 2015: Replace all four storage tanks in the P1 level mechanical room (as observed on site and indicated by the Building Operator).
- 2016: Replaced one of the domestic hot water boilers in the P1 level mechanical room (as observed on site and indicated by the Building Operator).

PRESENT CONDITIONS AND RECOMMENDATIONS:

DMS Mechanical maintains the plumbing systems. We understand that the boilers have been performing well. The one boiler was replaced, since it was problematic, requiring increasing repairs.



CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
Replace Boilers (1 per cycle)	\$12,000	2018 2019 2020 2021 2022 2023 2041 2043 2044 2045 2046 2047	25
Replace Storage Tanks (2 per cycle)	\$14,000	2021 2023 2025 2027 2029 2031 2033 2035 2037 2039 2041 2043 2045 2047	10



7. PLUMBING

7.2 DOMESTIC WATER PIPING/VALVES

BRIEF DESCRIPTION:

The main water service to the building is located in the Water Entry Room on the P1 level. There is a 6" diameter main supply that splits to provide a 4" domestic water line and a 4" fire service line. There are 4" backflow preventers on both the domestic and fire lines, as well as a 2" backflow preventer on the irrigation line.

There are two pressure reducing valves on the domestic water lines for the lower floors. There is also a booster pump set (with 10HP lead and 25HP lag pumps and "Torna Tech" controller), which boosts the water pressure to the upper floors.

Domestic water is distributed through the building through a series of risers, headers, and recirculation lines. The distribution piping is copper, type L (a thicker walled variety).

The water in the distribution piping is treated by "Hytec".

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

2016: Rebuilt the two booster pumps (as indicated by the Building Operator).

PRESENT CONDITIONS AND RECOMMENDATIONS:

The Building Operator indicated that there had been frequent pin hole leaks in the distribution piping over the years, until the water started to be treated by Hytec in 2013. Since, there have been few occurrences of pinhole leaks, and where there have been leaks they have been on the recirculation lines.



Photo 19: Domestic water and Hytec equipment.

Pin hole leaks and required replacement are virtually inevitable for buildings with copper piping located in the Vancouver area, due to a number of factors including the corrosive nature of the water being supplied (the supply water has naturally low pH, low alkalinity and high dissolved oxygen), water temperature and velocity, and pipe sizing. We understand that due to the number and frequency of pin hole leaks being experienced, "Hytec" was brought in (about 4 years ago) to treat the water with naturally occurring minerals, which create a protective coating for the piping and by optimizing the pH of the water. We understand that there have been very few leaks, since the Hytec treatment was incorporated and continues to be maintained.

Although, water treatment seems to have managed deterioration of the copper piping, and associated leaks, the long term ability of such treatment systems to protect the piping and defer replacement is not yet known.

We assume that repair of any pin hole leaks will be managed on an as-needed basis as part of maintenance. The projected expenditures allow for eventual replacement of the piping, which we have projected further into the future, assuming that water treatment is continued. The timing of replacement will depend on future performance of the piping, which includes the ability of the water treatment system to protect the piping over the long term; as such, conditions should be closely monitored and the replacement timing should be re-considered as part of future updates to the Depreciation Report.



Assessment of the piping, including review of pipe samples and past performance, should be carried out to better assess the timing, magnitude and potential phasing options for replacement of the distribution piping. The projected expenditures include an allowance for this assessment.

The projected expenditures allow for replacement of the booster pump set and controller. We assume that smaller pumps, valves, backflow preventers, etc. will be replaced on an individual, as-needed, basis as part of maintenance.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
Evaluate Domestic Water Distribution System	\$8,000	2020	
Replace Domestic Water Distribution Piping	\$850,000	2025	30
Replace Booster Pump Set	\$35,000	2023	25



7. PLUMBING

7.3 DRAINAGE

BRIEF DESCRIPTION:

Drainage systems include the following:

Roofs: Internal area drains.

Garage: Internal area drains on upper levels, catch basins at the lowest levels, and a trench drain at the garage entrance ramp.

Sanitary Drainage: Type of piping unknown.

Site: Bi-level drains over garage roof.

There are storm sump pits, one at the P1 level with a simplex controller and single sump pump, and the second at the P2 level with a duplex controller and two sump pumps. The controls are equipped with high-water-level alarms.

The type of buried storm drainage piping could not be confirmed.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

2015: Replaced the pump at the P1 level, as part of maintenance (as indicated by the Building Operator).

2016: Replaced one of the two pumps at the P2 level, as part of maintenance (as indicated by the Building Operator).

PRESENT CONDITIONS AND RECOMMENDATIONS:

No problems with the drainage system were reported to us during our review and interview.

Small pumps are expected to be replaced, when required, as part of maintenance.

The condition of the buried and concealed piping cannot be evaluated visually. We recommend that drains be flushed and scoped routinely. This maximizes the service life of the piping and help identify repair needs. We assume this will be done as part of ongoing maintenance.



Photo 20: Typical storm sump controls.

The projected expenditures allow for inevitable periodic repairs as required. Actual repairs and related costs should be closely tracked, and budgets modified to suit, in future updates to the Depreciation Report.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
Periodic Repairs to Drainage Systems	\$10,000	2027 2034 2041	7



8. ELECTRICAL

8.1 GENERAL

BRIEF DESCRIPTION:

Electricity is supplied to the site underground to the main electrical room at the P1 lower level. The electrical room contains a unit substation with a dual radial service feeding a 1,250 kVA dry type transformer that supplies power to a Commander 4,500A, 208 Volt, 3 phase, central distribution panel/switchgear unit. This panel feeds the commercial and common area meters in the electrical room. Meters for the individual suites are located in the electrical closets in the corridors. Each suite has a circuit-breaker-type panel rated at 125A, 120/240V.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

No significant capital projects were reported to have been completed in relation to the electrical systems.

PRESENT CONDITIONS AND RECOMMENDATIONS:

No problems with performance or service capacity were reported.

Major electrical equipment has an average service life of about 40 to 50 years. The building is of an age where some capital expenditures are likely to be needed within the term of this report, but the scope and timing of such work is difficult to predict. Based on the age of the building, the projected expenditures allow to replace components of the main transformer and switchgear unit. The timing, extent and costs related to this work should be further reviewed as the project timing approaches and considered as part of future updates to the Depreciation report.

Smaller transformers, panels and minor repairs are expected to be managed as a maintenance expense.

We recommend that all panels and equipment be thermally scanned every few years to identify hot spots that require repair. The scans, and related repairs found to be needed (assuming minor tightening, etc.) are assumed to be an operating expense.



Photo 21: Main electrical equipment.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
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Replace Main Electrical Transformer and Switchgear Unit	\$300,000	2040	45
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8. ELECTRICAL

8.2 LIGHTING

BRIEF DESCRIPTION:

Lighting systems include the following:

- Corridors: Wall sconces with compact fluorescent lamps.
- Stairwells: Ceiling mounted fixtures.
- Common Areas: Mix of wall sconces and recessed ceiling fixtures with compact fluorescent lamps.
- Parking Garage: Ceiling-mounted strip fluorescent fixtures typically with T12, but also some T8, lamps.
- Service Rooms: Ceiling mounted strip fluorescents fixtures typically with T12 lamps.
- Exterior: Typically wall sconces of various types.



Photo 22: Typical exterior lighting.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

Various Dates: Replaced light fixtures as part of interior renovations and when fixtures fail (as observed on site and as indicated by the Building Operator).

PRESENT CONDITIONS AND RECOMMENDATIONS:

The lighting fixtures, where reviewed, are in serviceable condition. Current lighting levels seemed to meet minimum by-law requirements. General replacement of the lighting systems is not expected within the report term, unless desired as part of an aesthetic upgrade and/or as part of other programs of work.



9. CONVEYANCE

9.1 ELEVATORS

BRIEF DESCRIPTION:

The building has two “Otis”, geared overhead traction, elevators that are roped and have solid state controls. The traction machines are located over the hoistways.

There are infrared door detectors.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

Date Unknown: Installed infrared door detectors (as indicated in documents provided).

PRESENT CONDITIONS AND RECOMMENDATIONS:

The elevators are presently maintained under a comprehensive maintenance contract with Otis. An independent review of the elevators was completed by Gunn Consultants in 2016. Gunn’s findings and conclusions were taken into consideration in preparing this Depreciation Report.

Most of the equipment is original with exception of the door detectors being replaced.

There have been more than expected callbacks in recent years, most of which have been related to the doors.

The door operators are original and nearing the end of their expected, standard, service life. The projected expenditures allow for replacement with newer closed loop, heavy duty, door operators, which should improve performance, reliability, and lessen door related callbacks in the future.

The projected expenditures also allow for modernization of the elevators. Since upgrades to the fire alarm system will be required as part of modernizing the elevators, both the elevator modernization and replacement of the fire alarm control panel are timed to be undertaken in the same year. Should performance dictate one project being required before the other, consideration should still be given to completing both projects at the same time to prevent redundancy in completed work, which should be further considered as part of future updates to the Depreciation Report.



Photo 23: Typical elevator machine.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
Replace Elevator Door Operators	\$60,000	2018 2043	25
Modernize Elevators	\$400,000	2025	30



10. WASTE

10.1 GENERAL

BRIEF DESCRIPTION:

A “Smithrite” garbage compactor and recycling containers are stored in a garbage room on the P1 level.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

No significant capital projects were reported to have been completed in relation to the waste systems.

PRESENT CONDITIONS AND RECOMMENDATIONS:

The Building Operator indicated that the compactor is functional. The projected expenditures allow for eventual replacement of the compactor.

We assume that bins will be replaced on an as-needed basis, as required, by the service contractor.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
Replace Garbage Compactor	\$15,000	2025	30



Photo 24: Garbage room with compactor and recycle bins.



11. SECURITY SYSTEMS

11.1 GENERAL

BRIEF DESCRIPTION:

The building has the following security/access control systems:

- “Select Engineered” enterphone system controlling visitor access to the building with a panel at the main front entrance to the building.
- CCTV system with 16 cameras monitoring various areas throughout the building. Monitors and recording equipment are located in the office off the Party Room.
- Fob access system with readers located at various entrance doors.



Photo 25: Enterphone panel.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

2005: Installed fob system (as indicated by the Building Operator).

Recent Years: Upgraded enterphone system to accept cell phones (as indicated by the Building Operator).

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
Replace Enterphone Panel	\$12,000	2021 2041	15

PRESENT CONDITIONS AND RECOMMENDATIONS:

We were not made aware of any problems with the systems.

Renewal of, or upgrades to, security systems are a discretionary item, and dependent on management objectives. We assume that maintenance and repair of the systems, as well as replacement of individual components of the CCTV and fob systems, will be carried out on an as-needed basis as part of maintenance.

The projected expenditures allow for replacement the enterphone panel. Replacement timing is somewhat discretionary if the system is still functioning. Timing should be re-considered closer to the replacement years.



12. CONSULTING SERVICES

12.1 DEPRECIATION REPORTS

BRIEF DESCRIPTION:

Since Depreciation Reports are defined and mandated by the *Strata Property Act*, the projected expenditures allow for future updates to this Depreciation Report.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
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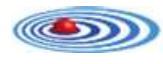
Depreciation Report Update	\$7,800	2020 2023 2026 2029 2032 2035 2038 2039 2042 2045	3
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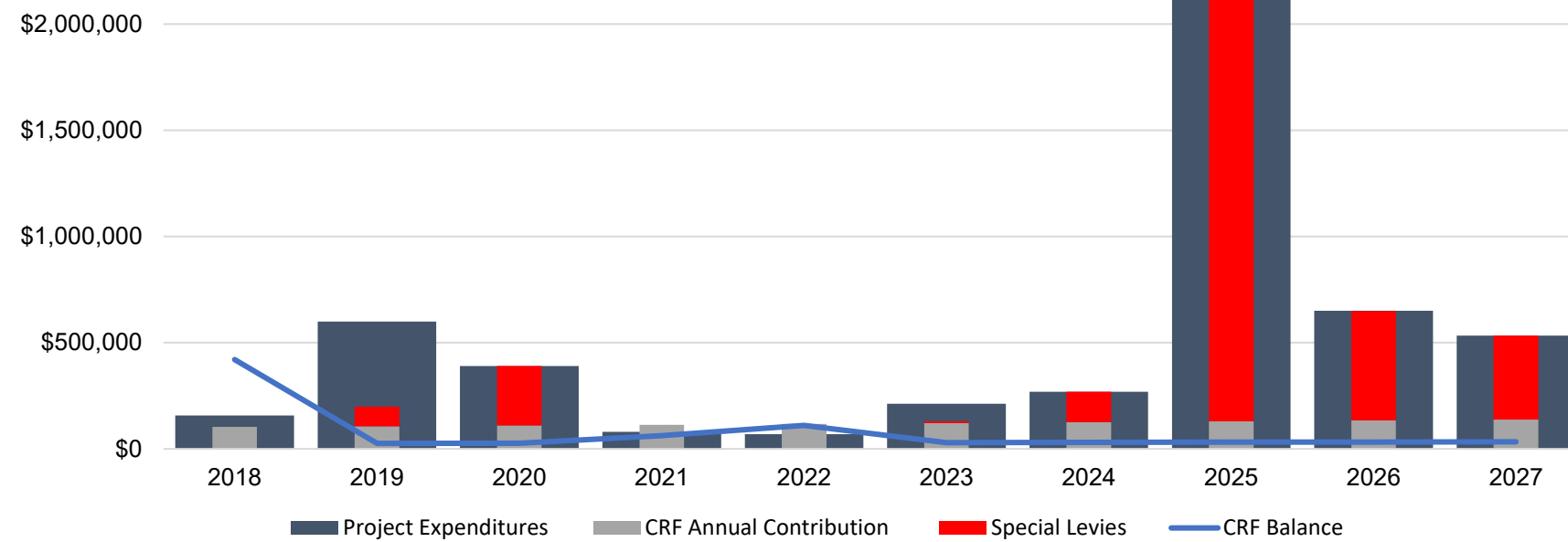
Projected Expenditures

Inflation Rate (%) = 3.0%
Analysis Timeframe (yrs) = 10

Item No.	Component	Project Description	Present Cost	Occurrences	Cycle	Projected Expenditures																
						2018	2019	2020	2021	2022	2023	2024	2025	2026	2027							
1 STRUCTURE																						
1.2	Balconies	Evaluate Condition of the Balconies, including Coatings and Guards	\$5,000	2018		\$5,000																
		Repair Balconies, including Re-coating and Local Repairs	\$85,000	2020	25		\$90,177															
		Repair Balconies, including Re-coating, Local Repairs, and Replacement of Guards at Balconies and Roof Decks	\$385,000	2040																		
1.4	Parking Garage	Evaluate Condition of the Parking Garage	\$10,000	2018		\$10,000																
		Re-waterproof Suspended Slabs	\$110,000	2019, 2034	15	\$113,300																
		Re-waterproof Shared Ramps on the Pacific Landmark I Side (cost shown is 40% of total, representing the Strata's share)	\$9,000	2031, 2046	15																	
		Replace Garage Entrance Ramp Concrete Topping and Waterproofing	\$95,000	2025	30										\$116,838							
		Re-waterproof Garage Roof Slab at South Side of the Building (at Pacific Landmark II property only)	\$300,000	2019	30	\$309,000																
		Re-waterproof Garage Slab at North, East and West Sides of the Building	\$190,000	2030	35																	
		Local Repairs at Leaks though Foundation Walls and the Garage Roof Slab	\$10,000	2025, 2035, 2045	10											\$12,299						
2 BUILDING ENVELOPE																						
2.1	Exterior Walls	Repair Masonry and Improve Water Shedding at Masonry and Concrete Clad Walls, Clean and Re-coat Exposed EIFS and Replace Caulking	\$145,000	2019		\$149,350																
		Locally Repair Masonry and Concrete Clad Walls	\$10,000	2029, 2039	10																	
2.2	Windows, Balcony and Roof Deck Doors	Locally Repair Windows and Doors	\$15,000	2019		\$15,450																
		Locally Repair Windows and Doors	\$25,000	2020			\$26,523															
		Locally Repair Windows and Doors	\$35,000	2021				\$38,245														
		Locally Repair Windows and Doors	\$50,000	2022					\$56,275													
		Locally Repair Windows and Doors	\$75,000	2023						\$86,946												
		Locally Repair Windows and Doors	\$115,000	2024							\$137,316											
		Locally Repair Windows and Doors	\$170,000	2025								\$209,079										
		Locally Repair Windows and Doors	\$255,000	2026									\$323,026									
		Locally Repair Windows and Doors	\$380,000	2027										\$495,814								
		Locally Repair Windows and Doors	\$575,000	2028																		
		Locally Repair Windows and Doors	\$860,000	2029																		
		Replace Windows, Doors, EIFS, Balcony Slab Edge Covers, and Repaint Railings	\$14,507,000	2030																		
		Replace Commercial Storefront Glazing	\$155,000	2035	40																	
2.3	Exterior Doors	Replace Garage Entrance Overhead Door	\$7,500	2029	35																	
		Replace Door and Screened Enclosure Separating the Commercial and Residential Parking Areas	\$9,500	2031	35																	
		Replace Ceiling Overhead Fire Doors in the Parking Garage - per phase (cost shown is 40% of the total, representing the Strata's share)	\$5,000	2039, 2041	40																	
2.4	Roofing	Replace Main and Mechanical Penthouse Roofs	\$160,000	2020, 2045	25	\$169,744																
		Replace 30th Floor Exclusive Use Roof Decks	\$110,000	2024	30							\$131,346										
		Replace 3rd and 12th Floor Exclusive Use Roof Decks	\$25,000	2026	30														\$31,669			
		Replace 2nd and 3rd Floor Roof Decks over the Commercial Unit	\$80,000	2038	25																	
3 FIRE SAFETY																						
3.2	Detection / Alarm	Replace Fire Alarm Control Panel	\$130,000	2025, 2045	20										\$159,884							
3.3	Suppression	Periodic Repairs to Suppression Systems	\$20,000	2033, 2040, 2047	7																	
		Replace Fire Pump and Controller	\$50,000	2020	25		\$53,045															
3.4	Emergency Power	Replace Transfer Switch	\$15,000	2025	30										\$18,448							
		Replace Generator	\$125,000	2030	35																	
4 INTERIOR																						
4.1	FF&E (Furniture, Fixtures, and Equipment)	Renovate Main Entrance and Elevator Lobby (not including flooring)	\$15,000	2030, 2045	15																	
		Replace Main Entrance and Elevator Lobby Flooring	\$50,000	2045	45																	
		Renovate Corridors (including replacement of carpet)	\$200,000	2026, 2041	15											\$253,354						
		Renovate Meeting and Party Rooms, including the washroom in the party room	\$25,000	2026, 2041	15											\$31,669						
		Renovate Elevator Cabs	\$35,000	2025	30										\$43,046							
5 SITE																						
5.1	Site Features and Paving	Locally Repair Colonnade and Trellis, including concrete and masonry repairs and re-painting	\$70,000	2018, 2028, 2038	10	\$70,000																
6 HVAC																						
6.1	Heating and Cooling	Replace the Roof-Top Make-up Air Unit	\$35,000	2023	25							\$40,575										
		Replace Air Handling Unit	\$30,000	2025	30										\$36,896							
		Replace Electrical Room Air Conditioning Unit	\$20,000	2020, 2040	20		\$21,218															
6.2	Exhaust Fans	Replace Garage Exhaust Fans (1 per cycle)	\$5,000	2023, 2025, 2027, 2029	30								\$5,796		\$6,149				\$6,524			
7 PLUMBING																						
7.1	Domestic Hot Water	Replace Boilers (1 per cycle)	\$12,000	2018, 2019, 2020, 2021, 2022, 2023, 2041, 2043, 2044, 2045, 2046, 2047	25	\$12,000	\$12,360	\$12,731	\$13,113	\$13,506	\$13,911											
		Replace Storage Tanks (2 per cycle)	\$14,000	2021, 2023, 2025, 2027, 2029, 2031, 2033, 2035, 2037, 2039, 2041, 2043, 2045, 2047	10				\$15,298		\$16,230		\$17,218							\$18,267		
7.2	Domestic Water Piping/Valves	Evaluate Domestic Water Distribution System	\$8,000	2020				\$8,487														
		Replace Domestic Water Distribution Piping	\$850,000	2025	30								\$1,045,393									
		Replace Booster Pump Set	\$35,000	2023	25								\$40,575									
7.3	Drainage	Periodic Repairs to Drainage Systems	\$10,000	2027, 2034, 2041	7														\$13,048			
8 ELECTRICAL																						
8.1	General	Replace Main Electrical Transformer and Switchgear Unit	\$300,000	2040	45																	
9 CONVEYANCE																						
9.1	Elevators	Replace Elevator Door Operators	\$60,000	2018, 2043	25	\$60,000																
		Modernize Elevators	\$400,000	2025	30										\$491,950							
10 WASTE																						
10.1	General	Replace Garbage Compactor	\$15,000	2025	30										\$18,448							
11 SECURITY SYSTEMS																						
11.1	General	Replace Enterphone Panel	\$12,000	2021, 2041	15				\$13,113													
12 CONSULTING SERVICES																						
12.1	Depreciation Reports	Depreciation Report Update	\$7,800	2020, 2023, 2026, 2029, 2032, 2035, 2038, 2039, 2042, 2045	3		\$8,275				\$9,042				\$9,881							
Total:						\$157,000	\$599,460	\$390,199	\$79,769	\$69,782	\$213,075	\$268,662	\$2,175,647	\$649,600	\$533,652							



Cash Flow 1 - Status Quo

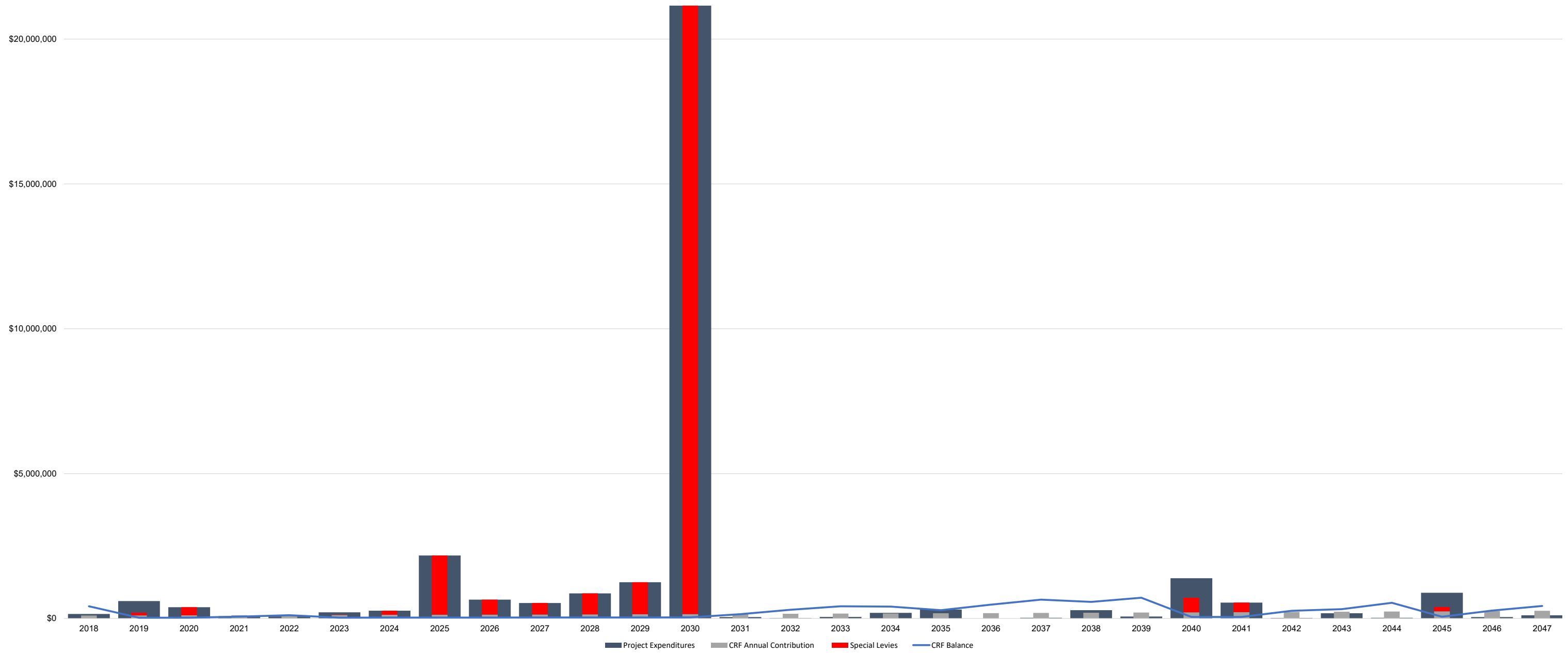


1st Year Minimum Balance = \$25,000
 Starting Balance = \$467,811
 1st Year Contribution = \$103,300
 Contribution Increase Rate = 3.3%
 Interest Rate = 1.2%
 Min Balance Increase Rate = 3.3%

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Project Expenditures	\$157,000	\$599,460	\$390,199	\$79,769	\$69,782	\$213,075	\$268,662	\$2,175,647	\$649,600	\$533,652
CRF Annual Contribution	\$103,300	\$106,709	\$110,230	\$113,868	\$117,626	\$121,507	\$125,517	\$129,659	\$133,938	\$138,358
Special Levies	\$0	\$92,377	\$279,790	\$0	\$0	\$7,641	\$142,942	\$2,045,778	\$515,445	\$395,071
CRF Balance	\$420,430	\$25,825	\$26,677	\$61,841	\$111,198	\$29,406	\$30,377	\$31,379	\$32,415	\$33,484
Min Required CRF Balance	\$25,000	\$25,825	\$26,677	\$27,558	\$28,467	\$29,406	\$30,377	\$31,379	\$32,415	\$33,484



Cash Flow 1 - Status Quo



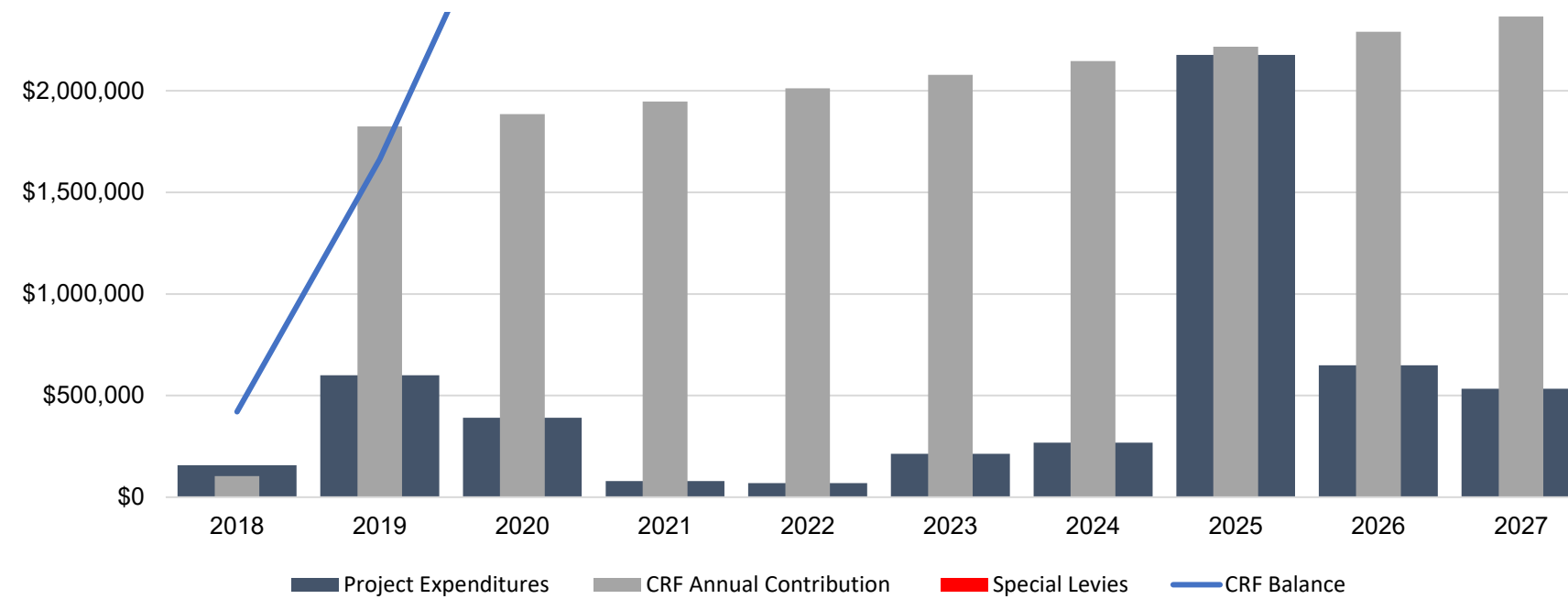
1st Year Minimum Balance = \$25,000
 Starting Balance = \$467,811
 1st Year Contribution = \$103,300
 Contribution Increase Rate = 3.3%
 Interest Rate = 1.2%
 Min Balance Increase Rate = 3.3%

Notes:
 - This funding model is similar to the threshold funding model in that it assumes minimal yearly contributions. However, it also assumes a minimum reserve is maintained.
 - No interest is collected from special levies as it is assumed funds will be collected just before expenditures.
 - Project expenditures occur at the end of the year allowing interest to be accrued on the CRF balance.
 - CRF balances are for end of year.

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Project Expenditures	\$157,000	\$599,460	\$390,199	\$79,769	\$69,782	\$213,075	\$268,662	\$2,175,647	\$649,600	\$533,652	\$866,826	\$1,251,763	\$21,154,014	\$47,727	\$11,798	\$52,971	\$192,565	\$308,752	\$0	\$24,549	\$285,004	\$68,459	\$1,389,175	\$548,657	\$15,856	\$180,065	\$25,879	\$885,850	\$48,046	\$108,402
CRF Annual Contribution	\$103,300	\$106,709	\$110,230	\$113,868	\$117,626	\$121,507	\$125,517	\$129,659	\$133,938	\$138,358	\$142,923	\$147,640	\$152,512	\$157,545	\$162,744	\$168,114	\$173,662	\$179,393	\$185,313	\$191,428	\$197,746	\$204,271	\$211,012	\$217,976	\$225,169	\$232,599	\$240,275	\$248,204	\$256,395	\$264,856
Special Levies	\$0	\$92,377	\$279,790	\$0	\$0	\$7,641	\$142,942	\$2,045,778	\$515,445	\$395,071	\$723,671	\$1,103,884	\$21,001,255	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$503,510	\$330,329	\$0	\$0	\$148,312	\$0	\$0	
CRF Balance	\$420,430	\$25,825	\$26,677	\$61,841	\$111,198	\$29,406	\$30,377	\$31,379	\$32,415	\$33,484	\$34,589	\$35,731	\$36,910	\$148,201	\$301,996	\$421,881	\$409,202	\$285,951	\$475,923	\$649,794	\$571,666	\$715,709	\$51,068	\$52,753	\$264,171	\$321,411	\$541,253	\$60,069	\$270,815	\$432,264
Min Required CRF Balance	\$25,000	\$25,825	\$26,677	\$27,558	\$28,467	\$29,406	\$30,377	\$31,379	\$32,415	\$33,484	\$34,589	\$35,731	\$36,910	\$38,128	\$39,386	\$40,686	\$42,029	\$43,416	\$44,848	\$46,328	\$47,857	\$49,436	\$51,068	\$52,753	\$54,494	\$56,292	\$58,150	\$60,069	\$62,051	\$64,099



Cash Flow 2 - Fully Funded

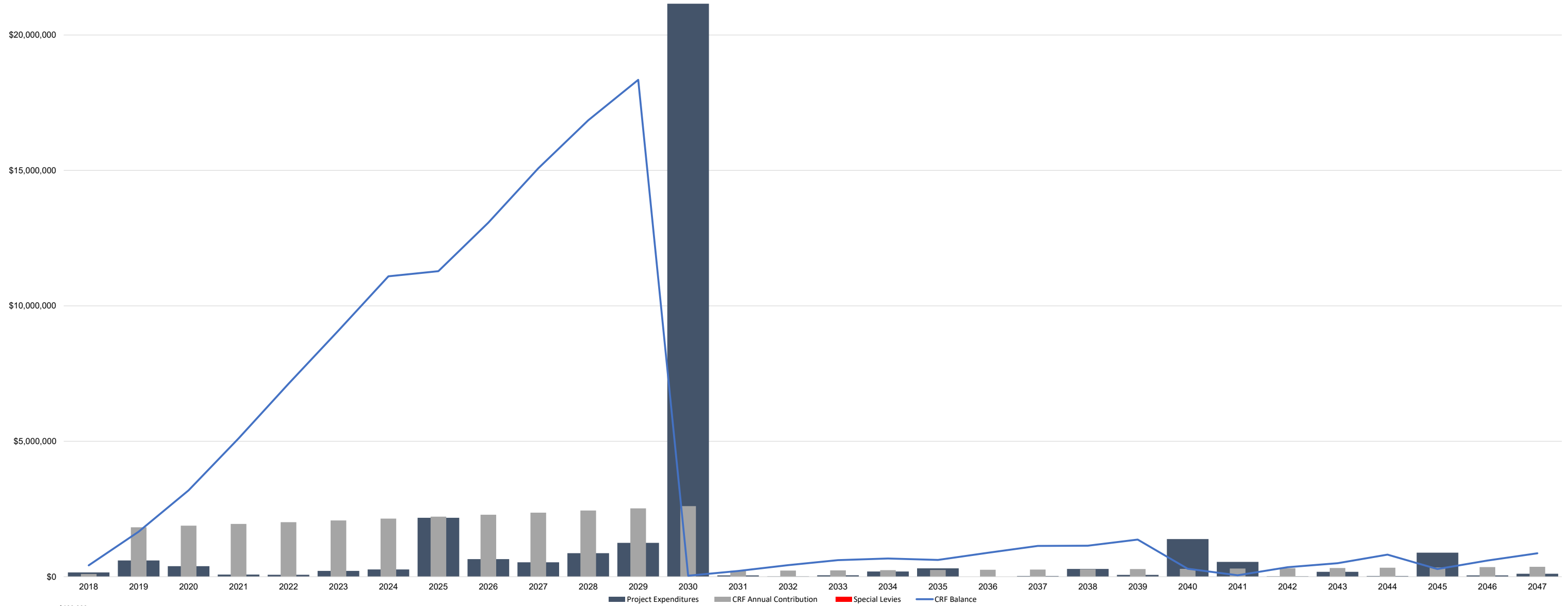


1st Year Minimum Balance = \$25,000
 Starting Balance = \$467,811
 Starting Contribution = \$1,824,695
 Contribution Increase Rate = 3.3%
 Interest Rate = 1.2%
 Min Balance Increase Rate = 3.3%

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Project Expenditures	\$157,000	\$599,460	\$390,199	\$79,769	\$69,782	\$213,075	\$268,662	\$2,175,647	\$649,600	\$533,652
CRF Annual Contribution	\$103,300	\$1,824,695	\$1,884,910	\$1,947,112	\$2,011,367	\$2,077,742	\$2,146,307	\$2,217,135	\$2,290,301	\$2,365,881
Special Levies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CRF Balance	\$420,430	\$1,662,642	\$3,189,711	\$5,108,245	\$7,124,589	\$9,088,778	\$11,090,093	\$11,279,861	\$13,071,610	\$15,076,998
Min Required CRF Balance	\$25,000	\$25,825	\$26,677	\$27,558	\$28,467	\$29,406	\$30,377	\$31,379	\$32,415	\$33,484



Cash Flow 2 - Fully Funded



1st Year Contribution = \$103,300
 1st Year Minimum Balance = \$25,000
 Starting Balance = \$467,811

1st Year of Revised Contribution (After Critical Year) = 2031
 Revised 1st Year Contribution = \$218,158
 Revised Contribution Increase Rate = 3.3%

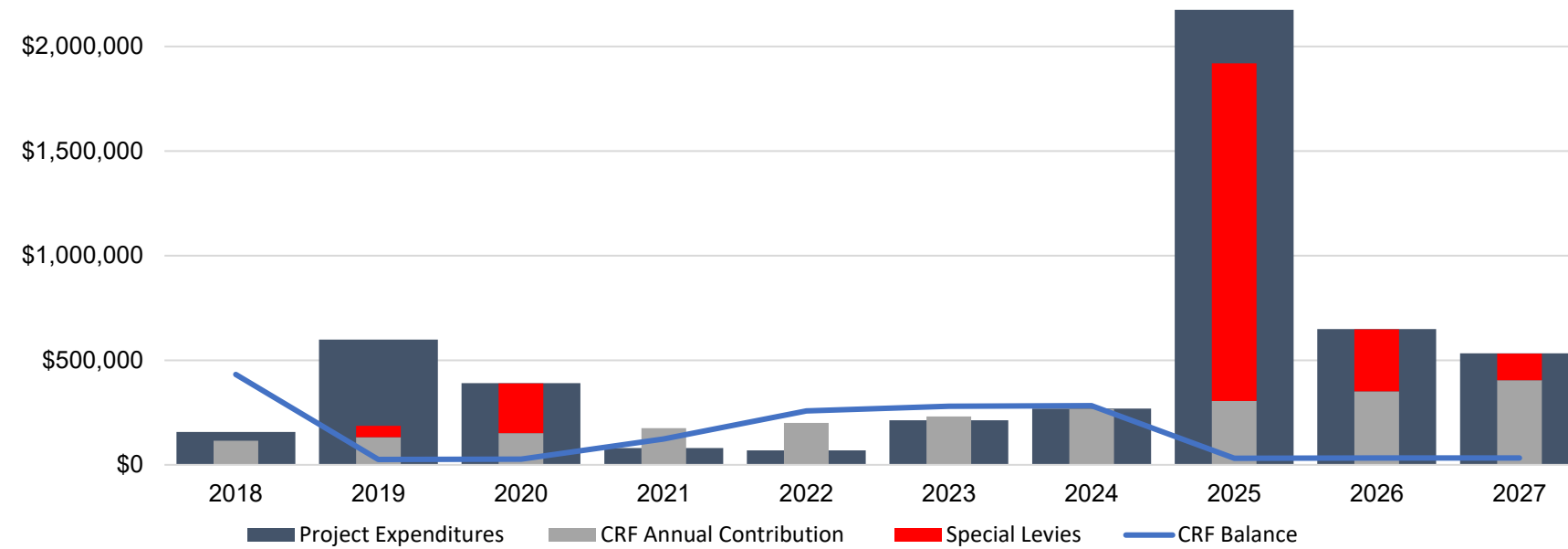
Contribution Increase Rate = 3.3%
 Interest Rate = 1.2%
 Min Balance Increase Rate = 3.3%

Notes: - This funding model assumes that contributions are large enough that there are no special levies.
 - No interest is collected from special levies as it is assumed funds will be collected just before expenditures.
 - Project expenditures occur at the end of the year allowing interest to be accrued on the CRF balance.
 - CRF balances are for end of year.

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Project Expenditures	\$157,000	\$599,460	\$390,199	\$79,769	\$69,782	\$213,075	\$268,662	\$2,175,647	\$649,600	\$533,652	\$866,826	\$1,251,763	\$21,154,014	\$47,727	\$11,798	\$52,971	\$192,565	\$308,752	\$0	\$24,549	\$285,004	\$68,459	\$1,389,175	\$548,657	\$15,856	\$180,065	\$25,879	\$885,850	\$48,046	\$108,402
CRF Annual Contribution	\$103,300	\$1,824,695	\$1,884,910	\$1,947,112	\$2,011,367	\$2,077,742	\$2,146,307	\$2,217,135	\$2,290,301	\$2,365,881	\$2,443,955	\$2,524,605	\$2,607,917	\$218,158	\$225,357	\$232,794	\$240,476	\$248,412	\$256,610	\$265,078	\$273,825	\$282,861	\$292,196	\$301,838	\$311,799	\$322,088	\$332,717	\$343,697	\$355,039	\$366,755
Special Levies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CRF Balance	\$420,430	\$1,662,642	\$3,189,711	\$5,108,245	\$7,124,589	\$9,088,778	\$11,090,093	\$11,279,861	\$13,071,610	\$15,076,998	\$16,851,993	\$18,344,646	\$36,913	\$209,212	\$426,766	\$613,257	\$670,137	\$619,504	\$885,263	\$1,138,202	\$1,142,543	\$1,372,577	\$294,066	\$52,765	\$351,379	\$499,744	\$814,782	\$284,703	\$597,447	\$865,402
Min Required CRF Balance	\$25,000	\$25,825	\$26,677	\$27,558	\$28,467	\$29,406	\$30,377	\$31,379	\$32,415	\$33,484	\$34,589	\$35,731	\$36,910	\$38,128	\$39,386	\$40,686	\$42,029	\$43,416	\$44,848	\$46,328	\$47,857	\$49,436	\$51,068	\$52,753	\$54,494	\$56,292	\$58,150	\$60,069	\$62,051	\$64,099



Cash Flow 3 - Gradual Funding Increase

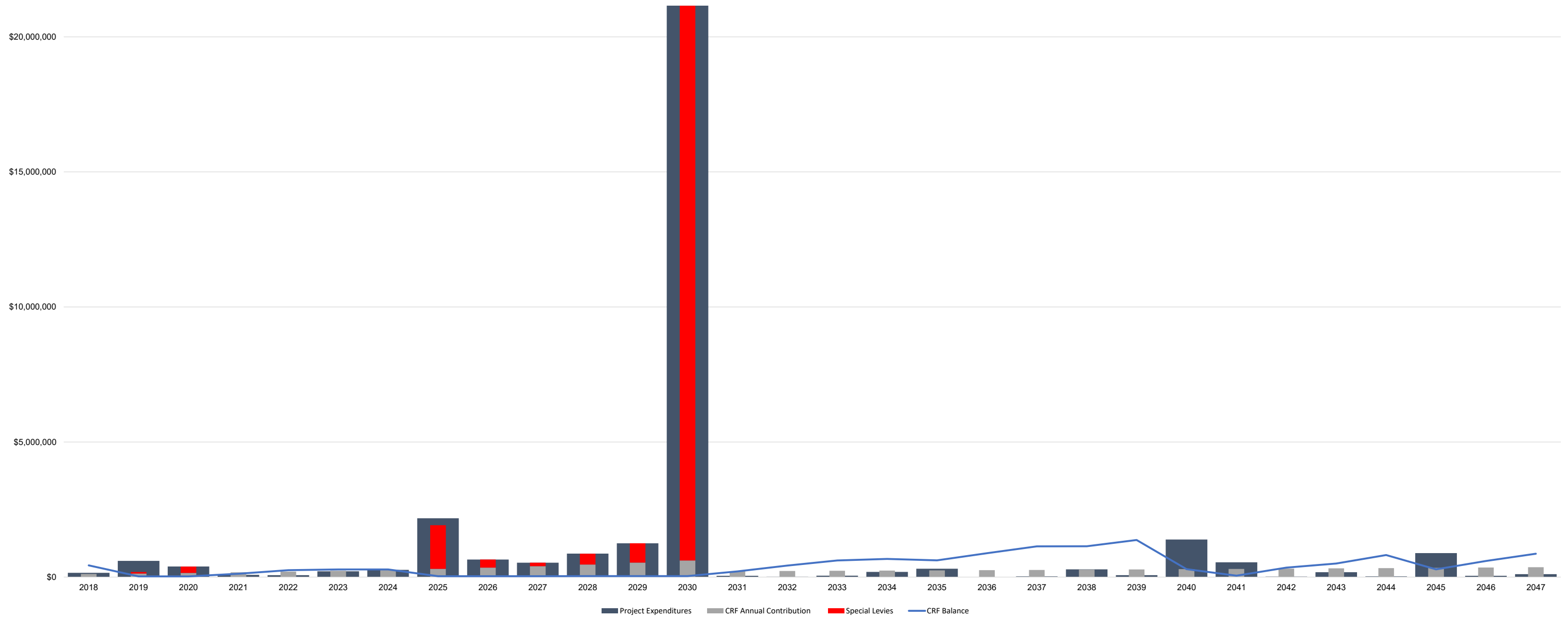


1st Year Minimum Balance = \$25,000
 Starting Balance = \$467,811
 1st Year Contribution = \$115,000
 Contribution Increase Rate = 15.0%
 Interest Rate = 1.2%
 Min Balance Increase Rate = 3.3%

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Project Expenditures	\$157,000	\$599,460	\$390,199	\$79,769	\$69,782	\$213,075	\$268,662	\$2,175,647	\$649,600	\$533,652
CRF Annual Contribution	\$115,000	\$132,250	\$152,088	\$174,901	\$201,136	\$231,306	\$266,002	\$305,902	\$351,788	\$404,556
Special Levies	\$0	\$54,751	\$237,660	\$0	\$0	\$0	\$0	\$1,612,987	\$296,174	\$127,136
CRF Balance	\$432,206	\$25,825	\$26,677	\$123,272	\$257,425	\$280,272	\$282,730	\$31,379	\$32,415	\$33,484
Min Required CRF Balance	\$25,000	\$25,825	\$26,677	\$27,558	\$28,467	\$29,406	\$30,377	\$31,379	\$32,415	\$33,484



Cash Flow 3 - Gradual Funding Increase



1st Year Minimum Balance = \$25,000
 Starting Balance = \$467,811
 1st Year Contribution = \$115,000
 Contribution Increase Rate = 15.0%
 Interest Rate = 1.2%
 Min Balance Increase Rate = 3.3%

1st Year Revised Contribution (After Critical Year) = 2031
 Revised 1st Year Contribution = \$218,158
 Revised Contribution Increase Rate = 3.3%

Notes:

- This funding model incorporates customized funding objectives into a baseline funding model (i.e., a model that assumes a minimum reserve balance and a higher dependency on special levies).
- No interest is collected from special levies as it is assumed funds will be collected just before expenditures.
- Project expenditures occur at the end of the year allowing interest to be accrued on the CRF balance.
- CRF balances are for end of year.

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Project Expenditures	\$157,000	\$599,460	\$390,199	\$79,769	\$69,782	\$213,075	\$268,662	\$2,175,647	\$649,600	\$533,652	\$866,826	\$1,251,763	\$21,154,014	\$47,727	\$11,798	\$52,971	\$192,565	\$308,752	\$0	\$24,549	\$285,004	\$68,459	\$1,389,175	\$548,657	\$15,856	\$180,065	\$25,879	\$885,850	\$48,046	\$108,402
CRF Annual Contribution	\$115,000	\$132,250	\$152,088	\$174,901	\$201,136	\$231,306	\$266,002	\$305,902	\$351,788	\$404,556	\$465,239	\$535,025	\$615,279	\$218,158	\$225,357	\$232,794	\$240,476	\$248,412	\$256,610	\$265,078	\$273,825	\$282,861	\$292,196	\$301,838	\$311,799	\$322,088	\$332,717	\$343,697	\$355,039	\$366,755
Special Levies	\$0	\$54,751	\$237,660	\$0	\$0	\$0	\$0	\$1,612,987	\$296,174	\$127,136	\$399,253	\$713,971	\$20,535,469	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CRF Balance	\$432,206	\$25,825	\$26,677	\$123,272	\$257,425	\$280,272	\$282,730	\$31,379	\$32,415	\$33,484	\$34,589	\$35,731	\$36,910	\$209,209	\$426,763	\$613,254	\$670,134	\$619,501	\$885,259	\$1,138,199	\$1,142,540	\$1,372,574	\$294,063	\$52,761	\$351,375	\$499,740	\$814,779	\$284,699	\$597,443	\$865,398
Min Required CRF Balance	\$25,000	\$25,825	\$26,677	\$27,558	\$28,467	\$29,406	\$30,377	\$31,379	\$32,415	\$33,484	\$34,589	\$35,731	\$36,910	\$38,128	\$39,386	\$40,686	\$42,029	\$43,416	\$44,848	\$46,328	\$47,857	\$49,436	\$51,068	\$52,753	\$54,494	\$56,292	\$58,150	\$60,069	\$62,051	\$64,099



APPENDIX F - ASSUMPTIONS

We made the following assumptions in preparing this Depreciation Report. These assumptions should be reviewed by the Strata Council and confirmed as being accurate.

1. Our interpretation of the unit boundaries and the responsibility thereof. These assumptions define the expenses included in the study. The Strata Corporation may wish to have this reviewed by its solicitor.
2. Contingency Reserve Fund Balance: We have used a Contingency Reserve Fund starting balance for the 2018 fiscal year of \$467,811, based on financial statements provided.
3. Contingency Reserve Fund Contributions: For the financial analysis, we have assumed an annual contribution of \$100,000 for 2017, based on financial statements provided.
4. Contingency Reserve Fund Expenses for Current Fiscal Year: We have assumed that future updates to the Depreciation Report will be paid from the Contingency Reserve Fund.
5. Minimum Balance: We assumed a minimum balance of \$25,000 in our cash flow analysis for 2016 increasing yearly to match inflation. This minimum balance is based on information provided. The minimum balance is the minimum value that the Contingency Reserve Fund would ever reach. The minimum balance could be \$0, or something higher. Although the *Strata Property Act* or Regulations presently do not require a minimum balance above \$0, it would be prudent to set a higher minimum balance to help safeguard against certain situations, such as:
 - a. Components performing worse than expected;
 - b. Unexpected problems or conditions; or
 - c. New requirements becoming necessary as a result of changes in Codes or local By-Laws
6. Projected project expenditure costs are based on:
 - a. work meeting the minimum requirements of the BC Building Code, and
 - b. maintaining standards similar to those existing at Pacific Landmark II.
7. The funding scenarios provided incorporate assumed inflation and interest rates. These rates should be periodically reviewed and adjusted to reflect changes in economic conditions, as part of the future updates to the Depreciation Report. For the purposes of this report we have incorporated an inflation rate of 3.3%, based on weighted historical construction indices for the Vancouver area, and an interest rate of 1.2%, based on historical investment returns for strata corporations of this type and the current investment opportunities available in the marketplace.



APPENDIX G - INFORMATION MADE AVAILABLE

The Strata Corporation made available the following documents for our review, to assist in preparing this Depreciation Report:

- Maintenance Proposal prepared by Otis Canada Inc., dated December 1, 1994;
- Proposal No. PG 9163 for “Maintenance Agreements for Building Environmental Systems” prepared by Trotter & Morgan Facility Services Inc., dated September 3, 2009;
- Addendum letter to 2013 Depreciation Report prepared by Read Jones Christoffersen, dated April 4, 2013;
- Depreciation Report prepared by Read Jones Christofferson Ltd., dated April 25, 2013;
- Equipment Rental Agreement prepared by Roynat Inc., dated December 9, 2013;
- “Mutual Release and Settlement Agreement,” dated February 11, 2015;
- Window Wall Leakage Investigation prepared by Sense Engineering Ltd., dated June 25, 2015;
- Elevator Inspection Report prepared by GUNN Consultants Inc., dated March 2016;
- Planned Service Report prepared by Finning (Canada), dated May 10, 2016;
- “Order Made After Application” document, dated May 13, 2016;
- “Modification of Charge – Court Order” prepared by the New Westminster Land Title Office, dated May 13, 2016;
- Letter RE: Recreational Facilities Easement prepared by Lesperance Mendes Lawyers, dated June 9, 2016;
- Inspection Report – Suspended Access & Fall Protection System prepared by Pro-Bel Group, dated October 25, 2016;
- Invoice No. SFINV-37047 prepared by Pro-Bel Group, dated November 3, 2016;
- Service Report prepared by Trotter & Morton dated December 14, 2016;
- Income Statements for 2014, 2015, 2016, 2017;
- Inspection, Testing and Maintenance of fire safety and prevention systems prepared by Black Tusk Fire & Security Inc., dated March 6-8th, 2017;
- Quote for deficiency repairs prepared by Black Tusk Fire 7 Security Inc., dated March 16, 2017;
- Approved Budget (May 1, 2016 to April 30, 2017);
- Project Summary Report prepared by Design Roofing;
- Fire Systems Deficiencies report prepared by Black Tusk Fire & Security Inc.;
- Balance Sheets for 2013, 2014, 2015, 2016, 2017;
- General Ledgers for 2014, 2015, 2016, 2017;
- Strata plan, dated August 10, 1994;
- Bylaws; and
- Financial statements for 2016.

A financial questionnaire was completed by the Strata Council and the results were incorporated into the Depreciation Report.

The Strata Corporation also made the following drawings available for our review:

- Electrical drawings prepared by Arnold Nemetz & Associates Ltd., dated July 23, 1992;
- Architectural drawings prepared by Eng & Wright Partners Architects, dated March 11, 1993;
- Structural drawings prepared by Jones Kwong Kishi Consulting, dated April 1993;
- Sprinkler drawings prepared by Systems engineering Ltd., dated September 15, 1993;
- Railing Shop drawings prepared by Altch Aluminum Ltd., dated September 16, 1993; and
- Mechanical drawings prepared by Yoneda & Associates, dated January 5, 1994.





2018 DEPRECIATION REPORT
UPDATE
FOR
PACIFIC LANDMARK II,
930 CAMBIE STREET, VANCOUVER

PREPARED FOR:

The Owners, Strata Plan LMS 1588
c/o Ascent Real Estate Management
2176 Willingdon Avenue
Burnaby, BC V6H 3X8
Attention: Mr. Jihad Faris, Strata Manager

PREPARED BY:

Ted Denniston, ASCT, LEED AP
Sense Engineering Ltd.
104 – 788 Copping Street
North Vancouver, BC V7M 3G6

July 20, 2017

Sense's Project No. 17A004A



EXECUTIVE SUMMARY

The Owners of Strata Plan LMS 1588 retained *Sense Engineering* to prepare this 2018 Depreciation Report for Pacific Landmark II at 930 Cambie Street, Vancouver. This report satisfies the requirements of the BC *Strata Property Act* and Regulations.

The Strata Corporation's present fiscal year runs from May 1 to April 30. For the purposes of this report the 2018 Fiscal Year runs from May 1, 2017 to April 30, 2018.

Pacific Landmark II is a 31 storey tower with 122 residential units and one commercial unit, constructed over a 2 storey (4 split levels) underground parking garage. Amenities include common corridors, bike storage, meeting room, and party room with a kitchen and bathroom. The building was constructed in 1994.

We understand the Strata shares the entrance plaza with Pacific Landmark I at 950 Cambie Street. The two water features in the plaza are also shared, as are two access ramps within the parkade below the plaza. There is also a recreation/fitness facility in Pacific Landmark I, which Landmark Pacific II has use of and pays a monthly fee to Pacific Landmark I to cover the cost of maintenance and any capital repairs.



The property and building has been well maintained over the years.

The Common Assets section of this report (see Appendix A) details each common asset at the property, listed under a building system heading. Under each common asset there is a brief description of the asset, a section on known history of repairs and renewals (where information was available), a section dedicated to our analysis of existing conditions, and then our recommended repair and renewal projects, including costs and timing.

The timing of repair and renewal projects in this report is based on past performance and existing conditions, and assume continued maintenance. Actual timing can vary depending on many factors, including the frequency or intensity of future building maintenance. Under strict maintenance regimens, the timing of repairs and renewal projects could possibly extend beyond what is presented in this report. Conversely, should essential and timely maintenance not be carried out, the timing of repairs and renewal projects could possibly occur years sooner than what is presented in this report.

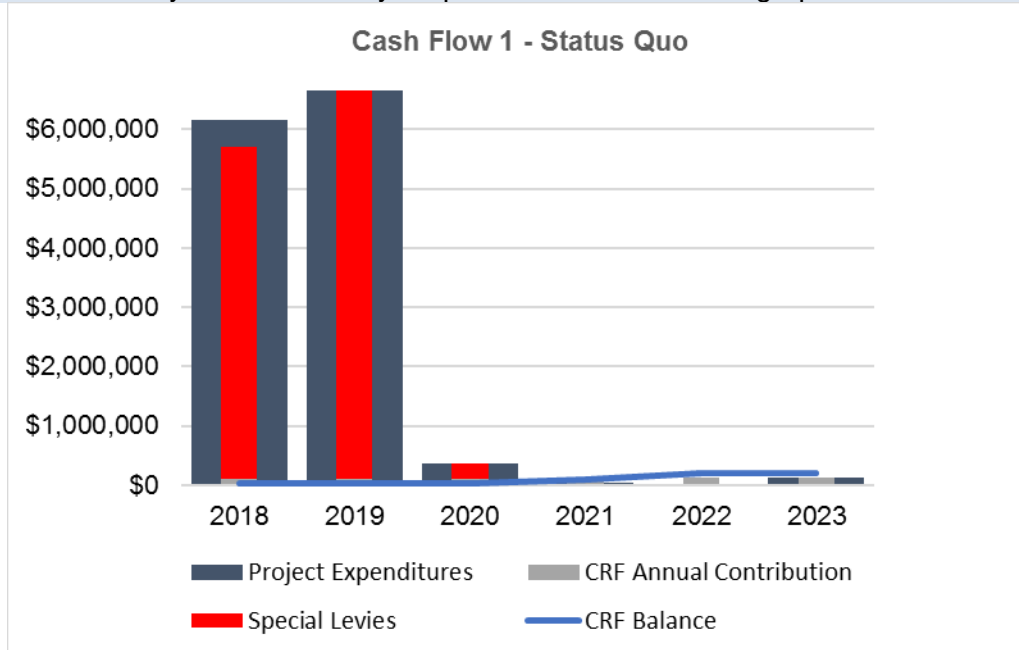
You will note that there are recommended projects and investigations in the next three years, i.e., before the next update to this Depreciation Report. These projects are summarized as follows:

2018 \$6,157,000	<p><u>1.2 Balconies</u> Evaluate Condition of the Balconies, including Coatings and Guards – \$5,000</p> <p><u>1.4 Parking Garage</u> Evaluate Condition of the Parking Garage – \$10,000</p> <p><u>2.2 Windows, Balcony and Roof Deck Doors</u> Replace Window Wall System, EIFS Cladding, Balcony and Roof Deck Doors, Ground Floor Windows at the Tower, Balcony Slab Edge Cover Plates, and Refinish Balcony and Roof Deck Metal Railings – \$6,000,000</p> <p><u>5.1 Site Features and Paving</u> Locally Repair Colonnade and Trellis, including concrete and masonry repairs and re-painting – \$70,000</p> <p><u>7.1 Domestic Hot Water</u> Replace Boilers (1 per cycle) – \$12,000</p> <p><u>9.1 Elevators</u> Replace Elevator Door Operators – \$60,000</p>
2019 \$6,664,916	<p><u>1.4 Parking Garage</u> Re-waterproof Suspended Slabs – \$113,630 Re-waterproof Garage Roof Slab at South Side of the Building (at Pacific Landmark II property only) – \$309,900</p> <p><u>2.1 Exterior Walls</u> Repair Masonry and Improve Water Shedding at Masonry and Concrete Clad Walls – \$30,990</p> <p><u>2.2 Windows, Balcony and Roof Deck Doors</u> Replace Window Wall System, EIFS Cladding, Balcony and Roof Deck Doors, Ground Floor Windows at the Tower, Balcony Slab Edge Cover Plates, and Refinish Balcony and Roof Deck Metal Railings – \$6,198,000</p> <p><u>7.1 Domestic Hot Water</u> Replace Boilers (1 per cycle) – \$12,396</p>

2020 \$365,798	<u>1.2 Balconies</u> Repair Balconies, including Re-coating and Local Repairs – \$90,703
	<u>2.4 Roofing</u> Replace Main and Mechanical Penthouse Roofs – \$170,734
	<u>3.3 Suppression</u> Replace Fire Pump and Controller – \$53,354
	<u>6.1 Heating and Cooling</u> Replace Electrical Room Air Conditioning Unit – \$21,342
	<u>7.1 Domestic Hot Water</u> Replace Boilers (1 per cycle) – \$12,805
	<u>7.2 Domestic Water Piping/Valves</u> Evaluate Domestic Water Distribution System – \$8,537
	<u>12.1 Depreciation Reports</u> Depreciation Report Update – \$8,323

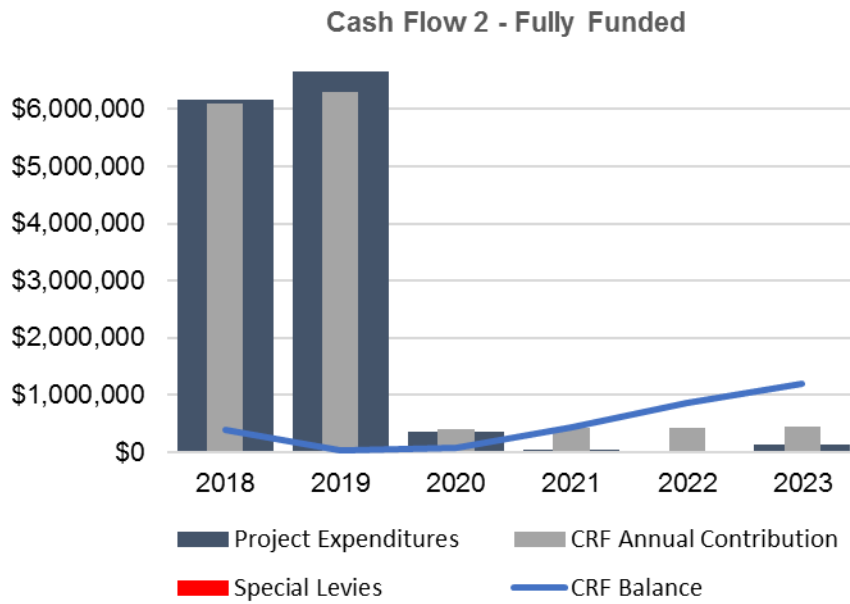
The Common Asset information was input into a Projected Expenditures spreadsheet, which shows all common assets and their related repair and renewal projects, costs, and timing over a 30-year period (see Appendix B). You will note that critical years (years with significant expenditures) include: 2018, 2019, 2025, and 2040. The 30-year Projected Expenditures sheet has generated Contingency Reserve Fund cash flows, including opening balance, inflation, interest, and minimum balance. The three cash flows we have provided (see Appendices C, D and E) show varying funding scenarios for the Reserve Fund and are summarized as follows:

Cash Flow Analysis 1 - Status Quo: This funding scenario shows contributions to the Contingency Reserve Fund at the same level as is presently being contributed. This shows that there are several years where the amount in the Reserve Fund will not be sufficient to cover the costs of required repairs and renewals and the resultant amount of the Special Levy, in that particular year, that will be required in order to cover costs. See below for the first six year snap shot of this scenario, see Appendix C for both 10 year and full 30 year presentation tables and graphs.



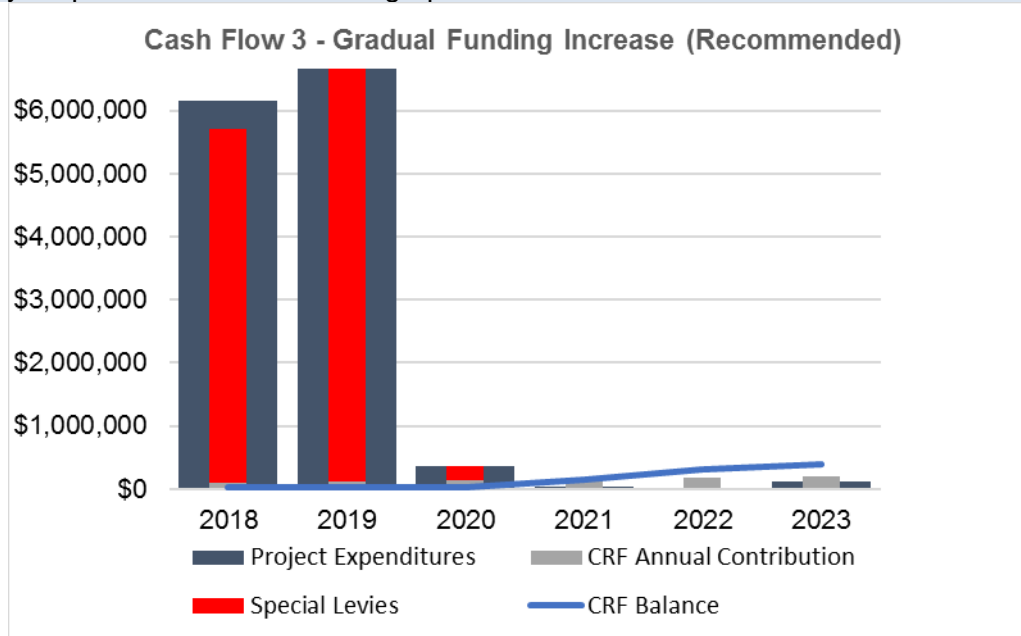
Year	2018	2019	2020	2021	2022	2023
Project Expenditures	\$6,157,000	\$6,664,916	\$365,798	\$41,888	\$13,664	\$127,977
CRF Annual Contribution	\$103,300	\$106,709	\$110,230	\$113,868	\$117,626	\$121,507
Special Levies	\$5,610,889	\$6,558,730	\$256,108	\$0	\$0	\$0
CRF Balance	\$25,000	\$25,825	\$26,677	\$98,980	\$204,135	\$200,129
Min Required CRF Balance	\$25,000	\$25,825	\$26,677	\$27,558	\$28,467	\$29,406

Cash Flow Analysis 2 - Fully Funded (No Special Levies): This funding scenario shows contributions to the Contingency Reserve Fund that would be required to cover the cost of future repairs and replacements with no Special Levies. Annual contributions would only be increased by the amount of inflation. See below for the first six year snap shot of this scenario, see Appendix D for both 10 year and full 30 year presentation tables and graphs.



Year	2018	2019	2020	2021	2022	2023
Project Expenditures	\$6,157,000	\$6,664,916	\$365,798	\$41,888	\$13,664	\$127,977
CRF Annual Contribution	\$6,087,127	\$6,288,002	\$405,920	\$419,315	\$433,153	\$447,447
Special Levies	\$0	\$0	\$0	\$0	\$0	\$0
CRF Balance	\$397,938	\$25,826	\$66,259	\$444,487	\$869,339	\$1,199,298
Min Required CRF Balance	\$25,000	\$25,825	\$26,677	\$27,558	\$28,467	\$29,406

Cash Flow Analysis 3 (RECOMMENDED) - Gradual Funding Increase: This funding scenario shows gradual increases in contributions to the Contingency Reserve Fund and special levies for large expenditure years, so as not to overly burden the existing Owners; but, also to eventually (after 2026) bring the contributions to a level where the Reserve Fund is fully funded and annual contributions only needing to be increased by the amount of inflation. You will note that initial contribution amounts will be less than in the scenario of Cash Flow Analysis 2, but more in later years. See below for the first six year snap shot of this scenario, see Appendix E for both 10 year and full 30 year presentation tables and graphs.



Year	2018	2019	2020	2021	2022	2023
Project Expenditures	\$6,157,000	\$6,664,916	\$365,798	\$41,888	\$13,664	\$127,977
CRF Annual Contribution	\$103,300	\$118,795	\$136,614	\$157,106	\$180,672	\$207,773
Special Levies	\$5,610,889	\$6,546,644	\$229,724	\$0	\$0	\$0
CRF Balance	\$25,000	\$25,825	\$26,677	\$142,218	\$310,942	\$394,491
Min Required CRF Balance	\$25,000	\$25,825	\$26,677	\$27,558	\$28,467	\$29,406

Note: As per the BC *Strata Property Act Regulations*, the funding requirements and cash flows have been projected over a 30-year period. There are repair and replacement projects which will be required beyond the 30-year window of this report, and in future updates to your Depreciation Report these projects will eventually come into play and affect the future funding requirements of the Contingency Reserve Fund. These effects may be either negative or positive.

Assumptions: We had to make certain assumptions in preparing this Depreciation Report (see Appendix F). These assumptions should be reviewed by the Strata Corporation and confirmed as being accurate, or otherwise.

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1.0 STRATA PLAN LMS 1588

The *Strata Property Act* states that unless otherwise shown on the Strata Plan, if a Strata lot is separated from another Strata lot, the common property, or another parcel of land by a wall, floor or ceiling, the boundary of the Strata lot is midway between the surface of the structural portion of the wall, floor or ceiling that faces the lot, and the surface of the structural portion of the wall, floor or ceiling that faces the other Strata lot, the common property or another parcel of land. The *Act* also has easement provisions, reciprocally in favour of each Strata lot and common Strata property, in relation to services such as mechanical and electrical equipment.

Legal interpretations of the repair and maintenance obligations of the Strata Corporation as noted in the Statutes of the *Act* have generally stated that any component which plays an integral part in the performance of the common assets, say, the exterior wall, is generally the responsibility of the Strata Corporation (as opposed to an individual owner) to maintain, repair and replace.

The Strata Corporation may wish to have this reviewed by its solicitor for the appropriateness of our understanding and assumptions of the unit boundaries and the responsibility thereof. These assumptions define the expenses included in the study.

Our interpretation of the Strata Plan and how we understand the Strata Corporation to be operating are that the following property assets (building components and systems) are the common assets, which must be addressed as part of this Depreciation Report:

- Structural frame, including exclusive use balconies;
- Roofs, including exclusive use roof decks;
- Exterior cladding, windows and doors;
- Interior finishes in common areas;
- Site finishes; and
- Common mechanical and electrical facilities.

We understand that components and systems, which are not common assets and are the responsibility of the individual owners include:

- Interior suite finishes;
- In-suite-specific plumbing and electrical fixtures and associated piping and wiring;
- In-suite HVAC units; and
- In-suite fireplaces.



2.0 STRATA PROPERTY ACT REQUIREMENTS

As per the BC *Strata Property Act* and Regulations:

"Depreciation reports help strata corporations plan for the repair, maintenance and replacement of common property, limited common property and common assets over a 30 year period.

The report must contain:

- A physical inventory of the common property and assets.
- Anticipated maintenance, repair and replacement costs for common expenses projected over 30 years.
- A financial forecasting section with at least three cash flow funding models.

Depreciation reports provide useful information to strata lot owners, prospective purchasers, mortgage providers and insurance companies."

Note: Our Depreciation Report provides information satisfying the above requirements.

In response to other requirements of the Regulations:

- The employees at *Sense Engineering* have prepared Depreciation-type reports across the Country since the early '90s, and our Team is familiar with virtually all building systems, failure mechanisms and required maintenance, and repair and replacement needs.
- *Sense Engineering* was retained by the Strata Corporation, and at the time of writing this report, no employees of *Sense Engineering* have any ownership interest (present or prospective) in the Strata Corporation or its management company, thereby solely providing independent 3rd party consulting services to the Strata Corporation.
- *Sense Engineering* carries \$5,000,000 in errors and omissions insurance.

3.0 SENSE'S SCOPE OF WORK

The Owners of Strata Plan LMS 1588 retained *Sense Engineering* to prepare this 2018 Depreciation Report update, in accordance with our proposal dated March 16, 2016.

Our intent in preparing this Depreciation Report update for the Strata Corporation was to:

- meet the requirements of the BC *Strata Property Act* and Regulations,
- make the report easy to understand and be a useful document to assist in managing the building, and
- include a sensible plan for managing costs to maintain, repair and renew the building over both the short and long term.

As part of our review and preparation of this report, we:

- Reviewed the information made available (see Appendix G) and had discussions with Mr. Tom Poirier (Building Operator) and Mr. Jihad Faris (Strata Manager) to:
 - verify which components of the Strata Corporation are common assets;
 - understand the extent of the Strata Corporation's interests with respect to shared facilities;
 - understand the general construction of the building and property;
 - understand the type and level of maintenance and repairs carried out in the past and planned for the future; and
 - understand the financial status of the Strata Corporation.
- Completed a visual review of a sampling of each of the common assets to make an assessment of existing conditions. As part of this review, we:
 - made observations of common assets from the ground, accessible roofs, suites and the commercial unit, and common and service areas;
 - gained access to suites 806, 903 and PH1; and
 - gained access to the commercial unit.

There was no access to the elevator pit or hoistway, so these areas were not reviewed.

We completed our site review on March 21, 2017.

- Created an inventory of common assets, including present age of each asset/system, and also assigned related repairs and renewals (and costs^{1,2}) that will be required over the remaining life of each asset/system.
- Calculated various funding scenarios to develop options for contributions to the Contingency Reserve Fund.
- Ted Denniston, AScT, LEED AP, reviewed the site and wrote this report. Brennan Vollerling, M.A.Sc., P.Eng, LEED AP, reviewed this report.

¹ Projected expenditures for repair and renewal projects assume a prudent level of ongoing maintenance. Costs shown are inflated and include contingencies (typically 5 to 15%) and allowances for design/project management (5 to 15%), where appropriate. GST (5%) has also been included.

² As per the *Act*, a depreciation report is to include anticipated maintenance, repair and replacement costs for common expenses that usually occur less often than once a year. In general, any repair or renewal project greater than \$2,500 has been captured and included in the Depreciation Report. Smaller repairs and replacement work, and routine building maintenance items have not been included in the report, except where significant programs of maintenance to defer future repair or renewal projects, or one-time maintenance projects to catch-up on deferred maintenance were deemed to be required.

Should you have any immediate questions, please feel free to contact us.

Yours truly,

[Original Signed]

Ted Denniston, ASCT, LEED AP
Principal (778) 869-3035
Sense Engineering Ltd.

[Original Signed and Sealed]

Brennan Vollering, M.A.Sc., P.Eng, LEED AP
Principal (604) 365-3664
Sense Engineering Ltd.

4.0 LIMITATIONS

No party other than the Client (*Strata Plan LMS 1588*) shall rely on the Consultant's work without the express written consent of the Consultant (*Sense Engineering Ltd.*). The scope of work and related responsibilities are defined in the Consultant's proposal and Conditions of Assignment. Any use which a third party makes of this work, or any reliance on or decisions to be made based on it, is the responsibility of such third parties. Decisions made or actions taken as a result of our work shall be the responsibility of the parties directly involved in the decisions or actions. Any third party user of this report specifically denies any right to any claims, whether in contract, tort and/or any other cause of action in law, against the Consultant (including Sub-Consultants, their officers, agents and employees).

The work reflects the best judgement of the Consultant in light of the information reviewed by them at the time of preparation. Unless otherwise agreed in writing by the Consultant, it shall not be used to express or imply warranty as to the fitness of the property for a particular purpose. This is not a certification of compliance with past or present regulations. No portion of this report may be used as a separate entity; it is written to be read in its entirety.

This work does not wholly eliminate uncertainty regarding the potential for existing or future costs, hazards or losses in connection with a property. No physical or destructive testing and no design calculations have been performed unless specifically recorded. Conditions existing, but not recorded, were not apparent given the level of study undertaken. Only conditions actually seen during examination of representative samples can be said to have been appraised and comments on the balance of the conditions are assumptions based upon extrapolation. We can perform further investigation(s) on items of concern, if so required.

Only the specific information identified has been reviewed. The Consultant is not obligated to identify mistakes or insufficiencies in the information obtained from the various sources or to verify the accuracy of the information.

The Consultant was not to investigate or provide advice, and is not investigating or providing advice, about pollutants, contaminants or hazardous materials.

The Client and other users of this report expressly deny any right to any claim, including personal injury claims, which may arise out of pollutants, contaminants or hazardous materials, including but not limited to asbestos, mould, mildew or other fungus.

Projected project expenditure figures are our opinion of a probable current dollar value of the work and are provided for approximate budget purposes only. Accurate figures can only be obtained by establishing a scope of work and receiving quotes from suitable contractors.

Time frames given for undertaking work represent our opinion of when to budget for the work. Failure of the item, or the optimum repair/replacement process, may vary from our estimate.

As per our conditions of assignment pertaining to this project: The liability of *Sense Engineering* is limited to the Client in Contract and Tort to the amount available through *Sense Engineering's* professional liability insurance coverage. The Client expressly agrees that the individuals engaged by the Consultant shall have no personal liability to the Client in respect of a claim, whether in contract, tort and/or any other cause of action in law. The Client expressly agrees that it will bring no proceedings and take no action in any court of law against any of the individuals in their personal capacity.

APPENDIX A – COMMON ASSETS

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Note: The timing of repairs and renewal projects in this report are based on past performance and existing conditions, and assume continued maintenance. Actual timing can vary depending on many factors, including the frequency or intensity of future building maintenance. Under strict maintenance regimens, the timing of repairs and renewal projects could possibly extend beyond what is presented in this report. Conversely, should essential and timely maintenance not be carried out, the timing of repairs and renewal projects could possibly occur years sooner than what is presented in this report.



1. STRUCTURE

1.1 STRUCTURAL FRAME

BRIEF DESCRIPTION:

The structure is concrete-framed, with cast-in-place reinforced concrete slabs, supported by reinforced concrete columns and walls. Drawings indicate that the floor slabs are conventionally reinforced.

The below-grade foundation walls are cast-in-place reinforced concrete. Drawings indicate that the lowest levels of the parking garage (P2 upper and lower levels) have 4" concrete slabs on grade and there are reinforced concrete strip and pad footings.

An opening was cut in the concrete wall between the parking garages of Pacific Landmark I and II to allow access from the shared ramp on the Pacific Landmark I side to the lower P2 level parking at the Pacific Landmark II side. A steel beam is installed to support the structure above the opening. We assume that this opening was made at the time of construction.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

No significant capital projects were reported to have been completed in relation to the structural frame of the building.

PRESENT CONDITIONS AND RECOMMENDATIONS:

Most of the structural components are concealed from view. We noted no evidence of unusual settlement, displacement, or structural cracking in the areas reviewed.

The interior portions of the structure are generally protected from weather and are not expected to require major repair within the term of this report. Expected repairs to structural elements exposed to weather are discussed in other sections of this report.

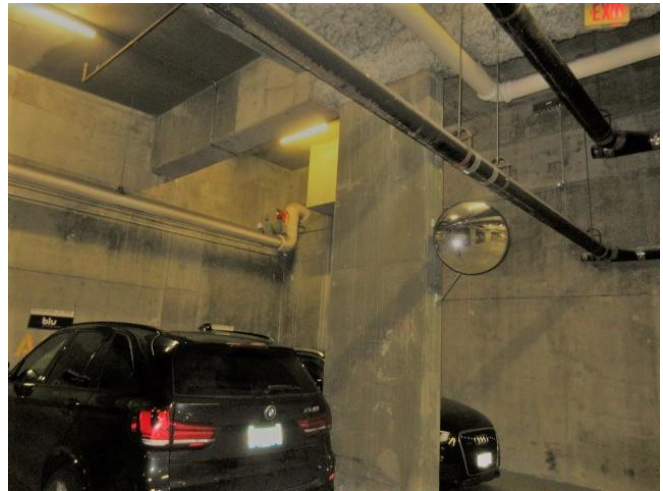


Photo 1: Typical structural frame in the parking garage.

This building is located in an area with a relatively high risk of strong seismic activity. *Sense Engineering* has not completed a structural analysis to confirm whether the building meets current earthquake resistance requirements. Upgrading to meet current Code requirements is not mandatory, so we have not included a projected expenditure for any structural retrofits. However, retrofits could be required if there is a major loss to the building, e.g., due to a fire or flood, or if a major renovation is carried out in the future.



1. STRUCTURE

1.2 BALCONIES

BRIEF DESCRIPTION:

There are balconies at the four outside corners of the building at the 13th to 29th floor levels. The balconies are formed by cantilevered extensions of the concrete floor slabs. There is a liquid applied urethane pedestrian traffic coating on the top surface of the slabs. The front edges of the slabs are covered with metal panels, similar to the window walls, and the undersides of the slabs are unfinished.

Balcony guards are aluminum-framed with tempered glass infill panels. The guards are secured to the top of the concrete slabs.

There are roof decks (similar to balconies, but over living space below) at the four outside corners of the building at the 12th floor level, at the east side of the building at the 3rd floor level, and at the penthouse level (30th floor). These roof decks are discussed under the Roofing section of this report.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

No significant capital projects were reported to have been completed in relation to the balconies.

PRESENT CONDITIONS AND RECOMMENDATIONS:

We did not access a suite with a balcony; however, based on past reports and our understanding, the balconies, pedestrian traffic coating, and guards are all in relatively good condition. The 2013 Depreciation Report indicated that guard fasteners are rusting and the finish to the guards is faded.

Pedestrian traffic coatings such as installed are required to protect the concrete from deterioration and prevent water from leaking through cracks in the concrete. Coatings of this type typically have a service life of 20 to 25 years.

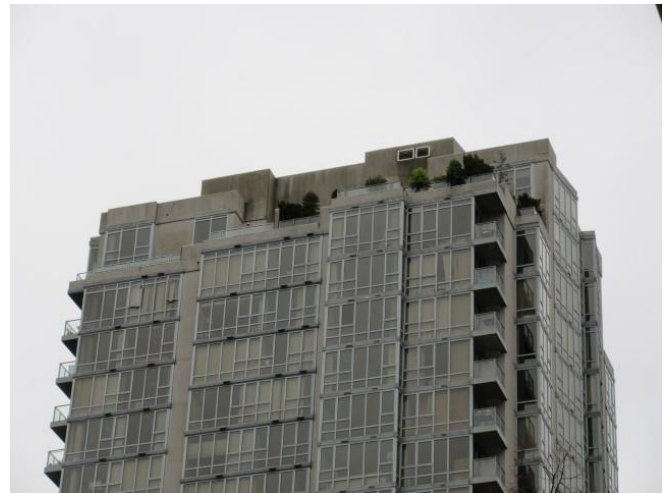


Photo 2: Typical balconies at corners of the building.

The projected expenditures allow for an evaluation of the condition of the balconies, to better develop a scope and timing of required maintenance and repairs in relation to the concrete, pedestrian coating, guard finishes and fasteners, etc. Pending this evaluation, the projected expenditures allow for periodic programs of re-coating of the balconies, including local repairs to the concrete and guard fasteners.

Replacement of the metal panels at the front edges of the balcony slabs, and re-finishing of the guards, including at the balconies and roof decks, is included in the projected expenditures for the re-cladding project to maintain consistent aesthetics (see the Windows, Balcony and Roof Deck Doors section of this report). The projected expenditures also allow for eventual replacement of the guards.

The balcony slabs should be checked regularly to identify and remove any loose concrete that may form at the slab edges or soffits. We assume this will be done as part of ongoing maintenance.



CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
-------------	--------------	---------------	---------------

Evaluate Condition of the Balconies, including Coatings and Guards	\$5,000	2018	
Repair Balconies, including Re-coating and Local Repairs	\$85,000	2020	25
Repair Balconies, including Re-coating, Local Repairs, and Replacement of Guards at Balconies and Roof Decks	\$385,000	2040	



1. STRUCTURE

1.3 SUSPENDED ACCESS

BRIEF DESCRIPTION:

The building has a permanent tie-back anchor system to permit suspended access to the exterior walls. Anchors are typically cast into the concrete walls. There are also some anchors welded to the steel support framing to the walls enclosing mechanical equipment.

Based on documents provided, we understand that there is a drawing indicating the type and location of the anchors and a description of their intended use. This drawing was not available at the time of our review, but we understand that the drawing was prepared by Fulton Engineering and signed and sealed by Robert Harry Fulton, P.Eng., dated August 12, 1994.



Photo 3: Typical roof anchors.

<h3><u>MAINTENANCE, REPAIR AND RENEWAL HISTORY:</u></h3> <p>No significant capital projects were reported to have been completed in relation to the suspended access system.</p>

PRESENT CONDITIONS AND RECOMMENDATIONS:

No major concerns were reported by Management or in the latest annual inspection report (dated October 25, 2016).

A copy of the roof anchor drawing should be posted at all roof exits, as required by the governing Regulation.

The system relies on cast-in-place and welded anchors, which are required to be annually inspected, but not load-tested. The welds on the welded anchors also require periodic testing. We assume that inspections, testing, and minor repairs arising from inspection and testing, will be completed as a maintenance expense.

Based on the age of the system and the absence of major concerns to date, capital expenditures are not expected within the report term.



1. STRUCTURE

1.4 PARKING GARAGE

BRIEF DESCRIPTION:

There is a four, split-level, underground parking garage. Access to the garage is provided from the entrance drive to the complex, to a suspended down ramp at the south-east corner of the building. The entrance ramp leads to the P1 upper level and P1 lower and P2 levels below. The P1 levels are concrete suspended slabs with a traffic deck coating. The P2 levels are concrete slabs on grade.

The top portion of the garage entrance ramp, down to the trench drain, appears to have a concrete topping. There is a herringbone finish in the topping. The topping is likely installed over waterproofing and the structural suspended slab. The entrance ramp below the trench drain is a concrete suspended slab with traffic deck coating similar to the other P1 suspended slabs.

There are openings in the wall between the parking garages of Pacific Landmark I and II to allow access from/to shared ramps on the Pacific Landmark I side at both the P1 and P2 levels.

There are painted metal guards and railings at various stairs and changes in elevation in the parking garage. There is also metal picket and chain link fencing at some locations in the garage.

The garage extends beyond the building footprint on all sides. The entrance drive, visitor parking spaces, and part of the center water feature, are located on top of the garage roof slab at the south end of the property. Walkways and landscaped areas cover the roof slab at the north, east, and west sides of the building. Drawings available do not provide details of the construction of the roof slab; but, we assume that waterproofing is installed over the concrete roof slab, i.e., under the paved and landscape finishes.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

No significant capital projects were reported to have been completed in relation to the parking garage.



Photo 4: Typical parking garage.

PRESENT CONDITIONS AND RECOMMENDATIONS:

The projected expenditures allow for periodic garage evaluations to better develop a scope and timing of required maintenance and repairs related to the parking garage.

We assume that any required maintenance and repairs to the guards, railings, and fencing in the parking garage will be carried out on an as-needed basis or as part of other projects.

Suspended Slabs

The waterproofing to the suspended slabs is worn, particularly at drive and turn areas. The waterproofing is also scrapped down to bare concrete at some locations. Past repairs are evident at some crack locations. We understand that there is no active leakage through the suspended parking slabs and we noted no significant hollow sounding concrete at the topside of the slabs or visible concrete deterioration on the slab soffits.

The suspended parking slabs are waterproofed to prevent leakage to the parking levels below and also to protect the concrete. Should water be allowed to leak through worn or damaged parts of the traffic coating system, there is a potential for the moisture in the concrete to induce corrosion of the steel reinforcing embedded in the concrete, which can result in deterioration of the concrete and costly repairs in the future.



The shared ramps on the Pacific Landmark I side have been re-waterproofed in recent years. We understand that Pacific Landmark II is responsible for 40% of any costs associated with these shared ramps.

The projected expenditures allow for periodically re-waterproofing of the suspended slabs.

Isolated leaks through the suspended slabs are expected to be addressed on an as-needed basis as part of ongoing maintenance.

Garage Entrance Ramp

Waterproofing below garage entrance ramps such as at Pacific Landmark II should have a life expectancy of about 30 years. The projected expenditures allow for eventual replacement of the concrete topping and waterproofing. The timing and phasing of this project will be based on performance and tolerance to leakage and should be further considered as part of future updates to this Depreciation Report.

Garage Roof Slab

The waterproofing membrane at the garage roof slab is believed to be original to the building, so about 23 years old.

Buried waterproofing under areas subject to vehicle traffic, such as at the south side of the building, should have a service life of about 30 years. Buried waterproofing under areas of pedestrian traffic and landscaped areas should have a service life of 35 years. There are a few locations of leakage through the garage roof slab, including:

- Along expansion joint between the parking garages of Pacific Landmark I and II (water leaks into the P1 levels and also runs down to the P2 levels), and
- Through cracks in the garage roof slab in the P1 bicycle storage room at the east side of the parking garage.

There is also settlement of the paving along the joint between the parking garages of Pacific Landmark I and II, resulting in ponding water. Mature trees around the center water feature may be resulting in root damage to the waterproofing.

Pending results of the recommended garage evaluation, the projected expenditures allows for eventual re-waterproofing of the garage roof slab. We suspect that this work can be phased with the roof slab first re-waterproofed under the traffic bearing areas at the south side of the building, followed by re-waterproofing remaining roof slab areas in later years. The projected expenditures for the re-waterproofing of the garage roof slab below the traffic bearing areas only include those areas over the Pacific Landmark II parking garage. As this area is shared between Pacific Landmark I and II, consideration should be given to replacing the garage roof slab waterproofing over the entirety of the shared traffic and center water feature areas. We understand that costs related to these shared areas would be proportioned 60% to Pacific Landmark I and 40% to Pacific Landmark II; however, for the purposes of this report, the projected expenditures allow for 100% of the cost of re-waterproofing over the Pacific Landmark II parking garage.

Isolated leaks through the garage roof slab are expected to be addressed on an as-needed basis, likely through injection type repairs (see below).

Garage Perimeter Foundations Walls

There are some locations of evidence of past leakage through cracks in the exterior walls of the garage.

We expect that most leaks through the foundation walls can be addressed through injection type repairs, as part of ongoing maintenance; however, the projected expenditures allow for a periodic allowance to address leaks. This repair allowance should be considered to address leaks associated with the exterior foundation walls and garage roof slab.

Slab-On-Grade

There are some cracks in the concrete slab-on-grade. However, we noted no excessive cracking or significant differential settlement that would suggest there are sub-grade problems. As the cracking is not affecting use, we have not included projected expenditures for repair.



CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
-------------	--------------	---------------	---------------

Evaluate Condition of the Parking Garage	\$10,000	2018	
Re-waterproof Suspended Slabs	\$110,000	2019 2034	15
Re-waterproof Shared Ramps on the Pacific Landmark I Side (cost shown is 40% of total, representing the Strata's share)	\$9,000	2031 2046	15
Replace Garage Entrance Ramp Concrete Topping and Waterproofing	\$95,000	2025	30
Re-waterproof Garage Roof Slab at South Side of the Building (at Pacific Landmark II property only)	\$300,000	2019	30
Re-waterproof Garage Slab at North, East and West Sides of the Building	\$190,000	2030	35
Local Repairs at Leaks through Foundation Walls and the Garage Roof Slab	\$10,000	2025 2035 2045	10



2. BUILDING ENVELOPE

2.1 EXTERIOR WALLS

BRIEF DESCRIPTION:

A “window wall” system clads most of the building with some areas of exterior insulation and finishing system (EIFS), including at the penthouse exterior walls. There is also brick veneer masonry at some areas at the ground floor and unfinished concrete at the top of the commercial unit walls.

See the Windows, Balcony and Roof Deck Doors section of this report for further discussion about the window walls and projected expenditures.

The EIFS consists of a textured acrylic finish applied to rigid insulation boards. The type of sheathing and back-up structure are unknown. Horizontal and vertical joints within and at the perimeter of the EIFS are covered with silicone bands (likely “Dow Corning 123 Silicone Seal” system). It appears that the EIFS cladding is designed as a face sealed system, meaning that the walls need to be watertight on the exterior to perform satisfactorily.

The masonry veneer cladding is typically vertically supported by the concrete foundation walls at the base of the building. The method of lateral connection is unknown. Weep holes located at the base of each masonry panel suggests that the walls are intended to function as a drained system, meaning that the outer surface does not need to be perfectly watertight to perform satisfactorily. A drainage cavity has been incorporated to drain water which penetrates through the face back to the exterior.

Joints between the various cladding components are typically sealed with caulking.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

- ~2008: Installed silicone seals at EIFS clad walls (as indicated by the Building Operator).
- 2011: Replaced caulking at the exterior of the building (as indicated in documents provided).



Photo 5: Typical exterior walls.

PRESENT CONDITIONS AND RECOMMENDATIONS:

The exterior walls have been problematic over the years, resulting in leaks into the suites at many locations. Leaks have been most commonly associated with the window walls (see the Windows, Balcony and Roof Deck Doors section of this report for further discussion). Following re-cladding there will be a need for future maintenance of the exterior cladding; however, until the type of new cladding is determined, it is difficult to predict the type, extent and frequency of maintenance type repairs. The projected expenditures provide an allowance for future repairs, which should be reconsidered as part of updates to the Depreciation Report, once the new cladding system is determined.

The EIFS is heavily stained at top of the building due to exposure. Consideration could be given to cleaning and re-coating the EIFS; however, given the limited extent of EIFS and that EIFS surrounds the window walls which need to be replaced within the coming years, the projected expenditures allow for replacement of the EIFS as part of the window wall replacement project to help ensure proper detailing and long term durability. Caulking will also be replaced/installed throughout the exterior of the building, as part of this project.



The masonry is stained, covered with moss, and mortar joints are deteriorating, typically at the top of the masonry panels at locations where water run-off from above is concentrated and not shed away from the masonry. There are rowlock courses of masonry (bricks turned on their side) at the top of the masonry panels, which is not ideal with respect to masonry absorbing moisture. The concrete walls at the top of the commercial unit walls are also similarly stained with some moisture apparently gaining access to the walls from the top and opposite/roof side of the walls. The projected expenditures allow for local repairs to address present deterioration and improve water shedding of these walls areas, followed by local repairs in the future.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
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Repair Masonry and Improve Water Shedding at Masonry and Concrete Clad Walls	\$30,000	2019	
Locally Repair Masonry and Concrete Clad Walls	\$10,000	2029 2039	10
Complete Maintenance Type Repairs to New Cladding System	\$300,000	2034	15



2. BUILDING ENVELOPE

2.2 WINDOWS, BALCONY AND ROOF DECK DOORS

BRIEF DESCRIPTION:

A window wall system clads most of the building. The window walls span from floor slab to floor slab. The system consists of tinted, double-glazed insulating glass units (IGUs), with both fixed and casement-type operables, in pre-finished extruded aluminum frames. Casement operables have compression gasket type weatherstripping. There are horizontal metal panels which cover the floors slabs with waterproofing behind. The original window system was designed to drain to the exterior; however, repairs to address leakage over the years has resulted in most exterior joints being sealed with caulking to reduce bulk water from entering the system and for the most part changing the original drained design to a face-sealed design.

Balcony and roof deck doors typically consist of sliding glass doors (two-panel, double glazed). There are also outward swinging metal doors, integral with the window wall system.

There is aluminum-framed storefront type glazing with IGU windows and doors at the commercial unit.



Photo 6: Typical window wall.

PRESENT CONDITIONS AND RECOMMENDATIONS:

Intermittent leaks at the window walls continue to be a problem. The trial repairs completed in 2015 and 2016 were successful in alleviating leakage. Completing these repairs throughout the building would cost in the order of \$800,000 and would still likely result in some leaks, which would require further evaluation and repairs. These repairs would also require more ongoing maintenance. Based on this, and the history of past performance, the projected expenditures allow for replacement of all window walls at the building. As part of this project, replacement of the EIFS cladding, balcony and roof deck doors, have also been included to help ensure proper detailing and long term durability. Replacement of the ground floor windows at the tower, balcony slab edge cover plates, and refinishing the balcony and roof deck metal railings, have also been included to maintain consistent aesthetic.

Following replacement of the windows and doors, failure of IGUs can be expected after about 15 years of service and the frequency of failures will typically increase with the age of the windows/doors. We expect that failed units will be replaced on an as-needed basis out of operating budgets. We also expect that weatherstripping around operable windows/doors, and hardware at operable windows/doors, will be replaced on an as-needed basis out of operating budgets.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

Various Dates:	Extensive localized repairs completed in an attempt to address leaks through the window walls (as indicated in documents provided).
2007 / 2008:	Partial removal and reinstatement of window wall sections to facilitate sill waterproofing and drainage improvements at the north-east and south-east corners of the building (as indicated in documents provided).
2015:	Completed trial repairs to exterior of window wall at suite 2706 (as indicated in documents provided).
2016:	Expanded trial repairs to window wall at entire height of the building, i.e., at one drop location (as indicated in documents provided).



We were not made aware of any problems with the commercial storefront glazing. There have been leaks around the glazing, which have been addressed by replacing perimeter caulking and some of the IGUs have been replaced over the years, but the system is in relatively good condition. The projected expenditures allow for eventual replacement of the storefront glazing. Consideration could be given to moving this project forward to be completed as part of the general re-cladding project, if desired for aesthetics and continuity.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
Replace Window Wall System, EIFS Cladding, Balcony and Roof Deck Doors, Ground Floor Windows at the Tower, Balcony Slab Edge Cover Plates, and Refinish Balcony and Roof Deck Metal Railings	\$6,000,000	2018 2019	
Replace Commercial Storefront Glazing	\$155,000	2035	40



2. BUILDING ENVELOPE

2.3 EXTERIOR DOORS

BRIEF DESCRIPTION:

Exterior doors include the following:

- Main Entrance to the Tower: Glazed aluminum, double doors with windows above and at the sides.
- Commercial Entrances: Aluminum doors within the storefront glazing system (see the Windows, Balcony and Roof Deck Doors section of this report for further discussion).
- Ground Floor Exits: Steel doors in steel frames, some with small glass inserts.
- Garage: Metal picket overhead door at the entrance to the parking garage with a mechanical operator. There is a similar overhead door with screened enclosure above separating the commercial and residential parking areas.
- Doors at Openings between Pacific Landmark I and II Parking Garages: Coiling overhead fire doors.

Balcony and roof deck doors are discussed in the "Windows, Balcony and Roof Deck Doors" section of this report.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

Various Dates: Replaced bottom picket sections of garage overhead doors and operators (as noted on site).

PRESENT CONDITIONS AND RECOMMENDATIONS:

The Building Operator was not sure if the coiling overhead fire doors in the parking garage work, but he was not aware of any major problems with the other doors.

The fire doors in the parking garage should be tested to ensure they operate as intended. We assume that any repairs required to make the doors operational can be carried out as part of maintenance. The projected expenditures allow for replacement of the garage overhead and coiling doors.



Photo 7: Door separating commercial and residential areas.

The remaining doors are few in number and less expensive to replace, and are therefore expected to be repaired or replaced on an individual and as-needed basis as a maintenance expense.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
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Replace Garage Entrance Overhead Door	\$7,500	2029	35
Replace Door and Screened Enclosure Separating the Commercial and Residential Parking Areas	\$9,500	2031	35
Replace Coiling Overhead Fire Doors in the Parking Garage - per phase (cost shown is 40% of the total, representing the Strata's share)	\$5,000	2039 2041	40



2. BUILDING ENVELOPE

2.4 ROOFING

BRIEF DESCRIPTION:

There are flat/low-sloped roofs as described below (from the top of the building, down), based on site observations and documents provided:

- Mechanical Penthouse Roof: Original stone ballast, scrim sheet (filter fabric), expanded polystyrene insulation, liquid applied asphalt based waterproofing, and concrete deck. This roof is accessed by a fixed, wall-mounted ladder, from the main roof below.
- Main Building Roof: Original stone ballast, scrim sheet, expanded polystyrene insulation, liquid applied asphalt based waterproofing, and concrete deck.
- 30th Floor (PH) Exclusive Use Roof Decks: Original concrete pavers, modified bitumen waterproofing, insulation (type not determined), and concrete deck.
- 12th Floor (Corner Suites) Exclusive Use Roof Decks: Not accessed, but assumed to be original concrete pavers, modified bitumen waterproofing, insulation, and concrete deck.
- 3rd Floor (East End Suites) Exclusive Use Roof Decks: Not accessed, but assumed to be original concrete pavers, modified bitumen waterproofing, insulation, and concrete deck.
- 2nd and 3rd Floor Roof Decks over the Commercial Unit: Re-used original concrete pavers, new drainage mat over replaced 2-ply modified bitumen waterproofing, insulation, and concrete decks.

Waterproof flashings at the perimeter of the roof decks are covered with sheet metal flashing, whereas they are not at the main and mechanical penthouse roofs. Internal area drains typically provide drainage with the exception of the mechanical penthouse roof, which has a scupper drain connected to a downspout that discharges onto the lower main roof.



Photo 8: Mechanical penthouse roof.



Photo 9: 30th floor roof decks.



Photo 10: 2nd floor roof deck.



MAINTENANCE, REPAIR AND RENEWAL HISTORY:

2013: Replaced 2nd and 3rd floor roofs over the commercial unit (at a cost of \$74,530, as indicated in documents provided).

PRESENT CONDITIONS AND RECOMMENDATIONS:

The waterproofing materials are generally concealed from view at all roofs. We understand that presently there are no active leaks through the roofs.

The waterproofing is exposed at upturns at the main and mechanical penthouse roofs, which is not ideal since asphalt degrades over time when exposed to ultraviolet rays (sunlight), which is why such waterproofing is typically covered with metal flashing, a granulated (protective) cap sheet, or similar. That said, the exposed asphalt appears to be in good condition, where checked.

Design Roofing reviewed the roofs in both 2014 and 2016 and completed maintenance and local repairs, as-needed.

Protected roofs such as installed at Pacific Landmark II should have a serviceable life of 25 to 30 years, and possibly more if they continue to be well maintained. Given the performance of the roofs to date, and the level of proactive maintenance being carried out, the projected expenditures allow for phased replacements of the roofs. Conditions and timing of replacement should be monitored and considered as part of future updates to the Depreciation Report.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
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Replace Main and Mechanical Penthouse Roofs	\$160,000	2020 2045	25
Replace 30th Floor Exclusive Use Roof Decks	\$110,000	2024	30
Replace 3rd and 12th Floor Exclusive Use Roof Decks	\$25,000	2026	30
Replace 2nd and 3rd Floor Roof Decks over the Commercial Unit	\$80,000	2038	25



3. FIRE SAFETY

3.1 GENERAL

BRIEF DESCRIPTION:

The building is protected by a fire alarm/detection system, and wet and dry sprinkler systems. A generator provides emergency power. Refer to the following individual sections of this report for further discussion on the fire alarm/detection, suppression and emergency power systems.

Fire separations are generally formed by rated drywall assemblies and concrete and concrete masonry fire walls.

Various stairwells provide egress from the building.

PRESENT CONDITIONS AND RECOMMENDATIONS:

In some of the electrical closets in the corridors it was noted that there are some unsealed penetrations in the fire separations (at electrical conduits, etc.). Penetrations through the fire separations should be sealed to provide the required fire and smoke separation. We assume that these local repairs will be carried out as part of routine maintenance.



3. FIRE SAFETY

3.2 DETECTION / ALARM

BRIEF DESCRIPTION:

The building is equipped with a single-stage “Edwards EST” fire alarm system with integrated voice communication. The control panel is located just inside the entrance lobby to the building.

The fire alarm system monitors smoke and heat detectors located throughout the building, supervised valves in the suppression systems, and manual pull stations at exits. Signalling devices (speakers) are located throughout the building, and within individual suites. Firefighters' handsets are also located in the corridors and entrance lobby to the building.

Each residential suite has a smoke alarm that locally sounds within the suite.



Photo 11: Fire alarm control panel.

While the system is presently performing well, the projected expenditures allow for eventual replacement of the control panel. The projected expenditure assumes that the panel will be replaced with a similar compatible system, re-using the majority of the existing field devices and wiring; however, allows for upgrades to accommodate modernization of the elevators (see the Elevators section of this report for further discussion). Replacement timing will be dependent on performance of the system and the service contractor’s ability to continue to find replacement parts. Replacement timing should be re-considered as part of future updates to the Depreciation Report.

Addressable systems, where each field device can be uniquely identified by the panel, are becoming the modern standard. As the existing system is conventional, upgrading to an addressable system would require replacement of all the wiring and devices. This is considered an upgrade, and is not budgeted.

<u>MAINTENANCE, REPAIR AND RENEWAL HISTORY:</u>	
2005:	Replaced the fire alarm control panel (as indicated in the manual for the panel on site). Replacement was due to water damage from a flood.

PRESENT CONDITIONS AND RECOMMENDATIONS:

Black Tusk Fire & Security presently maintains the detection/alarm system. According to the Building Operator, there have been no major issues with the system and no major issues are identified in the latest annual inspection report (dated March 16, 2016).

Minor repairs and replacement of individual modules, as identified to be required by ongoing inspections, are expected to be completed as part of ongoing maintenance. Similarly, local replacement of individual devices is expected to be carried out on an as-needed basis as a part of maintenance.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
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Replace Fire Alarm Control Panel	\$130,000	2025 2045	20
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3. FIRE SAFETY

3.3 SUPPRESSION

BRIEF DESCRIPTION:

Suppression systems include:

- dry sprinkler system serving the parking garage;
- wet sprinkler system serving the suites and common areas;
- standpipe system in stairwells; and
- portable fire extinguishers throughout the building.

A combined incoming water service splits to supply the domestic and fire suppression systems. The suppression systems are served by a 50 Hp fire pump with a dedicated “Torna Tech” controller, all located in the Water Entry Room at the P1 lower level. The fire pump is designed to start automatically if there is a pressure drop in the system.

Fire department siamese connections are located on a wall outside the south entrance to the tower.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

No significant capital projects were reported to have been completed in relation to the suppression systems.

PRESENT CONDITIONS AND RECOMMENDATIONS:

Black Tusk Fire & Security presently maintains the suppression system. According to the Building Operator, there have been no major issues with the suppression systems, and no major issues are indicated on the latest annual testing report (dated March 16, 2016).

Black Tusk advised that three styles of “Omega” sprinkler heads have been recalled and indicated that a survey would be required to determine whether any of the heads at Pacific Landmark II are on the recall list. A survey of the sprinkler heads should be completed as recommended, which we assume will be carried out as part of maintenance. Should any of the sprinkler heads be required to be replaced as part of the recall, we assume that the original manufacturer will cover the cost of supplying and installing new heads, as required.



Photo 12: Typical fire extinguisher and hose connection.

Dry-pipe systems are vulnerable to corrosion from the inside out. From the outside, we cannot determine the condition of the piping.

Repairs to some individual components should be expected (e.g., valves, localized piping, sprinkler heads, etc.). We assume this work, as well as other minor repairs identified by annual testing, will be managed as a maintenance expense.

The projected expenditures allow for a periodic allowance to address more significant problems, which may arise as the systems age, including replacing portions of the sprinkler piping. Required repairs should be closely tracked, and projected expenditures and timing should be modified as required as part of future updates to the Depreciation Report.

Based on age, the projected expenditures include for eventual replacement of the fire pump and controller.



CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
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Periodic Repairs to Suppression Systems	\$20,000	2033 2040 2047	7
Replace Fire Pump and Controller	\$50,000	2020	25



3. FIRE SAFETY

3.4 EMERGENCY POWER

BRIEF DESCRIPTION:

Emergency power is provided by a diesel-fired “Simpower” 286kW generator. The generator is located in Generator Room on the P1 level and provides power through an automatic transfer switch to supply essential systems, e.g., exit signs, emergency lighting, the fire alarm system, elevators, etc. The diesel storage tank is located in the Generator Room.

The transfer switch is rated for 400A, 347/600V, and is located in the Emergency Distribution Room on the P1 level.

There are also battery powered emergency lighting units at some locations throughout the building.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

No significant capital projects were reported to have been completed in relation to the emergency power systems.

PRESENT CONDITIONS AND RECOMMENDATIONS:

The generator is exercised monthly by in-house staff, and every six months by Finning Cat. The unit had logged 113.8 hours at the time of our visit. Generator batteries have been periodically replaced, the radiator was also replaced, and we understand that there have been no major issues with the generator.

The generator is currently about 23 years old. With age, performance typically degrades to the point where it cannot meet the full load requirements and a major overhaul or replacement is required. Major manufacturers will typically not support older equipment, and we cannot predict how long replacement parts will remain available. Based on the age of the unit, the projected expenditures allow to replace the generator and transfer switch.

We assume that the battery powered emergency lights will be serviced and replaced on an as-needed basis, as part of maintenance.



Photo 13: Emergency generator.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
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Replace Transfer Switch	\$15,000	2025	30
Replace Generator	\$125,000	2030	35



4. INTERIOR

4.1 FF&E (FURNITURE, FIXTURES, AND EQUIPMENT)

BRIEF DESCRIPTION:

Common areas are finished as follows:

Front Entrance Lobby: Tile flooring, painted walls with some wood laminate and mirror accents, and painted ceiling. Furnishings include seating, table, etc. There are built in aluminum mailboxes.

Ground Floor Elevator Lobby: Tile flooring, painted walls with some wood laminate and tile accents, and painted ceiling.

2nd to 29th Floor Corridors: Carpeted floors, painted walls with some wood laminate accents, and painted ceilings.

30th Floor Corridor: Carpeted floors, painted walls with some textured and mirror accents, and painted ceiling.

P1 and P2 Level Elevator Lobbies: Tiled flooring and painted walls and ceilings. Painted steel windows with wired glass, between the lobbies and parking garage.

Meeting Room: Carpeted flooring, painted walls and ceiling. Furnishings include a meeting table and chairs.

Party Room: Carpeted flooring in common areas and vinyl flooring in the kitchen area, painted walls and ceiling. Furnishings are minimal. The kitchen area includes a counter with double sink, cabinets, cupboards, refrigerator, stove and microwave. The bathroom off the common areas has vinyl flooring, painted walls and ceiling, a vanity with sink, bathtub with tile surround, and toilet.

Stairwells: Stairwells above grade are unfinished. Stairwells below grade are painted. There are painted metal railings.

Parking Garage: Unfinished.

Service Roofs: Unfinished.



Photo 14: Main entrance lobby.

Elevators: Tiled flooring; laminate, stainless steel, and mirrored walls; and stainless steel ceiling panels.

There is a rental suite, which was not accessed.

There is also a recreation/fitness facility in Pacific Landmark I, which Landmark Pacific II has use of and pays a monthly fee to Pacific Landmark I to cover the cost of maintenance and any capital repairs; so, no projected expenditures related to the recreation/fitness facility are included in this report.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

2011:	Replaced carpet and re-painted 2nd to 29th floor corridors, meeting room and party room (as indicated by the Building Operator).
Recent Years:	Replaced carpet and re-painted 30th floor corridor (as indicated by the Building Operator).
2015:	Repainted front entrance and elevator lobby and replaced furnishings (as indicated in documents provided).

PRESENT CONDITIONS AND RECOMMENDATIONS:

The common area finishes are in good condition. We did not note excessive wear or tear in the areas reviewed.



The timing and scope of interior finish renewal generally depends on management objectives. We assume that minor renovations of less finished areas, including the rental suite, individual replacement of appliances, etc., will be carried out as part of maintenance under operating budgets. The projected expenditures allow for renovation of the main entrance and elevator lobby, corridors, elevator cabs, meeting and party rooms. Renovation timing and costs can vary significantly depending on desires of the Strata. The projected expenditures included assume similar finishes to existing.

Should areas being renovated contain hazardous materials, e.g., asbestos, lead, etc., additional costs may be required to properly abate the hazardous materials.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
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Renovate Main Entrance and Elevator Lobby (not including flooring)	\$15,000	2030 2045	15
Replace Main Entrance and Elevator Lobby Flooring	\$50,000	2045	45
Renovate Corridors (including replacement of carpet)	\$200,000	2026 2041	15
Renovate Meeting and Party Rooms, including the washroom in the party room	\$25,000	2026 2041	15
Renovate Elevator Cabs	\$35,000	2025	30



5. SITE

5.1 SITE FEATURES AND PAVING

BRIEF DESCRIPTION:

Site features include the following:

Soft Landscaping: Mature trees and plantings at all sides of the building. There are metal grates at tree wells along the north side of the property. There is an irrigation system along the east side of the building.

Water Features: There is a tiled water feature at the center of the entrance driveway round-about with a planter at the perimeter. There is also a painted water feature at the south-east corner of the property with a sculpture. Equipment includes a sand filter and circulation pump for each water feature. These water features, and related equipment, are shared with the adjacent Strata.

Fencing and Gate: There is a metal picket fence on top of a concrete retaining wall with intermittent concrete piers along the east side of the property and a gate at the north end.

Colonnade: There is a colonnade along the west side of the property. The colonnade has concrete columns, clad with masonry at the bottom, concrete beams, and painted steel accents.

Trellis: There is a trellis along the east side of the building. The trellis is painted steel, supported by concrete columns and also anchored to the exterior walls of the building.

Front Entrance Canopy: There is a standalone canopy at the front entrance to the building. The canopy has masonry clad columns on concrete foundations and a painted steel, sloped, canopy frame with laminated glass.

Bike Racks and Planters: There are two stainless steel bike racks at the west side of the building. There are potted plants at the main entrance to the building.



Photo 15: Entrance drive and water features.

Paving includes the following:

Driveway/Entrances: The entrance drive to the property, round-about, at-grade visitor parking, and approach to the garage entrance ramp, are paved with unit pavers with concrete accents. The entrance drive to the property and round-about are shared with the adjacent Strata.

Walkways: There are concrete paved walkways along the east, north and west sides of the property.

All of the site features and paving are located on top of the garage roof slab.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

No significant capital projects were reported to have been completed in relation to the site features and paving.

PRESENT CONDITIONS AND RECOMMENDATIONS:

The site features and paving are generally well-maintained.

We assume that the landscaping will continue to be managed as a maintenance expense.



The central water feature has not worked for a number of years and the sand filter for the south-east water feature does not work. We assume that central water feature can either be restored to working operation or decommissioned, and equipment can be replaced on an individual basis, as part of maintenance. We also assume that the water features will receive a major over haul/refurbishment as part of the garage roof slab re-waterproofing project (see the Parking Garage section of this report for further discussion and projected expenditures).

We assume that the fencing, gate, front entrance canopy, bike racks, and planters, will be repaired on an as-needed basis as part of maintenance.

Sections of the concrete to the colonnade are cracked and deteriorating and steel to the metal accents and trellis are beginning to rust. The projected expenditures allow for periodic repairs to the colonnade and trellis.

Areas of the entrance drive to the property and round-about are settled, which is resulting in localized areas of ponding water. We assume these conditions will be addressed as part of addressing leakage into the parking garage below (see the Parking Garage section of this report for further discussion and projected expenditures).

There are some areas of settled and heaved concrete paving at the north end of the building. Some patch repairs have been completed. We assume that repairs and local replacement of sections of the paving will be carried out on an as-needed basis, as part of maintenance, to restore conditions and reduce potential liabilities associate with potential trip hazards. These areas of paving will be replaced in their entirety as part of the garage roof slab re-waterproofing project (see the Parking Garage section of this report for further discussion and projected expenditures).

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
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Locally Repair Colonnade and Trellis, including concrete and masonry repairs and re-painting	\$70,000	2018 2028 2038	10
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6. HVAC

6.1 HEATING AND COOLING

BRIEF DESCRIPTION:

The suites are heated by wall mounted electrical heaters. There are also gas fireplaces in the penthouse suites. We understand that the individual owners are responsible for these heaters and fireplaces, including controls.

There are electric wall mounted and baseboard heaters at select common areas and in service rooms.

There is an “Engineered Air” roof-top make up air unit (model DJ-60), which pressurizes and serves the upper and mid level corridors and elevator lobbies with tempered/heated air. The unit is gas-fired and has a designed airflow of 6800cfm and an input rating of 550,000BTUH.

There is also an air handling unit above the ceiling in the Meeting Room, which serves the lower level corridors, lobbies, and amenity areas with tempered/heated air. This unit was not accessed; however, based on information provided, we understand the unit was manufactured by “Engineered Air” (model DJ-60), has a hot water heating coil and a designed airflow of 2500cfm. A “Teledyne Laars” boiler in a mechanical room on the P1 level serves this air handling unit. The boiler is gas-fired and has an input rating of 400,000BTUH.

There is no central cooling to the residential or common areas of the building.

A “Trane” split system air conditioning unit provides cooling to the main electrical room on the P1 level. The remote condenser, designed to provide 10tons of cooling capacity, is located in the parking garage at the P2 level.

Ductless split system air condition units serve the commercial unit; however, we understand that the owner of the commercial unit is responsible for these units.



Photo 16: Roof-top make up air unit.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

- 2013: Rebuilt the roof-top make-up air unit, including the heat exchanger (as indicated by the Building Operator).
- 2016: Repainted the metal casing to the roof-top make-up air unit, as part of roof maintenance work (as indicated in documents provided).

PRESENT CONDITIONS AND RECOMMENDATIONS:

According to the Building Operator the heating and cooling systems have been performing well.

The equipment is routinely maintained, including the roof-top make-up air unit having received an overhaul in recent years. We assume repairs will continue to be handled on an as-needed basis as a maintenance expense. We also assume that the electric wall mounted and baseboard heaters in the common areas and service rooms will be replaced on an individual, as-needed basis, as part of maintenance.

The make-up air and air handling units have a standard service life of about 25 years. However, they can last much longer with maintenance as many of the components can be changed without replacing the units outright, particularly since the one unit is located indoors and as long as the casings to the outdoor unit protect the inside from getting wet. The projected expenditures allow for eventual replacement. See the Domestic Hot Water section of this report for further discussion and projected expenditures regarding the boiler serving the air handling unit.



Individual air conditioning components of the unit serving the electrical room should be able to be replaced on an as-needed basis as part of ongoing maintenance. These types of units have a wide service life range from 20 to 30 years, depending on a number of factors. We understand that the unit was not working for a number of years; but, was restored and has been working well. The projected expenditures allow for periodic replacement of the unit.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
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Replace the Roof-Top Make-up Air Unit	\$35,000	2023	25
Replace Air Handling Unit	\$30,000	2025	30
Replace Electrical Room Air Conditioning Unit	\$20,000	2020 2040	20



6. HVAC

6.2 EXHAUST FANS

BRIEF DESCRIPTION:

Suite bathrooms and kitchens are ventilated by individual exhaust fan units, which vent through the exterior walls. These fans and controls are the responsibility of the individual unit owners.

There is a “Loren Cook” smoke exhaust fan attached to ductwork at the end of the roof-top make-up air unit.

The parking garage is ventilated by four propeller-type exhaust fan units, rated at either 1½ or 2Hp. The fans are controlled by a carbon monoxide (CO) monitoring system.

There are small individual fans for the storage rooms, service rooms, etc.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

No significant capital projects were reported to have been completed in relation to the exhaust systems.

PRESENT CONDITIONS AND RECOMMENDATIONS:

The smoke exhaust and pressurization fans are installed and designed to operate only in the event of a fire. These fans are operated infrequently. As such, these and the other small exhaust fans serving the storage rooms and service rooms are expected to be replaced on an individual, as-needed, basis as part of maintenance.

We assume that gas detection sensors for the garage exhaust fans will also be replaced on an individual, as-needed basis, as part of routine maintenance. The projected expenditures allow for phased replacement of the garage exhaust fans.



Photo 17: Smoke exhaust fan.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
Replace Garage Exhaust Fans (1 per cycle)	\$5,000	2023 2025 2027 2029	30



7. PLUMBING

7.1 DOMESTIC HOT WATER

BRIEF DESCRIPTION:

Domestic hot water is generated and delivered to each of three zones, as follows:

Upper Zone (about top 10 floors): Two “Teledyne Laars” gas-fired boilers (400,000BTUH each) and three storage tanks (115US Gal each) all located in the roof-top mechanical room

Mid Zone (about middle 10 floors): Two “Teledyne Laars” gas-fired boilers (400,000BTUH each) and three storage tanks (115US Gal each) all located in the roof-top mechanical room

Lower Zone (about bottom 10 floors): Two “Teledyne Laars” gas-fired boilers (400,000BTUH each) and four storage tanks (115US Gal each) all located in the mechanical room on the P1 level

There is also “Teledyne Laars” gas-fired boiler (400,000BTUH each) in the mechanical room on the P1 level, which serves the air handling unit above the ceiling in the Meeting Room.



Photo 18: Typical domestic hot water boilers and storage tanks.

The projected expenditures allow for periodic, phased, replacement of the boilers and storage tanks. We assume the boilers will continue to be maintained and overhauled, on an as-needed basis, as part of maintenance.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

- 2011: Replace two of six storage tanks in the roof-top mechanical room (as observed on site and indicated by the Building Operator).
- 2015: Replace remaining four of six storage tanks in the roof-top mechanical room (as observed on site and indicated by the Building Operator).
- 2015: Replace all four storage tanks in the P1 level mechanical room (as observed on site and indicated by the Building Operator).
- 2016: Replaced one of the domestic hot water boilers in the P1 level mechanical room (as observed on site and indicated by the Building Operator).

PRESENT CONDITIONS AND RECOMMENDATIONS:

DMS Mechanical maintains the plumbing systems. We understand that the boilers have been performing well. The one boiler was replaced, since it was problematic, requiring increasing repairs.



CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
Replace Boilers (1 per cycle)	\$12,000	2018 2019 2020 2021 2022 2023 2041 2043 2044 2045 2046 2047	25
Replace Storage Tanks (2 per cycle)	\$14,000	2021 2023 2025 2027 2029 2031 2033 2035 2037 2039 2041 2043 2045 2047	10



7. PLUMBING

7.2 DOMESTIC WATER PIPING/VALVES

BRIEF DESCRIPTION:

The main water service to the building is located in the Water Entry Room on the P1 level. There is a 6" diameter main supply that splits to provide a 4" domestic water line and a 4" fire service line. There are 4" backflow preventers on both the domestic and fire lines, as well as a 2" backflow preventer on the irrigation line.

There are two pressure reducing valves on the domestic water lines for the lower floors. There is also a booster pump set (with 10HP lead and 25HP lag pumps and "Torna Tech" controller), which boosts the water pressure to the upper floors.

Domestic water is distributed through the building through a series of risers, headers, and recirculation lines. The distribution piping is copper, type L (a thicker walled variety).

The water in the distribution piping is treated by "Hytec".

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

2016: Rebuilt the two booster pumps (as indicated by the Building Operator).

PRESENT CONDITIONS AND RECOMMENDATIONS:

The Building Operator indicated that there had been frequent pin hole leaks in the distribution piping over the years, until the water started to be treated by Hytec in 2013. Since, there have been few occurrences of pinhole leaks, and where there have been leaks they have been on the recirculation lines.



Photo 19: Domestic water and Hytec equipment.

Pin hole leaks and required replacement are virtually inevitable for buildings with copper piping located in the Vancouver area, due to a number of factors including the corrosive nature of the water being supplied (the supply water has naturally low pH, low alkalinity and high dissolved oxygen), water temperature and velocity, and pipe sizing. We understand that due to the number and frequency of pin hole leaks being experienced, "Hytec" was brought in (about 4 years ago) to treat the water with naturally occurring minerals, which create a protective coating for the piping and by optimizing the pH of the water. We understand that there have been very few leaks, since the Hytec treatment was incorporated and continues to be maintained.

Although, water treatment seems to have managed deterioration of the copper piping, and associated leaks, the long term ability of such treatment systems to protect the piping and defer replacement is not yet known.

We assume that repair of any pin hole leaks will be managed on an as-needed basis as part of maintenance. The projected expenditures allow for eventual replacement of the piping, which we have projected further into the future, assuming that water treatment is continued. The timing of replacement will depend on future performance of the piping, which includes the ability of the water treatment system to protect the piping over the long term; as such, conditions should be closely monitored and the replacement timing should be re-considered as part of future updates to the Depreciation Report.



Assessment of the piping, including review of pipe samples and past performance, should be carried out to better assess the timing, magnitude and potential phasing options for replacement of the distribution piping. The projected expenditures include an allowance for this assessment.

The projected expenditures allow for replacement of the booster pump set and controller. We assume that smaller pumps, valves, backflow preventers, etc. will be replaced on an individual, as-needed, basis as part of maintenance.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
Evaluate Domestic Water Distribution System	\$8,000	2020	
Replace Domestic Water Distribution Piping	\$850,000	2025	30
Replace Booster Pump Set	\$35,000	2023	25



7. PLUMBING

7.3 DRAINAGE

BRIEF DESCRIPTION:

Drainage systems include the following:

Roofs: Internal area drains.

Garage: Internal area drains on upper levels, catch basins at the lowest levels, and a trench drain at the garage entrance ramp.

Sanitary Drainage: Type of piping unknown.

Site: Bi-level drains over garage roof.

There are storm sump pits, one at the P1 level with a simplex controller and single sump pump, and the second at the P2 level with a duplex controller and two sump pumps. The controls are equipped with high-water-level alarms.

The type of buried storm drainage piping could not be confirmed.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

- 2015: Replaced the pump at the P1 level, as part of maintenance (as indicated by the Building Operator).
- 2016: Replaced one of the two pumps at the P2 level, as part of maintenance (as indicated by the Building Operator).

PRESENT CONDITIONS AND RECOMMENDATIONS:

No problems with the drainage system were reported to us during our review and interview.

Small pumps are expected to be replaced, when required, as part of maintenance.

The condition of the buried and concealed piping cannot be evaluated visually. We recommend that drains be flushed and scoped routinely. This maximizes the service life of the piping and help identify repair needs. We assume this will be done as part of ongoing maintenance.



Photo 20: Typical storm sump controls.

The projected expenditures allow for inevitable periodic repairs as required. Actual repairs and related costs should be closely tracked, and budgets modified to suit, in future updates to the Depreciation Report.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
Periodic Repairs to Drainage Systems	\$10,000	2027 2034 2041	7



8. ELECTRICAL

8.1 GENERAL

BRIEF DESCRIPTION:

Electricity is supplied to the site underground to the main electrical room at the P1 lower level. The electrical room contains a unit substation with a dual radial service feeding a 1,250 kVA dry type transformer that supplies power to a Commander 4,500A, 208 Volt, 3 phase, central distribution panel/switchgear unit. This panel feeds the commercial and common area meters in the electrical room. Meters for the individual suites are located in the electrical closets in the corridors. Each suite has a circuit-breaker-type panel rated at 125A, 120/240V.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

No significant capital projects were reported to have been completed in relation to the electrical systems.

PRESENT CONDITIONS AND RECOMMENDATIONS:

No problems with performance or service capacity were reported.

Major electrical equipment has an average service life of about 40 to 50 years. The building is of an age where some capital expenditures are likely to be needed within the term of this report, but the scope and timing of such work is difficult to predict. Based on the age of the building, the projected expenditures allow to replace components of the main transformer and switchgear unit. The timing, extent and costs related to this work should be further reviewed as the project timing approaches and considered as part of future updates to the Depreciation report.

Smaller transformers, panels and minor repairs are expected to be managed as a maintenance expense.

We recommend that all panels and equipment be thermally scanned every few years to identify hot spots that require repair. The scans, and related repairs found to be needed (assuming minor tightening, etc.) are assumed to be an operating expense.



Photo 21: Main electrical equipment.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
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Replace Main Electrical Transformer and Switchgear Unit	\$300,000	2040	45
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8. ELECTRICAL

8.2 LIGHTING

BRIEF DESCRIPTION:

Lighting systems include the following:

- Corridors: Wall sconces with compact fluorescent lamps.
- Stairwells: Ceiling mounted fixtures.
- Common Areas: Mix of wall sconces and recessed ceiling fixtures with compact fluorescent lamps.
- Parking Garage: Ceiling-mounted strip fluorescent fixtures typically with T12, but also some T8, lamps.
- Service Rooms: Ceiling mounted strip fluorescents fixtures typically with T12 lamps.
- Exterior: Typically wall sconces of various types.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

Various Dates: Replaced light fixtures as part of interior renovations and when fixtures fail (as observed on site and as indicated by the Building Operator).

PRESENT CONDITIONS AND RECOMMENDATIONS:

The lighting fixtures, where reviewed, are in serviceable condition. Current lighting levels seemed to meet minimum by-law requirements. General replacement of the lighting systems is not expected within the report term, unless desired as part of an aesthetic upgrade and/or as part of other programs of work.



Photo 22: Typical exterior lighting.



9. CONVEYANCE

9.1 ELEVATORS

BRIEF DESCRIPTION:

The building has two “Otis”, geared overhead traction, elevators that are roped and have solid state controls. The traction machines are located over the hoistways.

There are infrared door detectors.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

Date Unknown: Installed infrared door detectors (as indicated in documents provided).

PRESENT CONDITIONS AND RECOMMENDATIONS:

The elevators are presently maintained under a comprehensive maintenance contract with Otis. An independent review of the elevators was completed by Gunn Consultants in 2016. Gunn’s findings and conclusions were taken into consideration in preparing this Depreciation Report.

Most of the equipment is original with exception of the door detectors being replaced.

There have been more than expected callbacks in recent years, most of which have been related to the doors.

The door operators are original and nearing the end of their expected, standard, service life. The projected expenditures allow for replacement with newer closed loop, heavy duty, door operators, which should improve performance, reliability, and lessen door related callbacks in the future.

The projected expenditures also allow for modernization of the elevators. Since upgrades to the fire alarm system will be required as part of modernizing the elevators, both the elevator modernization and replacement of the fire alarm control panel are timed to be undertaken in the same year. Should performance dictate one project being required before the other, consideration should still be given to completing both projects at the same time to prevent redundancy in completed work, which should be further considered as part of future updates to the Depreciation Report.



Photo 23: Typical elevator machine.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
Replace Elevator Door Operators	\$60,000	2018 2043	25
Modernize Elevators	\$400,000	2025	30



10. WASTE

10.1 GENERAL

BRIEF DESCRIPTION:

A “Smithrite” garbage compactor and recycling containers are stored in a garbage room on the P1 level.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

No significant capital projects were reported to have been completed in relation to the waste systems.

PRESENT CONDITIONS AND RECOMMENDATIONS:

The Building Operator indicated that the compactor is functional. The projected expenditures allow for eventual replacement of the compactor.

We assume that bins will be replaced on an as-needed basis, as required, by the service contractor.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
Replace Garbage Compactor	\$15,000	2025	30



Photo 24: Garbage room with compactor and recycle bins.



11. SECURITY SYSTEMS

11.1 GENERAL

BRIEF DESCRIPTION:

The building has the following security/access control systems:

- “Select Engineered” enterphone system controlling visitor access to the building with a panel at the main front entrance to the building.
- CCTV system with 16 cameras monitoring various areas throughout the building. Monitors and recording equipment are located in the office off the Party Room.
- Fob access system with readers located at various entrance doors.



Photo 25: Enterphone panel.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

2005: Installed fob system (as indicated by the Building Operator).

Recent Years: Upgraded enterphone system to accept cell phones (as indicated by the Building Operator).

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
Replace Enterphone Panel	\$12,000	2021 2041	15

PRESENT CONDITIONS AND RECOMMENDATIONS:

We were not made aware of any problems with the systems.

Renewal of, or upgrades to, security systems are a discretionary item, and dependent on management objectives. We assume that maintenance and repair of the systems, as well as replacement of individual components of the CCTV and fob systems, will be carried out on an as-needed basis as part of maintenance.

The projected expenditures allow for replacement the enterphone panel. Replacement timing is somewhat discretionary if the system is still functioning. Timing should be re-considered closer to the replacement years.



12. CONSULTING SERVICES

12.1 DEPRECIATION REPORTS

BRIEF DESCRIPTION:

Since Depreciation Reports are defined and mandated by the *Strata Property Act*, the projected expenditures allow for future updates to this Depreciation Report.

CAPITAL PROJECTS:

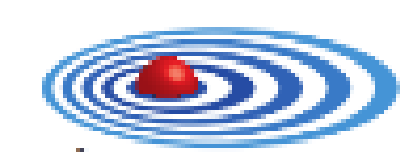
Description	Present Cost	Timing (Year)	Cycle (Years)
Depreciation Report Update	\$7,800	2020 2023 2026 2029 2032 2035 2038 2039 2042 2045	3



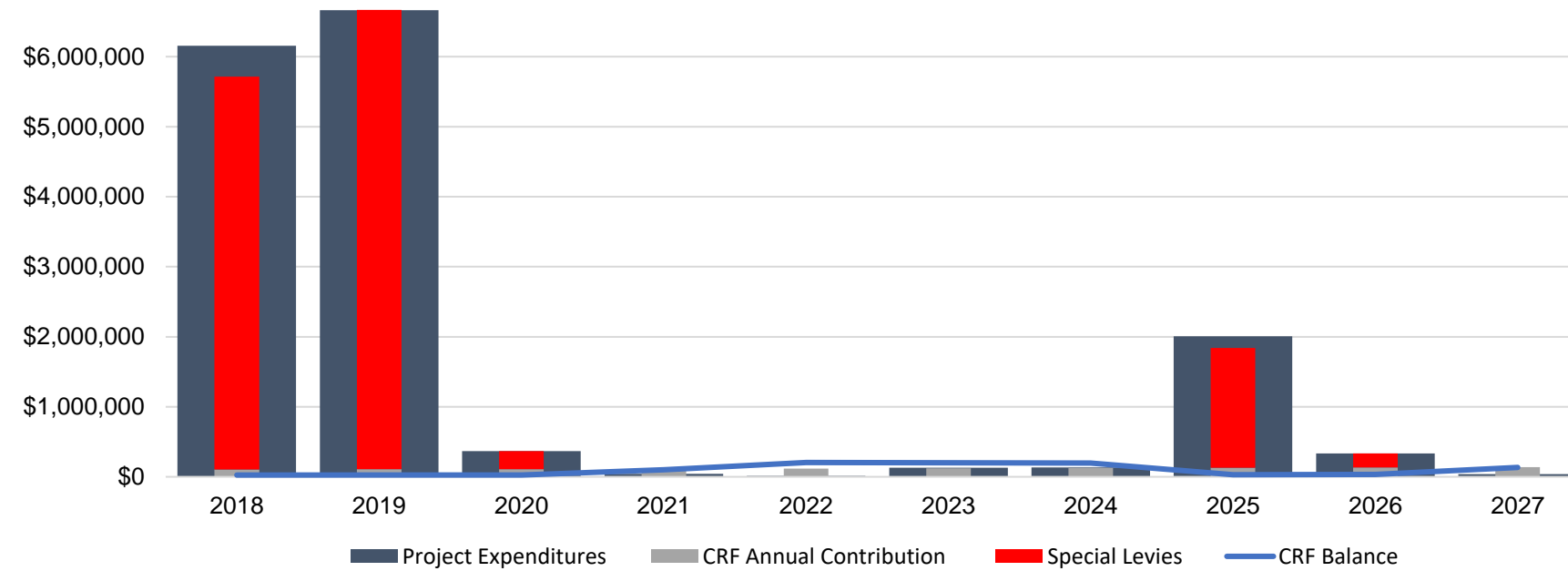
Projected Expenditures

Inflation Rate (%) = 3.3%
Analysis Timeframe (yrs) = 10

Item No.	Component	Project Description	Present Cost	Occurrences	Cycle	Projected Expenditures												
						2018	2019	2020	2021	2022	2023	2024	2025	2026	2027			
1 STRUCTURE																		
1.2	Balconies	Evaluate Condition of the Balconies, including Coatings and Guards	\$5,000		2018	\$5,000												
		Repair Balconies, including Re-coating and Local Repairs	\$85,000		2020			\$90,703										
		Repair Balconies, including Re-coating, Local Repairs, and Replacement of Guards at Balconies and Roof Decks	\$385,000		2040													
1.4	Parking Garage	Evaluate Condition of the Parking Garage	\$10,000		2018	\$10,000												
		Re-waterproof Suspended Slabs	\$110,000		2019, 2034		\$113,630											
		Re-waterproof Shared Ramps on the Pacific Landmark I Side (cost shown is 40% of total, representing the Strata's share)	\$9,000		2031, 2046													
		Replace Garage Entrance Ramp Concrete Topping and Waterproofing	\$95,000		2025								\$119,241					
		Re-waterproof Garage Roof Slab at South Side of the Building (at Pacific Landmark II property only)	\$300,000		2019		\$309,900											
		Re-waterproof Garage Slab at North, East and West Sides of the Building	\$190,000		2030													
		Local Repairs at Leaks through Foundation Walls and the Garage Roof Slab	\$10,000		2025, 2035, 2045									\$12,552				
2 BUILDING ENVELOPE																		
2.1	Exterior Walls	Repair Masonry and Improve Water Shedding at Masonry and Concrete Clad Walls	\$30,000		2019		\$30,990											
		Locally Repair Masonry and Concrete Clad Walls	\$10,000		2029, 2039													
		Complete Maintenance Type Repairs to New Cladding System	\$300,000		2034													
2.2	Windows, Balcony and Roof Deck Doors	Replace Window Wall System, EIFS Cladding, Balcony and Roof Deck Doors, Ground Floor Windows at the Tower, Balcony Slab, Edge Cover Plates, and Refinish Balcony and Roof Deck Metal Railings	\$6,000,000		2018, 2019	\$6,000,000	\$6,198,000											
		Replace Commercial Storefront Glazing	\$155,000		2035													
2.3	Exterior Doors	Replace Garage Entrance Overhead Door	\$7,500		2029													
		Replace Door and Screened Enclosure Separating the Commercial and Residential Parking Areas	\$9,500		2031													
		Replace Ceiling Overhead Fire Doors in the Parking Garage - per phase (cost shown is 40% of the total, representing the Strata's share)	\$5,000		2039, 2041													
2.4	Roofing	Replace Main and Mechanical Penthouse Roofs	\$160,000		2020, 2045		\$170,734											
		Replace 30th Floor Exclusive Use Roof Decks	\$110,000		2024						\$133,658							
		Replace 3rd and 12th Floor Exclusive Use Roof Decks	\$25,000		2026											\$32,415		
		Replace 2nd and 3rd Floor Roof Decks over the Commercial Unit	\$80,000		2038													
3 FIRE SAFETY																		
3.2	Detection / Alarm	Replace Fire Alarm Control Panel	\$130,000		2025, 2045									\$163,172				
3.3	Suppression	Periodic Repairs to Suppression Systems	\$20,000		2033, 2040, 2047													
		Replace Fire Pump and Controller	\$50,000		2020		\$53,354											
3.4	Emergency Power	Replace Transfer Switch	\$15,000		2025								\$18,828					
		Replace Generator	\$125,000		2030													
4 INTERIOR																		
4.1	FF&E (Furniture, Fixtures, and Equipment)	Renovate Main Entrance and Elevator Lobby (not including flooring)	\$15,000		2030, 2045													
		Replace Main Entrance and Elevator Lobby Flooring	\$50,000		2045													
		Renovate Corridors (including replacement of carpet)	\$200,000		2026, 2041									\$259,318				
		Renovate Meeting and Party Rooms, including the washroom in the party room	\$25,000		2026, 2041									\$32,415				
		Renovate Elevator Cabs	\$35,000		2025								\$43,931					
5 SITE																		
5.1	Site Features and Paving	Locally Repair Colonnade and Trellis, including concrete and masonry repairs and re-painting	\$70,000		2018, 2028, 2038		\$70,000											
6 HVAC																		
6.1	Heating and Cooling	Replace the Roof-Top Make-up Air Unit	\$35,000		2023						\$41,169							
		Replace Air Handling Unit	\$30,000		2025							\$37,655						
		Replace Electrical Room Air Conditioning Unit	\$20,000		2020, 2040		\$21,342											
6.2	Exhaust Fans	Replace Garage Exhaust Fans (1 per cycle)	\$5,000		2023, 2025, 2027, 2029						\$5,881		\$6,276				\$6,697	
7 PLUMBING																		
7.1	Domestic Hot Water	Replace Boilers (1 per cycle)	\$12,000		2018, 2019, 2020, 2021, 2022, 2023, 2041, 2043, 2044, 2045, 2046, 2047	25	\$12,000	\$12,396	\$12,805	\$13,228	\$13,664	\$14,115						
		Replace Storage Tanks (2 per cycle)	\$14,000		2021, 2023, 2025, 2027, 2029, 2031, 2033, 2035, 2037, 2039, 2041, 2043, 2045, 2047	10				\$15,432		\$16,468		\$17,572				\$18,751
7.2	Domestic Water Piping/Valves	Evaluate Domestic Water Distribution System	\$8,000		2020			\$8,537										
		Replace Domestic Water Distribution Piping	\$850,000		2025									\$1,066,894				
		Replace Booster Pump Set	\$35,000		2023							\$41,169						
7.3	Drainage	Periodic Repairs to Drainage Systems	\$10,000		2027, 2034, 2041	7											\$13,394	
8 ELECTRICAL																		
8.1	General	Replace Main Electrical Transformer and Switchgear Unit	\$300,000		2040	45												
9 CONVEYANCE																		
9.1	Elevators	Replace Elevator Door Operators	\$60,000		2018, 2043	25	\$60,000											
		Modernize Elevators	\$400,000		2025	30								\$502,068				
10 WASTE																		
10.1	General	Replace Garbage Compactor	\$15,000		2025	30								\$18,828				
11 SECURITY SYSTEMS																		
11.1	General	Replace Enterphone Panel	\$12,000		2021, 2041	15			\$13,228									
12 CONSULTING SERVICES																		
12.1	Depreciation Reports	Depreciation Report Update	\$7,800		2020, 2023, 2026, 2029, 2032, 2035, 2038, 2039, 2042, 2045	3		\$8,323			\$9,175				\$10,113			
Total:							\$6,157,000	\$6,664,916	\$365,798	\$41,888	\$13,664	\$127,977	\$133,658	\$2,007,015	\$334,261	\$38,842		



Cash Flow 1 - Status Quo

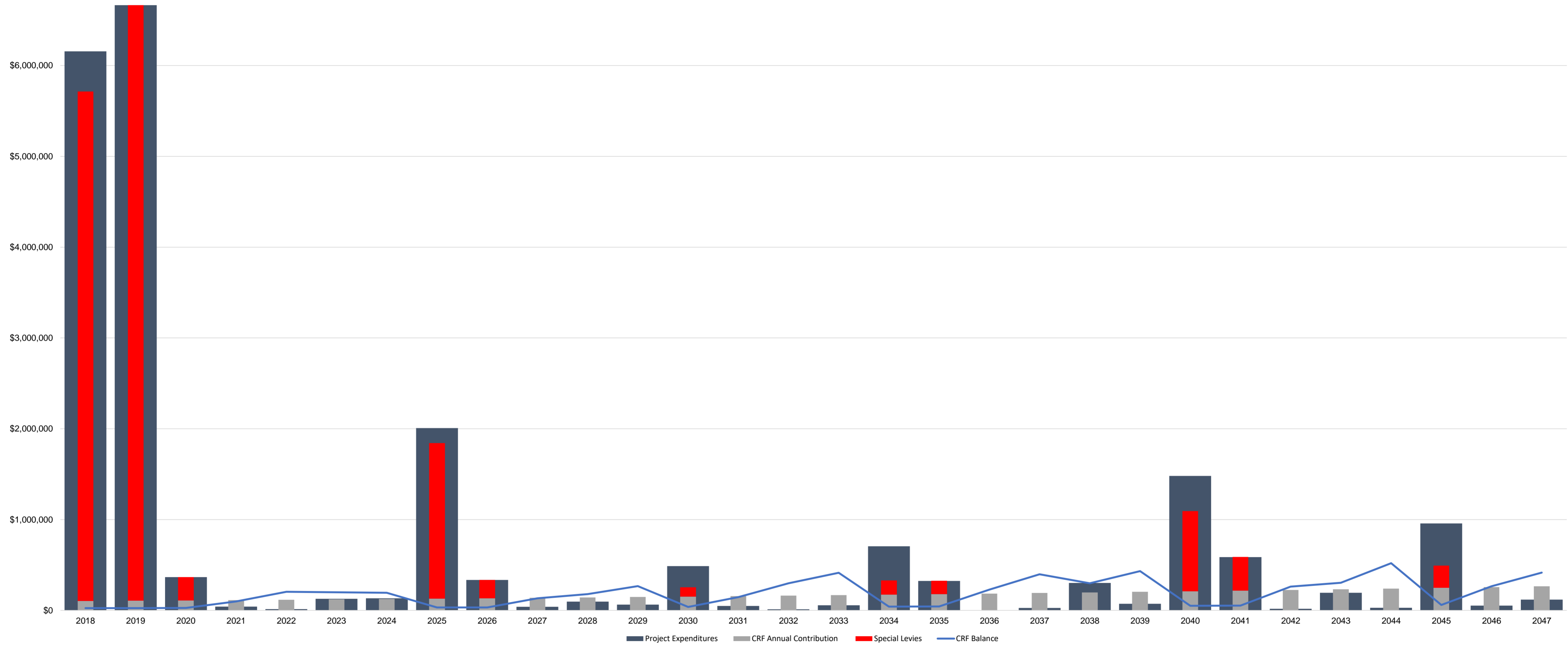


1st Year Minimum Balance = \$25,000
 Starting Balance = \$467,811
 1st Year Contribution = \$103,300
 Contribution Increase Rate = 3.3%
 Interest Rate = 1.2%
 Min Balance Increase Rate = 3.3%

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Project Expenditures	\$6,157,000	\$6,664,916	\$365,798	\$41,888	\$13,664	\$127,977	\$133,658	\$2,007,015	\$334,261	\$38,842
CRF Annual Contribution	\$103,300	\$106,709	\$110,230	\$113,868	\$117,626	\$121,507	\$125,517	\$129,659	\$133,938	\$138,358
Special Levies	\$5,610,889	\$6,558,730	\$256,108	\$0	\$0	\$0	\$0	\$1,711,987	\$200,980	\$0
CRF Balance	\$25,000	\$25,825	\$26,677	\$98,980	\$204,135	\$200,129	\$194,403	\$31,379	\$32,415	\$132,322
Min Required CRF Balance	\$25,000	\$25,825	\$26,677	\$27,558	\$28,467	\$29,406	\$30,377	\$31,379	\$32,415	\$33,484



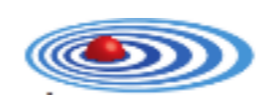
Cash Flow 1 - Status Quo



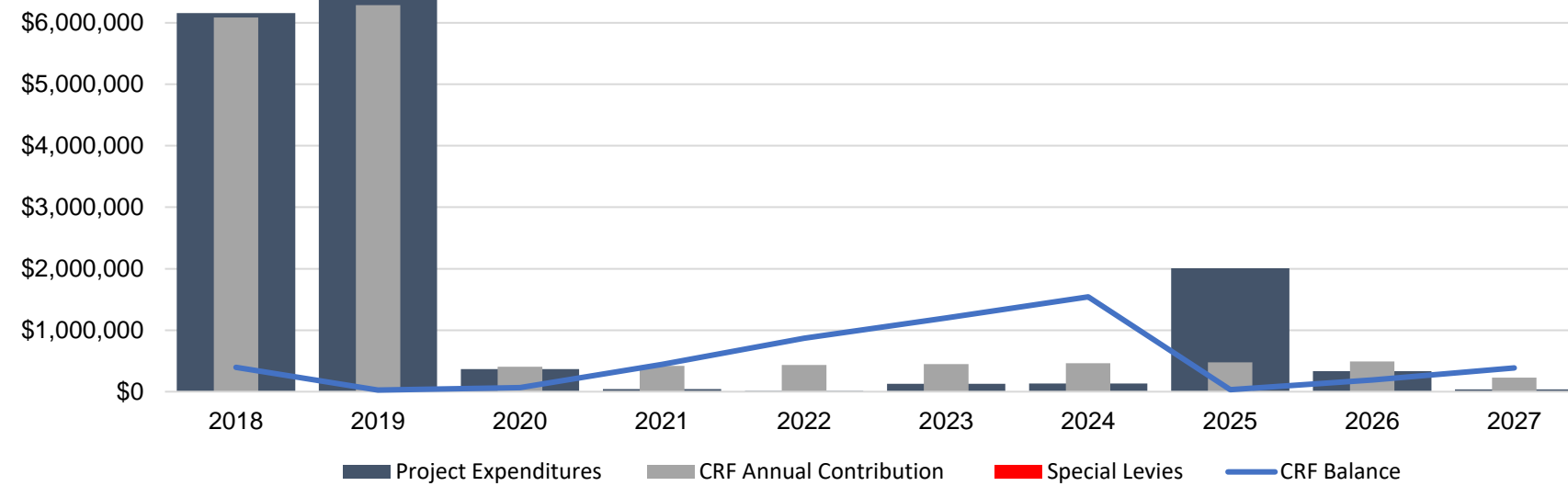
1st Year Minimum Balance = \$25,000
 Starting Balance = \$467,811
 1st Year Contribution = \$103,300
 Contribution Increase Rate = 3.3%
 Interest Rate = 1.2%
 Min Balance Increase Rate = 3.3%

Notes: - This funding model is similar to the threshold funding model in that it assumes minimal yearly contributions. However, it also assumes a minimum reserve is maintained.
 - No interest is collected from special levies as it is assumed funds will be collected just before expenditures.
 - Project expenditures occur at the end of the year allowing interest to be accrued on the CRF balance.
 - CRF balances are for end of year.

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Project Expenditures	\$6,157,000	\$6,664,916	\$365,798	\$41,888	\$13,664	\$127,977	\$133,658	\$2,007,015	\$334,261	\$38,842	\$96,850	\$63,315	\$487,212	\$49,566	\$12,289	\$55,333	\$706,081	\$324,401	\$0	\$25,944	\$302,074	\$72,770	\$1,480,966	\$586,614	\$17,002	\$193,645	\$27,912	\$958,217	\$52,123	\$117,942
CRF Annual Contribution	\$103,300	\$106,709	\$110,230	\$113,868	\$117,626	\$121,507	\$125,517	\$129,659	\$133,938	\$138,358	\$142,923	\$147,640	\$152,512	\$157,545	\$162,744	\$168,114	\$173,662	\$179,393	\$185,313	\$191,428	\$197,746	\$204,271	\$211,012	\$217,976	\$225,169	\$232,599	\$240,275	\$248,204	\$256,395	\$264,856
Special Levies	\$5,610,889	\$6,558,730	\$256,108	\$0	\$0	\$0	\$0	\$1,711,987	\$200,980	\$0	\$0	\$0	\$101,906	\$0	\$0	\$0	\$155,538	\$145,888	\$0	\$0	\$0	\$0	\$882,729	\$369,707	\$0	\$0	\$0	\$244,117	\$0	\$0
CRF Balance	\$25,000	\$25,825	\$26,677	\$98,980	\$204,135	\$200,129	\$194,403	\$31,379	\$32,415	\$132,322	\$179,991	\$266,488	\$36,910	\$145,334	\$297,543	\$413,915	\$42,029	\$43,416	\$229,253	\$397,503	\$297,971	\$433,067	\$51,068	\$52,753	\$261,556	\$303,666	\$519,694	\$60,069	\$265,066	\$415,178
Min Required CRF Balance	\$25,000	\$25,825	\$26,677	\$27,558	\$28,467	\$29,406	\$30,377	\$31,379	\$32,415	\$33,484	\$34,589	\$35,731	\$36,910	\$38,128	\$39,386	\$40,686	\$42,029	\$43,416	\$44,848	\$46,328	\$47,857	\$49,436	\$51,068	\$52,753	\$54,494	\$56,292	\$58,150	\$60,069	\$62,051	\$64,099



Cash Flow 2 - Fully Funded

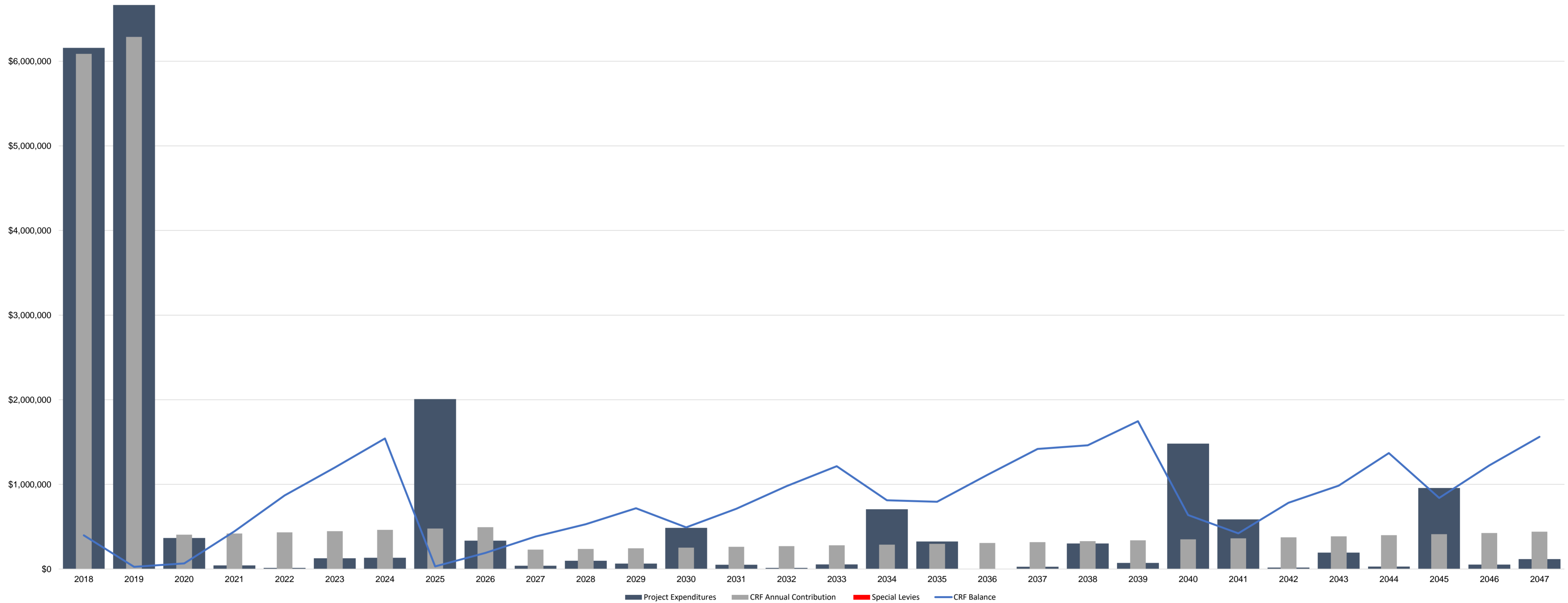


1st Year Minimum Balance =	\$25,000	1st Year of Revised Contribution (After Critical Year) =	2020
Starting Balance =	\$467,811	Revised 1st Year Contribution =	\$405,920
1st Year Contribution =	\$6,087,127	Revised Contribution Increase Rate =	3.3%
Contribution Increase Rate =	330.0%	1st Year of 2nd Revised Contribution (After Critical Year) =	2027
Interest Rate =	1.2%	Revised 1st Year Contribution =	\$230,000
Min Balance Increase Rate =	3.3%	Revised Contribution Increase Rate =	3.3%

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Project Expenditures	\$6,157,000	\$6,664,916	\$365,798	\$41,888	\$13,664	\$127,977	\$133,658	\$2,007,015	\$334,261	\$38,842
CRF Annual Contribution	\$6,087,127	\$6,288,002	\$405,920	\$419,315	\$433,153	\$447,447	\$462,213	\$477,466	\$493,222	\$230,000
Special Levies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CRF Balance	\$397,938	\$25,826	\$66,259	\$444,487	\$869,339	\$1,199,298	\$1,542,324	\$31,384	\$190,724	\$384,183
Min Required CRF Balance	\$25,000	\$25,825	\$26,677	\$27,558	\$28,467	\$29,406	\$30,377	\$31,379	\$32,415	\$33,484



Cash Flow 2 - Fully Funded



1st Year Minimum Balance = \$25,000
 Starting Balance = \$467,811
 1st Year Contribution = \$6,087,127
 Contribution Increase Rate = 3.3%
 Interest Rate = 1.2%
 Min Balance Increase Rate = 3.3%

1st Year of Revised Contribution (After Critical Year) = 2020
 Revised 1st Year Contribution = \$405,920
 Revised Contribution Increase Rate = 3.3%

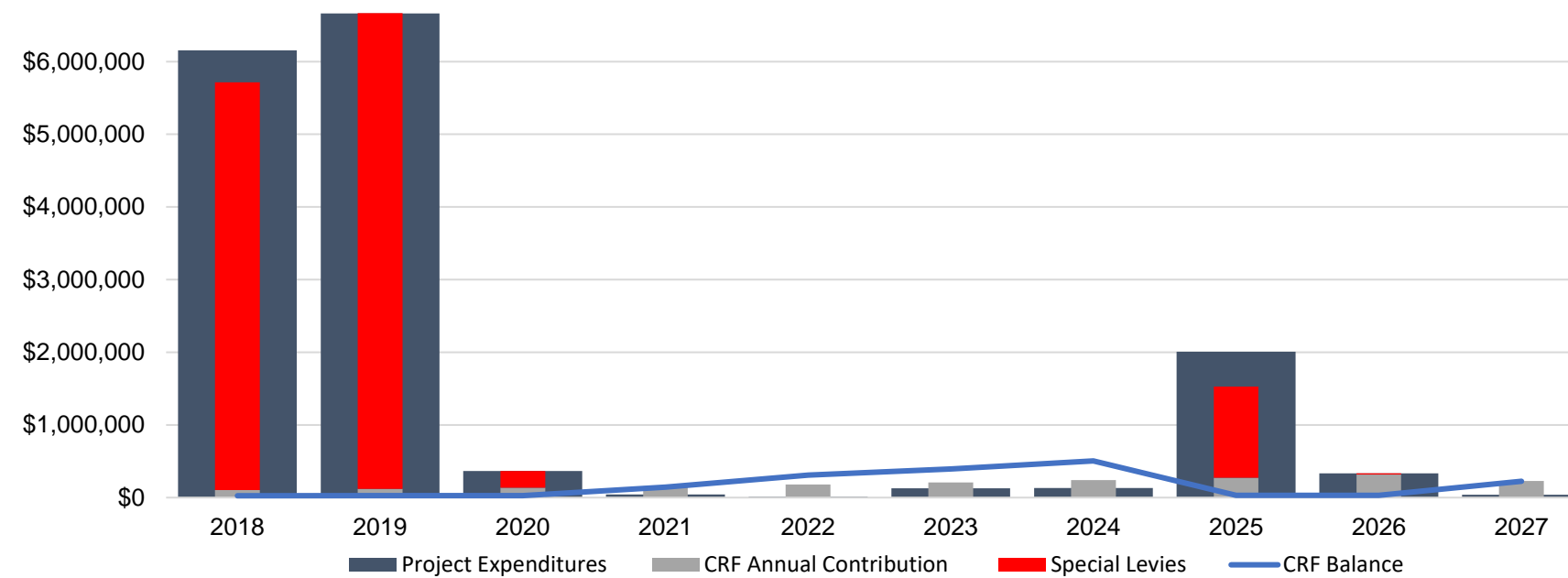
1st Year of 2nd Revised Contribution (After Critical Year) = 2027
 Revised 1st Year Contribution = \$230,000
 Revised Contribution Increase Rate = 3.3%

Notes: - This funding model assumes that contributions are large enough that there are no special levies.
 - No interest is collected from special levies as it is assumed funds will be collected just before expenditures.
 - Project expenditures occur at the end of the year allowing interest to be accrued on the CRF balance.
 - CRF balances are for end of year.

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Project Expenditures	\$6,157,000	\$6,664,916	\$365,798	\$41,888	\$13,664	\$127,977	\$133,658	\$2,007,015	\$334,261	\$38,842	\$96,850	\$63,315	\$487,212	\$49,566	\$12,289	\$55,333	\$706,081	\$324,401	\$0	\$25,944	\$302,074	\$72,770	\$1,480,966	\$586,614	\$17,002	\$193,645	\$27,912	\$958,217	\$52,123	\$117,942
CRF Annual Contribution	\$6,087,127	\$6,288,002	\$405,920	\$419,315	\$433,153	\$447,447	\$462,213	\$477,466	\$493,222	\$230,000	\$237,590	\$245,430	\$253,530	\$261,896	\$270,539	\$279,467	\$288,689	\$298,216	\$308,057	\$318,223	\$328,724	\$339,572	\$350,778	\$362,353	\$374,311	\$386,663	\$399,423	\$412,604	\$426,220	\$440,285
Special Levies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CRF Balance	\$397,938	\$25,826	\$66,259	\$444,487	\$869,339	\$1,199,298	\$1,542,324	\$31,384	\$190,724	\$384,183	\$529,559	\$718,064	\$493,046	\$711,325	\$978,158	\$1,214,094	\$811,352	\$794,956	\$1,112,605	\$1,418,309	\$1,462,073	\$1,746,516	\$637,401	\$420,832	\$783,219	\$985,688	\$1,369,092	\$840,000	\$1,224,232	\$1,561,348
Min Required CRF Balance	\$25,000	\$25,825	\$26,677	\$27,558	\$28,467	\$29,406	\$30,377	\$31,379	\$32,415	\$33,484	\$34,589	\$35,731	\$36,910	\$38,128	\$39,386	\$40,686	\$42,029	\$43,416	\$44,848	\$46,328	\$47,857	\$49,436	\$51,068	\$52,753	\$54,494	\$56,292	\$58,150	\$60,069	\$62,051	\$64,099



Cash Flow 3 - Gradual Funding Increase (Recommended)



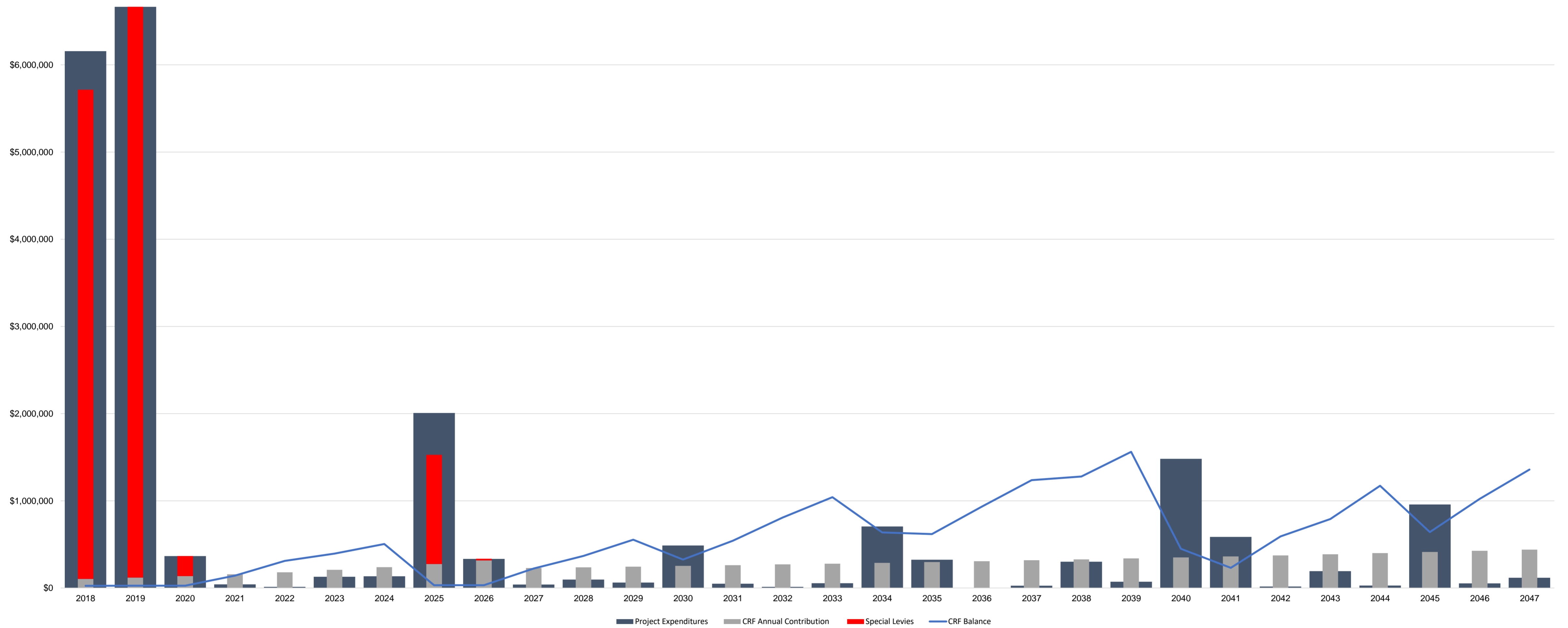
1st Year Minimum Balance = \$25,000
 Starting Balance = \$467,811
 1st Year Contribution = \$103,300
 Contribution Increase Rate = 15.0%
 Interest Rate = 1.2%
 Min Balance Increase Rate = 3.3%

1st Year Revised Contribution (After Critical Year) = 2027
 Revised 1st Year Contribution = \$230,000
 Revised Contribution Increase Rate = 3.3%

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Project Expenditures	\$6,157,000	\$6,664,916	\$365,798	\$41,888	\$13,664	\$127,977	\$133,658	\$2,007,015	\$334,261	\$38,842
CRF Annual Contribution	\$103,300	\$118,795	\$136,614	\$157,106	\$180,672	\$207,773	\$238,939	\$274,780	\$315,997	\$230,000
Special Levies	\$5,610,889	\$6,546,644	\$229,724	\$0	\$0	\$0	\$0	\$1,252,995	\$18,921	\$0
CRF Balance	\$25,000	\$25,825	\$26,677	\$142,218	\$310,942	\$394,491	\$504,532	\$31,379	\$32,415	\$223,964
Min Required CRF Balance	\$25,000	\$25,825	\$26,677	\$27,558	\$28,467	\$29,406	\$30,377	\$31,379	\$32,415	\$33,484



Cash Flow 3 - Gradual Funding Increase (Recommended)



1st Year Minimum Balance = \$25,000
 Starting Balance = \$467,811
 1st Year Contribution = \$103,300
 Contribution Increase Rate = 15.0%
 Interest Rate = 1.2%
 Min Balance Increase Rate = 3.3%

1st Year Revised Contribution (After Critical Year) = 2027
 Revised 1st Year Contribution = \$230,000
 Revised Contribution Increase Rate = 3.3%

- This funding model incorporates customized funding objectives into a baseline funding model (i.e., a model that assumes a minimum reserve balance and a higher dependency on special levies).
 - No interest is collected from special levies as it is assumed funds will be collected just before expenditures.
 - Project expenditures occur at the end of the year allowing interest to be accrued on the CRF balance.
 - CRF balances are for end of year.

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Project Expenditures	\$6,157,000	\$6,664,916	\$365,798	\$41,888	\$13,664	\$127,977	\$133,658	\$2,007,015	\$334,261	\$38,842	\$96,850	\$63,315	\$487,212	\$49,566	\$12,289	\$55,333	\$706,081	\$324,401	\$0	\$25,944	\$302,074	\$72,770	\$1,480,966	\$586,614	\$17,002	\$193,645	\$27,912	\$958,217	\$52,123	\$117,942
CRF Annual Contribution	\$103,300	\$118,795	\$136,614	\$157,106	\$180,672	\$207,773	\$238,939	\$274,780	\$315,997	\$230,000	\$237,590	\$245,430	\$253,530	\$261,896	\$270,539	\$279,467	\$288,689	\$298,216	\$308,057	\$318,223	\$328,724	\$339,572	\$350,778	\$362,353	\$374,311	\$386,663	\$399,423	\$412,604	\$426,220	\$440,285
Special Levies	\$5,610,889	\$6,546,644	\$229,724	\$0	\$0	\$0	\$0	\$1,252,995	\$18,921	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CRF Balance	\$25,000	\$25,825	\$26,677	\$142,218	\$310,942	\$394,491	\$504,532	\$31,379	\$32,415	\$223,964	\$367,406	\$553,955	\$326,957	\$543,231	\$808,036	\$1,041,920	\$637,100	\$618,602	\$934,123	\$1,237,673	\$1,279,257	\$1,561,494	\$450,147	\$231,319	\$591,419	\$791,573	\$1,172,636	\$641,172	\$1,023,006	\$1,357,694
Min Required CRF Balance	\$25,000	\$25,825	\$26,677	\$27,558	\$28,467	\$29,406	\$30,377	\$31,379	\$32,415	\$33,484	\$34,589	\$35,731	\$36,910	\$38,128	\$39,386	\$40,686	\$42,029	\$43,416	\$44,848	\$46,328	\$47,857	\$49,436	\$51,068	\$52,753	\$54,494	\$56,292	\$58,150	\$60,069	\$62,051	\$64,099



APPENDIX F - ASSUMPTIONS

We made the following assumptions in preparing this Depreciation Report. These assumptions should be reviewed by the Strata Council and confirmed as being accurate.

1. Our interpretation of the unit boundaries and the responsibility thereof. These assumptions define the expenses included in the study. The Strata Corporation may wish to have this reviewed by its solicitor.
2. Contingency Reserve Fund Balance: We have used a Contingency Reserve Fund starting balance for the 2018 fiscal year of \$467,811, based on financial statements provided.
3. Contingency Reserve Fund Contributions: For the financial analysis, we have assumed an annual contribution of \$100,000 for 2017, based on financial statements provided.
4. Contingency Reserve Fund Expenses for Current Fiscal Year: We have assumed that future updates to the Depreciation Report will be paid from the Contingency Reserve Fund.
5. Minimum Balance: We assumed a minimum balance of \$25,000 in our cash flow analysis for 2016 increasing yearly to match inflation. This minimum balance is based on information provided. The minimum balance is the minimum value that the Contingency Reserve Fund would ever reach. The minimum balance could be \$0, or something higher. Although the *Strata Property Act* or Regulations presently do not require a minimum balance above \$0, it would be prudent to set a higher minimum balance to help safeguard against certain situations, such as:
 - a. Components performing worse than expected;
 - b. Unexpected problems or conditions; or
 - c. New requirements becoming necessary as a result of changes in Codes or local By-Laws
6. Projected project expenditure costs are based on:
 - a. work meeting the minimum requirements of the BC Building Code, and
 - b. maintaining standards similar to those existing at Pacific Landmark II.
7. The funding scenarios provided incorporate assumed inflation and interest rates. These rates should be periodically reviewed and adjusted to reflect changes in economic conditions, as part of the future updates to the Depreciation Report. For the purposes of this report we have incorporated an inflation rate of 3.3%, based on weighted historical construction indices for the Vancouver area, and an interest rate of 1.2%, based on historical investment returns for strata corporations of this type and the current investment opportunities available in the marketplace.



APPENDIX G - INFORMATION MADE AVAILABLE

The Strata Corporation made available the following documents for our review, to assist in preparing this Depreciation Report:

- Maintenance Proposal prepared by Otis Canada Inc., dated December 1, 1994;
- Proposal No. PG 9163 for “Maintenance Agreements for Building Environmental Systems” prepared by Trotter & Morgan Facility Services Inc., dated September 3, 2009;
- Addendum letter to 2013 Depreciation Report prepared by Read Jones Christoffersen, dated April 4, 2013;
- Depreciation Report prepared by Read Jones Christofferson Ltd., dated April 25, 2013;
- Equipment Rental Agreement prepared by Roynat Inc., dated December 9, 2013;
- “Mutual Release and Settlement Agreement,” dated February 11, 2015;
- Window Wall Leakage Investigation prepared by Sense Engineering Ltd., dated June 25, 2015;
- Elevator Inspection Report prepared by GUNN Consultants Inc., dated March 2016;
- Planned Service Report prepared by Finning (Canada), dated May 10, 2016;
- “Order Made After Application” document, dated May 13, 2016;
- “Modification of Charge – Court Order” prepared by the New Westminster Land Title Office, dated May 13, 2016;
- Letter RE: Recreational Facilities Easement prepared by Lesperance Mendes Lawyers, dated June 9, 2016;
- Inspection Report – Suspended Access & Fall Protection System prepared by Pro-Bel Group, dated October 25, 2016;
- Invoice No. SFINV-37047 prepared by Pro-Bel Group, dated November 3, 2016;
- Service Report prepared by Trotter & Morton dated December 14, 2016;
- Income Statements for 2014, 2015, 2016, 2017;
- Inspection, Testing and Maintenance of fire safety and prevention systems prepared by Black Tusk Fire & Security Inc., dated March 6-8th, 2017;
- Quote for deficiency repairs prepared by Black Tusk Fire 7 Security Inc., dated March 16, 2017;
- Approved Budget (May 1, 2016 to April 30, 2017);
- Project Summary Report prepared by Design Roofing;
- Fire Systems Deficiencies report prepared by Black Tusk Fire & Security Inc.;
- Balance Sheets for 2013, 2014, 2015, 2016, 2017;
- General Ledgers for 2014, 2015, 2016, 2017;
- Strata plan, dated August 10, 1994;
- Bylaws; and
- Financial statements for 2016.

A financial questionnaire was completed by the Strata Council and the results were incorporated into the Depreciation Report.

The Strata Corporation also made the following drawings available for our review:

- Electrical drawings prepared by Arnold Nemetz & Associates Ltd., dated July 23, 1992;
- Architectural drawings prepared by Eng & Wright Partners Architects, dated March 11, 1993;
- Structural drawings prepared by Jones Kwong Kishi Consulting, dated April 1993;
- Sprinkler drawings prepared by Systems engineering Ltd., dated September 15, 1993;
- Railing Shop drawings prepared by Altch Aluminum Ltd., dated September 16, 1993; and
- Mechanical drawings prepared by Yoneda & Associates, dated January 5, 1994.

