JRS ENGINEERING

REPORT

DEPRECIATION SERVICES

Chelsea Gardens - Strata Plan LMS 1416

13860 – 13888 70th Avenue, Surrey, BC

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PREFACE/OVERVIEW

The purpose of this Depreciation Report is to assist the owners in the asset management of their property with respect to the major building systems and components. JRS has reviewed pertinent building documents, communicated with building representatives, and performed a visual site review, all of which is summarized in this report. As the authors of this Depreciation Report, it should be noted that JRS is a recognized member of the Association of Professional Reserve Planners (APRA), and our reserve planning team includes Professional Reserve Analysts (PRA), Certified Reserve Planners (CRP), and Professional Engineers. Additionally, all JRS reserve planners are registered with Engineers and Geoscientists of British Columbia (EGBC).

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

In accordance with Strata Property Regulation requirements, JRS Engineering Ltd. confirms that it and its employees, directors and affiliates are unaware of any conflicting relationship with the strata corporation. This Depreciation Report is being provided independently, with no other purpose than to provide the strata corporation with an objective report in accordance with the Engineering Services Agreement executed on April 7, 2025.

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APPENDICES

1.0 EXECUTIVE SUMMARY

JRS Engineering Ltd. (JRS) was retained by The Owners, Strata Plan LMS 1416, to complete a Depreciation Report on Chelsea Gardens, located at 13860 – 13888 70th Avenue, Surrey, BC. The purpose of this report is to assist in allocating the anticipated reserve fund expenditures associated with the major systems and components of the building. This executive summary should be read with the rest of the report in its entirety to recognize the full context.

Based on a 30-year outlook, it would be prudent for the strata corporation to increase its Contingency Reserve Fund (CRF) contributions. The strata corporation's current annual CRF contribution is approximately $801,654. We recommend you increase your CRF contributions per the Graduated Hybrid model presented in Appendix D.

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

In the short term, the strata council should perform the following high priority items:

- Perform a condition assessment of the concrete structure in the underground parkade area underneath the Mayfair building (item #1).
- Consider replacing any balcony membrane assemblies in poor condition (item #3).
- Perform a Building Envelope Condition Assessment (BECA) to better understand the condition of the envelope assemblies and more accurately determine their remaining service life and the scope of renewal work needed (items #3, 5, 6, 7, 8, 9, 11, 13, 14, 15, 21, 25, 27 and 28).
- As planned, replace some of the townhouse garage doors for the next three years (item #18).
- As planned, replace the low-slope roof membrane above all the condo buildings for the next three years (item #23).
- Perform a plumbing assessment and targeted repair work to prepare for the potential large-scale plumbing renewal project (item #39).
- Consider conducting a mechanical equipment condition assessment to better determine the remaining service life of equipment which are beyond their expected service life (items #42, 43, 44, 47, 48 and 49).
- Repair any fire alarm panels that failed the annual maintenance check or consider replacing them (item #53).

Over the next five years (before or on the next Depreciation Report update), the strata council should also consider the following:

- Consider replacing some of the building envelope items depending on the findings made during the BECA (items #3, 5, 6, 9, 11, 13, 14, 15, 21, 27 and 28).
- Replace the parkade garage door motors (item #17).

- Consider conducting a condition assessment and an engineering overview of the three elevators in the condo buildings (item #37).
- Consider replacing some of the mechanical equipment depending on the findings made during the mechanical equipment condition assessment (items #42, 43, 47, 48 and 49).
- Consider performing current cleaning and vault maintenance on the electrical vaults (item #50).
- Replace the Windsor enterphone system (item #52).
- Consider removing some trees that are disrupting the drainage system in front of some of the townhouse units, and reinstate the drainage, hardscaping and softscaping around them (items #64, 65 and 66).

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

Table 2 – Summary of Pertinent CRF Financial Information:

ITEM	COST
Current Replacement Costs	$58,947,750
Future Replacement Costs	$86,439,592
Current Reserve Fund Requirements	$36,995,353
Future Reserve Fund Requirements	$30,347,685
Current Annual Reserve Fund Contributions	$801,654
Theoretical Fully Funded Annual Reserve Fund Contributions	$1,772,938
Target Annual Reserve Fund Contributions (80%)	$1,418,350

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

The Baseline model consists of current contribution levels or the statutory minimum, whichever is higher. In this case, it is the former. This would lead to numerous special levies within the 30-year outlook.

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

The Graduated Hybrid model is a funding strategy that JRS recommends, which will allow the strata corporation to gradually increase their contributions to 80% of a fully funded contribution level by 2030, then implementing inflationary increases – minimizing the frequency and amount of potential of special levies.

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

2.0 TERMS OF REFERENCE

As the information of all Depreciation Reports is comprehensive and subjective, a draft report was issued on January 15, 2026, in order to obtain feedback and commentary on any chronological mistakes and reporting errors. We have acknowledged all comments and made all appropriate revisions that we feel prudent and technically justifiable. It is important to understand that these reports are intended to be dynamic, "work-in-progress documents", which should be continually updated to be practical documents.

2.1 GENERAL LIMITATIONS

JRS assumes that the building systems were built and completed with no known deficiencies in design and that construction procedures performed were in general conformance with the documents provided by the owners and strata agent, unless otherwise noted.

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

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

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

JRS Engineering maintains errors and omission insurance (Professional Liability Insurance) through our Certificate of Insurance, which is renewed on an annual basis.

2.2 REPORT ORGANIZATION

SECTION 1.0

This section presents an executive summary of the depreciation report.

SECTION 2.0

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

SECTION 3.0

This section presents an introduction to the report. This includes a brief background to Depreciation Reports, the methodology used to create one, a general description of all reserve systems and components, as well as a short note on updating the report.

SECTION 4.0

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

SECTION 5.0

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

SECTION 6.0

This section presents our recommendations to the owners.

SECTION 7.0

This section presents our report closure and limitations.

Included as part of this report are the following appendices:

APPENDIX A – Technical Inventory - Component Descriptions

APPENDIX B – Replacement Costs (Benchmark Analysis)

APPENDIX C – Funding Models and Cost Projections

APPENDIX D – Cash Flow Table

APPENDIX E – Glossary of Terms

2.3 BUILDING DESCRIPTION

Chelsea Gardens is a residential, strata-owned complex consisting of three four-storey condo buildings, a clubhouse building, and many townhouse buildings. The condo buildings are named Mayfair, Kensington and Windsor, housing 32, 64 and 64 residential units respectively. There are 45 townhouses housing a total of 234 units, totaling 394 units for the whole property. The clubhouse building is located near the top center of the property and contains a recreation room, exercise room, outdoor pool, hot tub, workshop, library, lounge area and guest suites. The front entrance to the property is located at the north-most point by 70th Ave. There is a rear entrance located at the southeast corner by 140 St. Additionally, there is an outdoor RV parkade area at the southwest corner of the property. The complex is connected via paved roadways that stretch all around the property. There are mixtures of trees, grass and shrubbery around the outskirts of these roadways. There is a strip of garden walkway and arbour tunnel with fountains surrounding them at the center of the property, connecting the north and south sides of the complex.

Chelsea Gardens is located to the east of Newton in Surrey. It is surrounded by other townhomes and residential low-rise condo buildings to the north and south, as well as community parks with dense forests and ponds to the east and the west of the property.

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

Table 3 – Basic Property Information:

DESCRIPTION	
*Construction Date	Clubhouse Building 1994 Mayfair 1994 Kensington 1995 Windsor 1996 Townhouses 1996
Applicable Building Code	BCBC 1992
Number of Buildings	49
Number of Storeys	4 – (Mayfair, Kensington, Windsor) 2 – (Clubhouse Building, Townhouses)
Number of Units	Mayfair – 32 Kensington – 64 Windsor – 64 Townhouses - 234

*For the purpose of the report, the construction date of all the buildings will be averaged to 1995.

Figure 1: Site Plan of Chelsea Gardens taken from Google Earth and edited with information

2.4 DOCUMENTS REVIEWED

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

PLANS/DRAWINGS AND TECHNICAL DOCUMENTS

- Architectural (Record Set) – Pelman Architects Inc.; August 1993
- Structural (Record Set) – Peak Engineering Ltd.; February 2006
- Mechanical (Record Set) – Civic Consulting Group Ltd.; June 1993
- Building Envelope Repairs (Specifications & Drawings) – McArthur Vantell Ltd.; February 2006
- Roof Inspection Report – Wiley Roofing; July 2018
- Chelsea Gardens Gas Detection Report – Global Gas Detection Inc.; July 2020
- Chelsea Gardens Depreciation Report (2021 Update) – McArthur Vantell Ltd.; July 2021
- Thermal Scan Report (Infrared Survey) – Universal Electrical Services Inc.; October 2020

NON-TECHNICAL AND FINANCIAL DOCUMENTS

- AGM Minutes – from 2021 to 2025
- LMS Balance Sheets – 2023, 2024, 2025
- Chelsea Gardens Equipment List
- Capital Expense Approval List – from 2017 to 2021

In addition, we interviewed the resident caretaker, strata president and communicated with the strata agent as supplementation to the building history and supporting documents.

2.5 SITE VISITS

Andrew Yeon, Dipl. Tech. of JRS visited Chelsea Gardens on October 30, 2025. Access was provided to the site grounds, underground parkades, some units in the condo buildings (Mayfair, Kensington and Windsor) and their respective balconies, condo building roofs, the Clubhouse building, service/utility rooms, amenity rooms/areas and the RV parkade. The weather on the day of the site visit was sunny at 5°C.

3.0 INTRODUCTION

3.1 BACKGROUND

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

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

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

Per the Strata Property Regulation, we are required to state our relationship with the Strata Corporation. JRS staff who created this Depreciation Report simply serve as independent parties and do not have conflicting relationships with the Strata Corporation or Property Management Company.

3.2 METHODOLOGY

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

1. Background Review

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

2. Site Visit

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

3. Technical Inventory

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

4. Financial Analysis

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

3.3 UPDATING

Per the Strata Property Regulation, strata corporations require an updated Depreciation Report every 5 years. Furthermore, it is important that the strata council review the Depreciation Report annually to confirm accumulated CRF balance and contributions, document all expenditures and ensure that deterioration of certain building systems/components has not accelerated.

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

4.0 TECHNICAL INVENTORY

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

This technical inventory is categorized in the Uniformat sections listed below and summarized in component description boxes consisting of location, installation date, typical service life, effective age, remaining service life, planned renewal date, general description, and condition as well as short term action. These reserve component description boxes are located in Appendix A. These generally provide information on what is included in the cost estimation of the physical assets.

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

For the sake of simplicity, the Mayfair, Kensington and the Windsor condo buildings, when addressed altogether, will be called "condo buildings" or "condos".

4.1 BUILDING ENVELOPE AND STRUCTURE

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

The low-slope roofing for the condo buildings consists of torch-on SBS membrane. Painted metal flashing was installed on top of the parapet walls along the outer perimeter of the roofs. The Clubhouse building's roof consists of similar make. Sloped metal roofing was present in small sections on the roofs of the condo buildings and the Clubhouse building. The roofing for the townhouses consists of sloped asphaltic shingles with varying colours from building to building. It was reported by the strata president that these were all replaced during the re-roofing project that occurred between 2021 and 2025. The townhouses also have small sections of conventional low-slope roofs with torch-on SBS membrane.

The window assemblies throughout the property are all punched windows with vinyl frames and insulated glazing units (IGUs) infills. It was noted that the windows for all the condo buildings have been renewed during the envelope remediation project in 2007.

Balcony/deck access sliding and swing doors appear to be of similar make. The sliding doors at the condo buildings were noted to be replaced during the envelope remediation project in 2007, but it was unclear if all these swing doors were replaced as well. The front entry and side entry doors to the townhouses were noted to have been replaced on an as-needed basis.

The Clubhouse building has an arched feature glass canopy installed above the main lobby of the building, with a storefront entrance that connects all the way up to the glass canopy. It was reported by the strata manager that this glazing system was renewed in 2023.

The condo buildings and the Clubhouse building have stucco cladding as their main exterior envelope. During the envelope remediation project in 2007, the stucco walls for the condo buildings were noted to have been selectively replaced with a rain-screen wall assembly around the window frames. The townhouse buildings have a mixture of face-seal stucco and vinyl siding as their exterior wall cladding. It was also noted that partial renewal and repair work of the townhouses' exterior envelope has been ongoing since 2014.

The below-grade membrane is assumed to be installed above the parkades' suspended slabs at areas beyond the footprint of the buildings. It was reported by the strata president that targeted repairs have been being performed for the water leak problems in the parkade for the last three years.

Sealant is installed around window and door perimeters, wall penetrations and material transitions. The sealant provides a continuous water shedding surface for the exterior cladding. Paint is applied on the stucco wall surface, flashing and wood trims around windows throughout the buildings. It was reported that the condo buildings, townhouses, perimeter fencing and all outbuilding structures were repainted in 2025. Sealant and paint renewals are subjective and can vary from property to property. As a standard approach, we typically recommend significant sealant renewal and painting projects to occur concurrently within 7-to-10-year cycles. However, sections of sealant should be replaced upon failure (e.g., cracks, crazing, de-bonding, etc.), especially in critical locations. Some properties may have to perform annual maintenance or pursue a targeted sealant renewals program more frequently (every 2 to 5 years) than shown in our cost projections.

The concrete structural components include the parkade's walls, floor slab and the suspended slab ceiling.

Two overhead motorized garage doors provide access to the parkades. It was noted at the time of the site visit that the garage door in the parkade underneath the Windsor building was not functioning and was temporarily made to remain open.

4.2 INTERIOR

The interior finishes include wall paint, various floor finishes and interior unity entry doors. These finishes are limited to the common areas of each building. This also includes the amenity rooms' finishes.

The main corridor and hallways for the condo buildings consist of carpeted floors, painted drywall ceilings and walls. This was also the case for stairwells. Some areas, such as the lobbies, have vinyl plank finishes with furniture. It was reported that the hallways and lobby finishes were all renewed in phases from 2017 to 2021.

The Clubhouse building consists of vinyl, epoxy, tiles and carpet floor finishes throughout the building. Generally, the interior space consists of suspended ceiling tiles and painted drywall for the walls. It was noted that some of the floor finishes were renewed during the Clubhouse improvement project in 2017, and the interior painted surfaces were repainted in 2021.

The furnishing in the amenity rooms and their respective interior finishes are also included.

4.3 CONVEYANCE

The conveyance systems on this property include the elevators servicing the three condo buildings. These are hydraulic elevators that were installed during the original construction. It is our understanding that routine inspection and maintenance have been performed on the elevators.

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

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

4.4 MECHANICAL

The mechanical systems for this building generally consist of heating/HVAC (e.g., air conditioning units, make-up air units, heat pumps, parkade exhaust fans and carbon monoxide detectors), plumbing (i.e., water pipe distribution, boilers and hot water tanks) and fire protection components. The smaller exhaust fans found in utility and storage rooms are not included in this report (e.g., parkade vestibule, mechanical room, elevator room or storage room).

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

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

4.5 ELECTRICAL

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

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

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

4.6 SPECIALTY

The specialty reserve component includes assets that are unique to the property. This includes the many amenity facilities in the clubhouse building like the hot tub, pool, library, exercise room, workshop, mailroom, change/shower room, lounges, billiards room and guest suites. This also includes the many fountains and outbuilding structures around the property.

4.7 SITE SERVICES

The site services include softscaping, which refers to grass, trees and other various plants installed on the property. Hardscaping refers to walkways and roadways. Site services (utilities lines) and exterior lighting are also included.

5.0 FINANCIAL ANALYSIS

5.1 RESERVE FUND: HISTORICAL DATA

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

Table 4 – CRF Historical Information:

DESCRIPTION	2023	2024	2025
ANNUAL OPERATING BUDGET	**$1,248,757**	**$1,283,845**	**$1,366,708**
CRF BALANCE	**$3,165,757**	**$3,492,611**	***$2,029,520**
Approved CRF contributions	$641,323	$801,624	$801,654

*The CRF Balance of 2025 is the opening financial balance of February 28, 2025 ($1,617,317) with the addition of the townhouse roof replacement surplus ($412,203).

5.2 RESERVE FUND: LIFE CYCLE RENEWAL COSTS

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

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

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

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

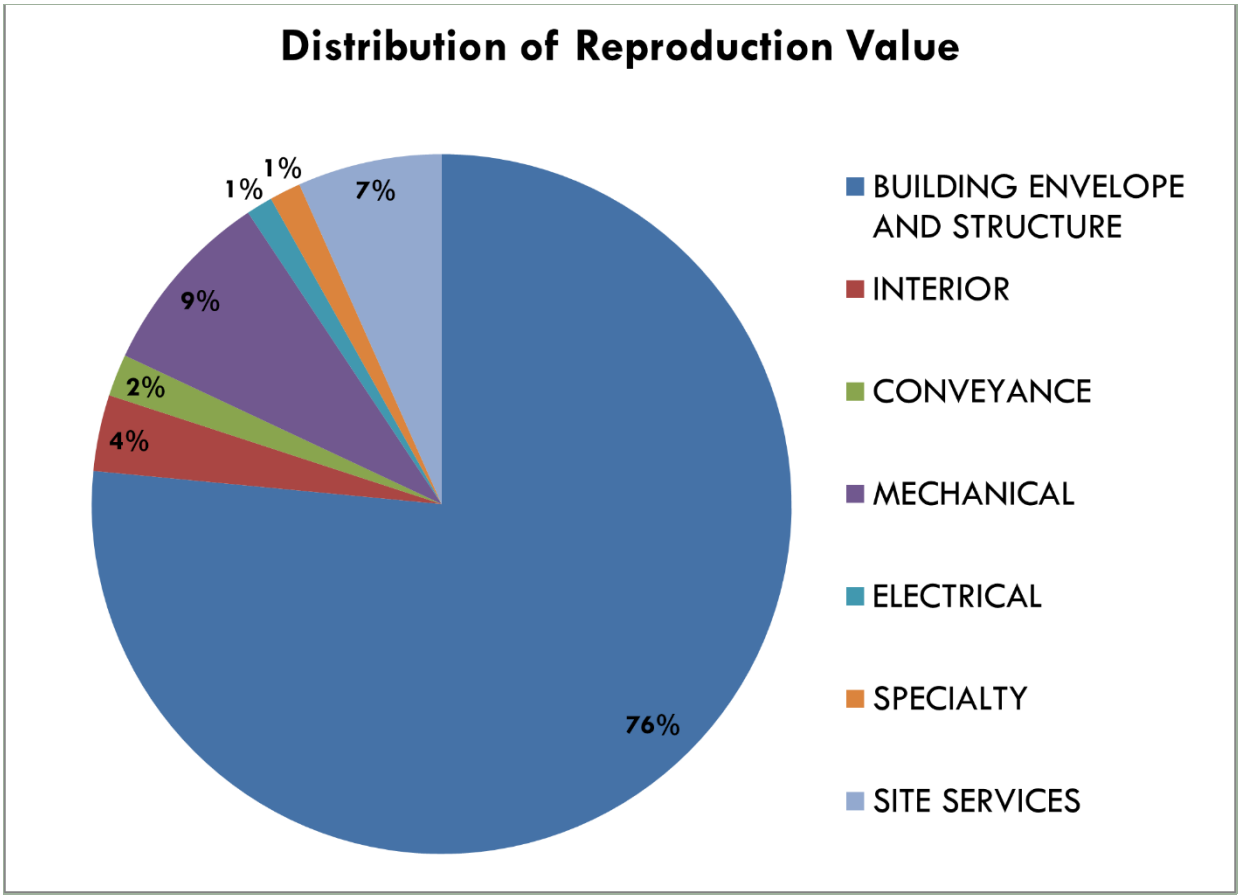

Figure 2: Pie Distribution of Assets

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

5.3 Reserve Fund: 30-Year Cost Projection

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

INTEREST RATE

Although the Regulation requires a reserve fund plan to be projected over 30 years, the interest rate is weighted more towards recent and short-term economic conditions because of their volatility over time. This is the rate of return applied to your CRF investment. We have assumed an annual interest rate of **4.0%**, taken from historical data of interest earned on the financial statements of the last three years. This should be revised at the next Depreciation Report update. Refer to Part 6.11 in the Strata Property Regulation to confirm what types of investment vehicles are permitted.

INFLATION RATE

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

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

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

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

5.4 FUNDING MODELS

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

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

BASELINE

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

THEORETICAL FULLY FUNDED

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

GRADUATED HYBRID

This model is a combination of the Baseline and Fully Funded models, starting at current contribution levels and ramping up to a 80% fully funded contribution level. Special levies may still occur but at smaller and less frequent amounts. This funding strategy allows a more targeted funding plan, allowing for a more balanced and pro-active approach.

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

JRS has provided a Graduated Hybrid funding model that we believe is achievable and pragmatic. These models allow the owners to ramp up towards a 80% fully funded CRF contribution level by 2030.

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

5.5 SUMMARY OF RESULTS AND ADEQUACY OF RESERVE FUND

The Baseline model projects approximately nine special levies totaling $59.7M, and the Fully Funded models suggest an immediate onerous increase of the annual CRF contributions.

The Graduated Hybrid model takes a balanced approach and projects 80% of the annual fully funded contribution level by 2030. For the next five years, the annual CRF contribution is projected to be increased by 12%, then the growth is maintained by 3% inflation afterwards. This strategy allows the owners to reach almost 80% of the fully funded contribution at $1,412,788 by 2030 and decrease the number of special levies down to six from nine and the cumulative cost down to $46.8M from $59.7M.

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

It is essential to remember that our financial models and recommended funding strategies are for the strata corporation's contributions to their CRF, not strata fees. CRF contributions are only a fraction of the overall budget, which is funded almost entirely by the strata fees. For example, if an owner is paying $300/month in strata fees and 10% of their strata fees go to the CRF, a recommended CRF contribution increase of 50% a year, results in an extra $15 a month.

Moreover, increasing CRF contributions does not need to be entirely borne out of raising strata fees. Other methods of offsetting increased strata fees include cutting costs and increasing revenue generating activities (e.g., laundry services, vending machines, etc.).

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

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

5.6 CONSIDERATIONS

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

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

Costs and input data should also be reviewed and updated regularly to ensure a higher level of accuracy. Review of the financial parameters should be performed by the strata council annually and through Depreciation Report updates, which include site visits by a Reserve Planner every 5 years, per the Strata Property Regulation.

6.0 RECOMMENDATIONS

JRS recommends the strata council implement the Graduated Hybrid model or something similar to eventually reach a 80% fully funded contribution level to the CRF by 2030 or sooner. The strata council should compare it with the other funding strategies, tailor it to the ownership demographics and decide which would be the most appropriate and acceptable for the general ownership to include in the annual budget.

In the short term, the strata council should perform the following high priority items:

- Perform a condition assessment of the concrete structure in the underground parkade area underneath the Mayfair building (item #1).
- Consider replacing any balcony membrane assemblies in poor condition (item #3).

- Perform a Building Envelope Condition Assessment (BECA) to better understand the condition of the envelope assemblies and more accurately determine their remaining service life and the scope of renewal work needed (items #3, 5, 6, 7, 8, 9, 11, 13, 14, 15, 21, 25, 27 and 28).
- As planned, replace some of the townhouse garage doors for the next three years (item #18).
- As planned, replace the low-slope roof membrane above all the condo buildings for the next three years (item #23).
- Perform a plumbing assessment and targeted repair work to prepare for the potential large-scale plumbing renewal project (item #39).
- Consider conducting a mechanical equipment condition assessment to better determine the remaining service life of equipment that are beyond their expected service life (items #42, 43, 44, 47, 48 and 49).
- Repair any fire alarm panels that failed the annual maintenance check or consider replacing them (item #53).

Over the next five years (before or on the next Depreciation Report update), the strata council should also consider the following:

- Consider replacing some of the building envelope items depending on the findings made during the BECA (items #3, 5, 6, 9, 11, 13, 14, 15, 21, 27 and 28).
- Replace the parkade garage door motors (item #17).
- Consider conducting a condition assessment and an engineering overview of the three elevators in the condo buildings (item #37).
- Consider replacing some of the mechanical equipment depending on the findings made during the mechanical equipment condition assessment (items #42, 43, 47, 48 and 49).
- Consider performing current cleaning and vault maintenance on the electrical vaults (item #50).
- Replace the Windsor enterphone system (item #52).
- Consider removing some trees that are disrupting the drainage system in front of some of the townhouse units, and reinstate the drainage, hardscaping and softscaping around them (items #64, 65 and 66).

JRS further submits the following general recommendations:

1. Perform more detailed, intrusive investigations targeting the higher expense systems (e.g., building envelope, piping, etc.) in order to fine tune the service life predictions and replacement costs.
2. Prior to any major renewals, the strata council should hire a consultant to prepare drawings and specifications and tender out the work to multiple contractors before raising funds or requesting any special levies.

3. Major repairs and replacements should be recorded in, and funded from, a separate contingency reserve fund account. Keep in mind that multiple "sub-CRF-accounts" for specific assets (e.g., roofing, windows, piping, etc.) are not required and should be used with caution.
4. The strata council should create a committee or appoint a strata council member to oversee the overall management and documentation of the CRF.
5. The CRF should be invested with a strategy that will allow for multiple transactions and achieve a higher rate of return than the current interest rate.

7.0 CLOSURE

This report was prepared by JRS for The Owners, Strata Plan LMS 1416. Any use that a third party makes of this report, or any reliance or decisions made based on it, are the sole responsibility of such third parties.

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

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

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

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

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

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

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

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2026-03-17

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APPENDIX A

TECHNICAL INVENTORY – COMPONENT DESCRIPTIONS

BUILDING ENVELOPE AND STRUCTURE

1 PARKADE

BUILDING ENVELOPE AND STRUCTURE

Location:	Underneath condo buildings
Year Installed:	1995
Typical Service Life (years):	50
Effective Age (years):	30
Remaining Service Life (years):	20
Planned Renewal Date:	2045

Description: This item includes the two underground parkades' concrete walls, ceiling and floor slab surfaces. This includes the parkade underneath Mayfair and Kensington, and the other parkade underneath Windsor.

Condition: It was noted that targeted repairs have been performed in the parkade for the last three years. The general condition of the concrete is average. Signs of water ingress were observed via efflorescence and corrosion staining on the surfaces of the concrete in the parkade below Mayfair.

Short-Term Action Required: It is recommended to perform a parkade condition review to more accurately determine the source of the water ingress problem in the parkade area below Mayfair.

Comments: The structural capacity of the slabs and walls is expected to last for the life of the building. The 50-year typical service life refers to a rough estimate as to when the owners may expect the need for concrete repairs to address issues such as delamination, water intrusion, and wear. The reserve costs for the parkade include performing targeted repairs on the concrete surfaces noted in the description. An allowance has been allotted in 2026 for a parkade condition review and potential repair work that may follow. Additional allowance has been allotted three years prior to the renewal year for condition review and targeted repair work.

2 BALCONY GUARDRAILS (CONDOS)

BUILDING ENVELOPE AND STRUCTURE

Location:	Perimeter edges of balconies on all the condo buildings
Year Installed:	2007
Typical Service Life (years):	40
Effective Age (years):	18
Remaining Service Life (years):	22
Planned Renewal Date:	2047

Description: This item includes all the side mounted aluminum picket and post guardrails installed along the perimeter edges of the balconies on all the condo buildings. This does not include the spindle guardrails on the decks of the townhouses.

Condition: It was noted that these guardrails were installed during the envelope remediation project in 2007. The guardrails are in fair condition with no visual indication of corrosion or loose attachments. Additionally, no issues were reported by the residents or the strata president.

Comments: The reserve costs include replacing all the aluminum guardrails on the balconies.

3 BALCONY MEMBRANE ASSEMBLIES (CONDOS)

BUILDING ENVELOPE AND STRUCTURE

Location:	Condo building balcony surfaces
Year Installed:	2007
Typical Service Life (years):	25
Effective Age (years):	20
Remaining Service Life (years):	5
Planned Renewal Date:	2030

Description: This item includes the liquid-applied balcony membrane on all the balconies of the condo buildings.

Condition: It was noted that these membranes were fully replaced during the building envelope remediation project around 2007. The balcony membranes were observed to be in poor to fair condition. Generally, those that were covered appeared to be in much better condition (Photo on the right) compared to the balconies that were exposed (Photo on the left). The strata president reported that targeted repairs have been performed on the balcony membranes over the last five years.

Short-Term Action Required: The balcony membranes that were observed to be in poor condition had cracking at the joints between the wall and the balcony floor surface. These cracks can allow water to penetrate the balcony assembly and potentially facilitate water ingress into the nearby wall assemblies. JRS recommends conducting a condition assessment and replacing any balcony membranes that are in poor condition.

Comments: The reserve costs for this asset include replacing all the balcony membranes on the balconies. This item should be included in the BECA mentioned in item #6 to more accurately determine its condition and scope of repair work. A percentage of the reserve cost has been allotted in 2027 for targeted replacements of the balcony membranes in poor condition.

4 DECK GUARDRAILS (TOWNHOUSES)

BUILDING ENVELOPE AND STRUCTURE

Location:	On the decks of townhouses
Year Installed:	2017
Typical Service Life (years):	30
Effective Age (years):	8
Remaining Service Life (years):	22
Planned Renewal Date:	2047

Description: This item includes the wood spindle guardrails on the decks of the townhouses. It was observed that some of these have been guarded with a transparent plastic panel or completely replaced with aluminum guardrails.

Condition: It was noted that these rails have been getting replaced from 2017 to 2021. The spindle guardrail assembly is in fair condition.

Comments: The reserve costs include replacing the spindle guard assemblies to aluminum guardrails.

5 DECK MEMBRANE ASSEMBLIES (TOWNHOUSES)

BUILDING ENVELOPE AND STRUCTURE

Location:	On the decks of townhouses
Year Installed:	1995
Typical Service Life (years):	30
Effective Age (years):	25
Remaining Service Life (years):	5
Planned Renewal Date:	2030

Description: This item includes the PVC waterproofing sheet membrane on all the decks of the townhouses.

Condition: The deck membrane is in reasonable condition with no reports or observations of deficiencies. It should be noted that we did not get a chance to review many of the townhouse unit decks. Additionally, it was noted that some decks have been selectively repaired/replaced in 2009, 2019 and 2021.

Comments: The reserve costs include fully replacing the deck membranes on the townhouses. This item should be included in the BECA mentioned in item #6 to more accurately determine its remaining service life.

6 EXTERIOR WALLS - STUCCO (CONDOS)

BUILDING ENVELOPE AND STRUCTURE

Location:	Building exterior of condos/clubhouse building
Year Installed:	1995
Typical Service Life (years):	30
Effective Age (years):	25
Remaining Service Life (years):	5
Planned Renewal Date:	2030

Description: This item includes the stucco cladding on the Mayfair, Kensington and Windsor condo buildings and the Clubhouse building.

Condition: The stucco walls are in reasonable condition with no reports or observations of water ingress. It was noted that the exterior walls around the windows were replaced with a rainscreen system during the envelope remediation project in 2007.

Comments: We recommend performing a Building Envelope Condition Assessment (BECA) in 2026 to better understand the condition of the building envelope system and more accurately determine their remaining service life and the scope of repair/renewal work needed. In the assessment, it is recommended to determine the remaining parts of the stucco cladding from the original construction and replace these with the rain-screen system. The reserve costs include replacing all the stucco cladding on the condo buildings and the Clubhouse building. An allowance has been made for the BECA mentioned above.

7 EXTERIOR WALLS - STUCCO (TOWNHOUSES)

BUILDING ENVELOPE AND STRUCTURE

Location:	Building exterior of townhouses
Year Installed:	1995
Typical Service Life (years):	30
Effective Age (years):	20
Remaining Service Life (years):	10
Planned Renewal Date:	2035

Description: This item includes the stucco cladding on all the townhouses throughout the property.

Condition: The stucco walls are in reasonable condition. No signs of water ingress or problems were observed or reported. It was informed that annual building envelope repairs have been performed on the townhouses as an ongoing maintenance item.

Comments: The reserve costs include full renewal of the stucco cladding on the townhouses. The stucco walls for the townhouses should be included in the BECA mentioned in item #6 to more accurately determine its remaining service life.

8 EXTERIOR WALLS – VINYL (TOWNHOUSES)

BUILDING ENVELOPE AND STRUCTURE

Location:	Building exterior of townhouses
Year Installed:	1995
Typical Service Life (years):	40
Effective Age (years):	30
Remaining Service Life (years):	10
Planned Renewal Date:	2035

Description: This item includes the vinyl cladding on all the townhouses throughout the property.

Condition: The vinyl cladding is in reasonable condition with no reports or observations of water ingress. As mentioned in item #7, general building envelope repairs have been conducted as an ongoing maintenance item.

Comments: The reserve costs include the renewal of the vinyl cladding on the townhouses. This item should be included in the BECA mentioned in item #6.

9 EXTERIOR WALLS – WOOD TRIM (TOWNHOUSES)

BUILDING ENVELOPE AND STRUCTURE

Location:	Building exterior of townhouses
Year Installed:	1995
Typical Service Life (years):	30
Effective Age (years):	25
Remaining Service Life (years):	5
Planned Renewal Date:	2030

Description: This item includes wood trim boards around window perimeters, garage door perimeters, and various edges on the exterior cladding of the townhouses.

Condition: These wooden trim boards are in reasonable condition. There was one observation of damaged wood trim by the 2nd floor window of townhouse unit 247. It was noted that the wood trims have been repaired/replaced as an ongoing maintenance item.

Comments: The reserve costs include renewal of the wood trims on the townhouses. This item should be included in the BECA mentioned in item #6.

10 WINDOW ASSEMBLIES (CONDOS)

BUILDING ENVELOPE AND STRUCTURE

Location:	Building exterior of condos
Year Installed:	2007
Typical Service Life (years):	30
Effective Age (years):	18
Remaining Service Life (years):	12
Planned Renewal Date:	2037

Description: This item includes all the windows installed on the Mayfair, Kensington and Windsor condo buildings and the Clubhouse building.

Condition: The windows are in reasonable condition with no observations or reports of deficiencies. It was noted that these windows were replaced during the envelope remediation project in 2007.

Comments: The reserve costs include the full renewal of the windows on the condo buildings.

11 WINDOW ASSEMBLIES (TOWNHOUSES)

BUILDING ENVELOPE AND STRUCTURE

Location:	Building exterior of townhouses
Year Installed:	1995
Typical Service Life (years):	30
Effective Age (years):	25
Remaining Service Life (years):	5
Planned Renewal Date:	2030

Description: This item includes all the windows installed on the townhouses.

Condition: The windows are in reasonable condition with no observations or reports of water ingress in the glazing units or frames. It was noted that some of these windows have been replaced on an as-needed basis since 2017.

Comments: The reserve costs include the renewal of all the windows on the townhouses. These windows should be included in the BECA mentioned in item #6 to better determine its remaining service life.

12 SLIDING DOORS (CONDOS)

BUILDING ENVELOPE AND STRUCTURE

Location:	Access to condo decks and balconies
Year Installed:	2007
Typical Service Life (years):	30
Effective Age (years):	18
Remaining Service Life (years):	12
Planned Renewal Date:	2037

Description: This item includes all the sliding doors used to access condo decks and balconies.

Condition: The sliding doors are in reasonable condition. It was noted that these sliding doors were replaced during the envelope remediation project in 2007.

Comments: The reserve costs include the renewal of the sliding doors on the condos.

13 SLIDING DOORS (TOWNHOUSES)

BUILDING ENVELOPE AND STRUCTURE

Location:	Access to townhouse decks
Year Installed:	1995
Typical Service Life (years):	30
Effective Age (years):	25
Remaining Service Life (years):	5
Planned Renewal Date:	2030

Description: This item includes all the sliding doors used to access the decks in the townhouses.

Condition: The sliding doors are in reasonable condition with no reports of deficiencies.

Comments: The reserve costs include the full renewal of the sliding doors. These sliding doors should be included in the BECA mentioned in item #6 to better determine its remaining service life.

14 SWING DOORS (CONDOS)

BUILDING ENVELOPE AND STRUCTURE

Location:	Access to condo building decks and balconies
Year Installed:	1995
Typical Service Life (years):	30
Effective Age (years):	25
Remaining Service Life (years):	5
Planned Renewal Date:	2030

Description: This item includes all the swing doors used to access the balconies and decks on the Kensington, Mayfair Windsor condo buildings.

Condition: The swing doors are in operable condition with no reports or observations of deficiencies.

Comments: The reserve costs include the partial renewal of the swing doors. The swing doors for the condo should be included in the BECA mentioned in item #6 to better determine its remaining service life.

15 ENTRY DOORS (TOWNHOUSES)

BUILDING ENVELOPE AND STRUCTURE

Location:	Building exterior of townhouses
Year Installed:	1995
Typical Service Life (years):	30
Effective Age (years):	25
Remaining Service Life (years):	5
Planned Renewal Date:	2030

Description: This item includes all the entry doors that are used to access the townhouses. This includes both the front and side entry doors.

Condition: The entry doors are in fair condition with no observations or reports of deficiencies. It was noted that these entry doors may have been replaced as requested by the owners.

Comments: The reserve costs include full renewal of the entry doors to the townhouses. These entry doors should be included in the BECA mentioned in item #6 to better determine its remaining service life.

16 SERVICE DOORS

BUILDING ENVELOPE AND STRUCTURE

Location:	Throughout property
Year Installed:	1995
Typical Service Life (years):	50
Effective Age (years):	30
Remaining Service Life (years):	20
Planned Renewal Date:	2045

Description: This item includes the doors used to access all the utility rooms around the property and in the parkades. This also includes the doors used to access the exit stairways in the condos, and the exit doors in the Clubhouse building.

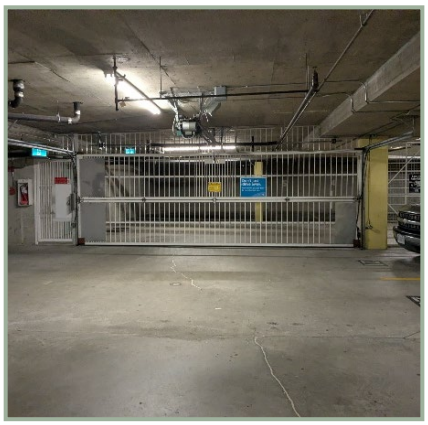
Condition: The service doors are in operable condition with no observations or reports of deficiencies.

Comments: Since these service doors typically don't see much traffic, they can be expected to last longer compared to other doors. The reserve costs include partially replacing some of the service doors.

17 GARAGE GATES (CONDOS)

BUILDING ENVELOPE AND STRUCTURE

Location:	Parkades interior
Year Installed:	1995
Typical Service Life (years):	30
Effective Age (years):	20
Remaining Service Life (years):	10
Planned Renewal Date:	2035



Description: This item includes all the metal grate overhead garage gates inside the parkades.

Condition: These gates are in operable condition with no reports of deficiencies.

Comments: The reserve costs include replacing these garage gates in the parkades. Allowances have been made to replace the gate motors.

18 GARAGE DOORS (TOWNHOUSES)

BUILDING ENVELOPE AND STRUCTURE

Location:	Front entry of townhouses
Year Installed:	2020
Typical Service Life (years):	30
Effective Age (years):	5
Remaining Service Life (years):	25
Planned Renewal Date:	2050

Description: This item includes all the overhead garage doors on the townhouses. This does not include the motors in the garages, as these are assumed to be the owner's responsibility.

Condition: The garage doors are in operable condition with no reports of deficiencies. It was noted that all the townhouse garage doors have been replaced in phases since 2016. We have set the installation date to the conservative average of 2020.

Comments: The reserve costs include fully replacing all the garage doors.

19 FRONT ENTRANCE (CONDOS)

BUILDING ENVELOPE AND STRUCTURE

Location:	Entrance of condos
Year Installed:	2007
Typical Service Life (years):	30
Effective Age (years):	18
Remaining Service Life (years):	12
Planned Renewal Date:	2037

Description: This item includes all the doors, windows and the glazing system at the front entrances of the Kensington, Mayfair, Windsor condo buildings and the Clubhouse building.

Condition: These entrance systems are in fair condition with no observations of cracks or water ingress in the glazing units or any reports of problems in their operation. It was noted that the front entry doors and windows for the condos were renewed during the envelope remediation project in 2007.

Comments: The reserve cost includes an allowance for targeted repairs and potential IGU replacements.

20 FRONT ENTRANCE & GLASS CANOPY (CLUBHOUSE)

BUILDING ENVELOPE AND STRUCTURE

Location:	Entrance of Clubhouse building
Year Installed:	2023
Typical Service Life (years):	30
Effective Age (years):	2
Remaining Service Life (years):	28
Planned Renewal Date:	2053

Description: This item includes the front entrance system and the glass canopy installed over the front entry and the lobby of the Clubhouse building.

Condition: The front entrance and glass canopy appear to be in fair condition with no cracks on the window panels or corrosion on the frames. The strata manager informed that the glass canopies and their associated glazing system were renewed in 2023.

Comments: The reserve cost includes an allowance for targeted repairs and potential IGU replacements.

21 SEALANT

BUILDING ENVELOPE AND STRUCTURE

Location:	Building exterior
Year Installed:	1995
Typical Service Life (years):	10
Effective Age (years):	0
Remaining Service Life (years):	10
Planned Renewal Date:	2035

Description: This item includes the sealants installed throughout the building envelope of the buildings.

Condition: Where installed, the sealant around windows appeared to be in fair to poor condition. It is our understanding that building envelope repairs have been performed as a maintenance item every year for the townhouses. Due to this, some areas appeared to be in much poorer condition compared to others. The observable sealants on the condo buildings were in reasonable condition.

Comments: The reserve costs include an allowance for targeted repairs of the sealant installed on the building envelope system throughout the property. An allowance has been projected in 2030 to replace any sealants in poor condition. The service life has been set to time with exterior paint coating (item #22) so that these two assets can be renewed together and reduce mobilization costs. This item should be included in the BECA mentioned in item #6 to better determine its remaining service life and the scope of renewal work.

22 PAINT COATING

BUILDING ENVELOPE AND STRUCTURE

Location:	Building exterior surfaces
Year Installed:	2025
Typical Service Life (years):	10
Effective Age (years):	0
Remaining Service Life (years):	10
Planned Renewal Date:	2035

Description: This item includes all the paint applied to the exterior wall surfaces throughout the property.

Condition: The paint on the exterior walls appears to be in fair condition. It was informed by the strata manager that paint renewals have been performed on the townhouses, condos, perimeter fencing and all outbuilding structures (gates, entrances, electrical rooms).

Comments: The reserve cost includes repainting the painted exterior surfaces of all buildings and structures. It is recommended to conduct this in conjunction with the sealant repairs (item #21) to save on mobilization costs. The cost for the repainting project has been deducted from the CRF balance in the projections to more accurately represent the strata council's financials.

23 LOW SLOPE ROOF – SBS (CONDOS)

BUILDING ENVELOPE AND STRUCTURE

Location:	Above the condo buildings
Year Installed:	1995
Typical Service Life (years):	25
Effective Age (years):	24
Remaining Service Life (years):	1
Planned Renewal Date:	2026

Description: This item includes all the SBS torch-on low-slope roofing above the condo buildings.

Condition: The low-slope roofs are in poor condition. General observations of staining, debris accumulation and hardened roofing membrane were made. Additionally, major ponding was observed on the roof of the Mayfair building. It was noted by the strata president that the low-slope roofs are planned to be replaced starting in 2026.

Comments: The reserve cost includes fully replacing the low-slope roofing with the industry standard 2-Ply SBS roofing, which includes the metal flashing around the roof edges.

24 LOW SLOPE ROOF – SBS (TOWNHOUSES)

BUILDING ENVELOPE AND STRUCTURE

Location:	Above the townhouses and Clubhouse building
Year Installed:	2021
Typical Service Life (years):	25
Effective Age (years):	4
Remaining Service Life (years):	21
Planned Renewal Date:	2046

Description: This item includes all the SBS torch-on low-slope roofing on the townhouses. This also includes the metal flashing around the roof edges.

Condition: The low-slope roofs are in reasonable condition with no reports of deficiencies. It was noted that all the low sloped roofing for the townhouses, and half of the low sloped roofing for the clubhouse building were replaced from 2021 to 2025.

Comments: The reserve cost includes full renewal of the low-slope roofs for the townhouses and the clubhouse building. An allowance has been made in 2030 to replace the other half of the low sloped roofing for the clubhouse building.

25 STEEP SLOPE ROOF – METAL

BUILDING ENVELOPE AND STRUCTURE

Location:	Above the condos and Clubhouse building
Year Installed:	1995
Typical Service Life (years):	40
Effective Age (years):	30
Remaining Service Life (years):	10
Planned Renewal Date:	2035

Description: This item includes the corrugated metal roof panels installed on top of the Kensington, Mayfair and Windsor condo buildings and the Clubhouse building.

Condition: The metal roof panels are in average condition. Minor corrosion and debris accumulation were observed throughout all these roofs.

Comments: The reserve cost includes fully replacing the metal roof panels. This item should be included in the BECA mentioned in item #6 to better determine its remaining service life.

26 STEEP SLOPE ROOF – ASPHALTIC SHINGLES

BUILDING ENVELOPE AND STRUCTURE

Location:	Above the townhouses
Year Installed:	2021
Typical Service Life (years):	25
Effective Age (years):	4
Remaining Service Life (years):	21
Planned Renewal Date:	2046

Description: This item includes the asphaltic roof shingles installed on all the roofs of the townhouses.

Condition: The asphaltic roof shingles are in fair condition. It was noted that these roofs were replaced during the roof replacement project that occurred between 2021 and 2025.

Comments: The reserve cost includes fully replacing the asphaltic shingles in the planned renewal year.

27 GUTTERS & DOWNSPOUTS

BUILDING ENVELOPE AND STRUCTURE

Location:	Perimeter of roofs and along exterior walls
Year Installed:	2021
Typical Service Life (years):	15
Effective Age (years):	4
Remaining Service Life (years):	11
Planned Renewal Date:	2036

Description: This item includes gutters and downspouts installed along the perimeters of the roofs and along the exterior walls of the townhouses.

Condition: The gutters and downspouts appear to be in serviceable condition with no reports or observations of deficiencies. It was noted that the gutters and downspouts were replaced with the townhouse roof replacements from 2021 to 2025.

Comments: The reserve cost includes renewing the gutters and downspouts on roofs.

28 SKYLIGHTS

BUILDING ENVELOPE AND STRUCTURE

Location:	On townhouse roofs
Year Installed:	2021
Typical Service Life (years):	35
Effective Age (years):	4
Remaining Service Life (years):	31
Planned Renewal Date:	2056

Description: This item includes all the skylight panels installed on the roofs of the townhouses

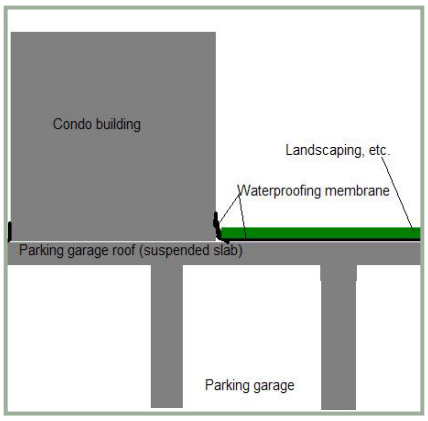
Condition: The townhouses appear to be in reasonable condition. No problems or issues with the skylights were reported. It was noted that these skylights were replaced with the townhouse roof replacements from 2021 to 2025.

Comments: The reserve cost includes an allowance for targeted repairs and partial replacements.

BUILDING ENVELOPE AND STRUCTURE

29 BELOW-GRADE MEMBRANE

Location:	Above parkade suspended slabs
Year Installed:	1995
Typical Service Life (years):	50
Effective Age (years):	30
Remaining Service Life (years):	20
Planned Renewal Date:	2045



Description: This item includes the below-grade waterproofing membrane above the parkade suspended slab and underneath landscaping or hardscaping. This membrane is designed to protect the parkade underneath from water ingress.

Condition: The below-grade membrane could not be visually reviewed with a non-exploratory review.

Comments: The reserve cost includes the renewal of the below-grade membrane. An allowance has been made in 2035 for a percentage of the reserve cost for a condition assessment and potential targeted repair work. Additionally, another allowance has been made three years prior to the renewal year for a condition assessment and targeted repair work to better determine the condition of the below-grade waterproofing membrane and the scope of the renewal work needed.

INTERIOR

30 LOBBIES

INTERIOR

Location:	Entrance of condos and Clubhouse building
Year Installed:	2017
Typical Service Life (years):	20
Effective Age (years):	8
Remaining Service Life (years):	12
Planned Renewal Date:	2037

Description: This item includes all the lobbies in the Kensington, Mayfair and Windsor condo buildings and the Clubhouse building. This includes the lobby finish and the décor.

Condition: The lobbies appeared to be in fair condition. It was noted that the lobbies for these buildings have been being replaced from 2017 to 2021.

Comments: The reserve costs include an allowance for targeted repairs or replacements of all the lobbies in these buildings. Due to the aesthetic nature of this asset, the renewal cost, date and scope are at discretion of the owners.

31 UNIT ENTRY DOORS & INTERIOR DOORS

INTERIOR

Location:	Buildings interior
Year Installed:	1995
Typical Service Life (years):	50
Effective Age (years):	30
Remaining Service Life (years):	20
Planned Renewal Date:	2045

Description: This item includes all the wood core unit entry doors in the condo buildings and the interior wood core doors in the Clubhouse building.

Condition: The unit entry doors are in fair condition. No reports or observations were made of any problems with their operation.

Comments: The reserve costs include fully replacing the doors. Since the doors are in an indoor condition, these doors are expected to last much longer. Therefore, only half of the reserve cost has been allotted for targeted replacement in the planned renewal year.

32 HALLWAYS & STAIRWELLS (CONDOS)

INTERIOR

Location: Buildings interior

Year Installed: 2017

Typical Service Life (years): 15

Effective Age (years): 7

Remaining Service Life (years): 8

Planned Renewal Date: 2033

Description: This item includes all the drywall finishes on the walls and the ceiling, and the carpets in the hallways found in the three condo buildings. This also includes the finishes inside the stairwells.

Condition: The hallway finishes appear to be in fair condition with no observations or reports of deficiencies. It was noted that these finishes were renewed in phases from 2017 to 2021 for all the condo buildings.

Comments: The reserve costs include fully replacing the finishes in the hallways and stairwells in all the condo buildings. Only half of the stairwell finishes were included as these areas usually do not see much traffic and deterioration. This item's service life has been set to time with the paint coating renewals of the condo hallways (item #34). Due to the aesthetic nature of this asset, the renewal cost, date and scope are at discretion of the owners.

33 HALLWAYS & STAIRWELLS (CLUBHOUSE)

INTERIOR

Location: Clubhouse building interior

Year Installed: 1995

Typical Service Life (years): 15

Effective Age (years): 4

Remaining Service Life (years): 11

Planned Renewal Date: 2036

Description: This item includes all the hallway and stairwell finishes in the Clubhouse. This includes the drywall, ceiling tiles and the flooring.

Condition: The hallway finishes in the clubhouse building appears to be in fair condition. It was noted that some of the floor finishes were renewed during the Clubhouse Improvement project in 2017.

Comments: The reserve costs include fully replacing the finishes in the hallways and stairwells of the Clubhouse building. This item's service life has been set to time with the paint coating renewal of the Clubhouse (item #35). Due to the aesthetic nature of this asset, the renewal cost, date and scope are at discretion of the owners.

34 PAINT COATING – INTERIOR (CONDOS)

INTERIOR

Location: Condo building interior

Year Installed: 2018

Typical Service Life (years): 15

Effective Age (years): 7

Remaining Service Life (years): 8

Planned Renewal Date: 2033

Description: This item includes all the painted finish in the interior of all the condo buildings.

Condition: The paint appears to be in fair condition with no observable damage or stains. It was noted that all the finishes in the condo buildings were repainted from 2018 to 2021.

Comments: The reserve costs include fully repainting the interior finishes in the three condo buildings. Due to the aesthetic nature of this asset, the renewal cost, date and scope are at discretion of the owners.

35 PAINT COATING – INTERIOR (CLUBHOUSE)

INTERIOR

Location: Clubhouse building interior

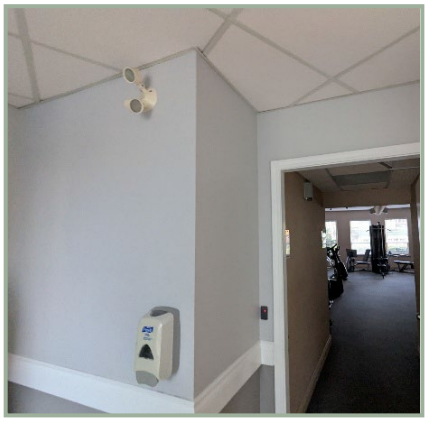
Year Installed: 2021

Typical Service Life (years): 15

Effective Age (years): 4

Remaining Service Life (years): 11

Planned Renewal Date: 2036



Description: This item includes all the painted finish in the Clubhouse building. This includes all the painted finish in the amenity rooms like the gym, library, lounge, etc.

Condition: The interior painted finish appears to be in fair condition. It was noted that these finishes were repainted in 2021.

Comments: The reserve costs include fully repainting the interior surfaces. Due to the aesthetic nature of this asset, the renewal cost, date and scope are at discretion of the owners.

36 AMENITY ROOM FINISHES

INTERIOR

Location:	Clubhouse building interior
Year Installed:	1995
Typical Service Life (years):	20
Effective Age (years):	9
Remaining Service Life (years):	11
Planned Renewal Date:	2036

Description: This item includes all the room finishes for the many amenity rooms inside the Clubhouse building.

Condition: The interior finishes of amenity rooms appear to be in reasonable condition with no observable deficiencies.

Comments: The reserve costs include an allowance for renewing the interior surfaces. The service life for this item has been set to be replaced in conjunction with the hallways and stairwells renewal project for item #33. Due to the aesthetic nature of this asset, the renewal cost, date and scope are at discretion of the owners.

CONVEYANCE

37 ELEVATORS – HYDRAULIC

CONVEYANCE

Location: Elevator mechanical rooms

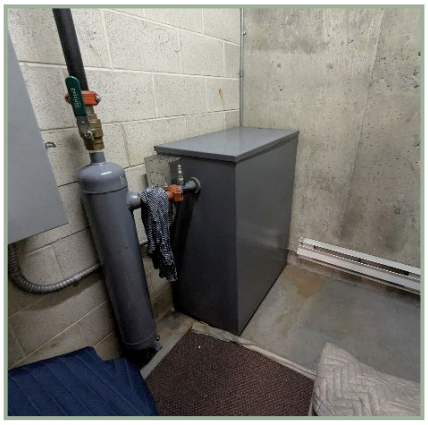
Year Installed: 1995

Typical Service Life (years): 30

Effective Age (years): 25

Remaining Service Life (years): 5

Planned Renewal Date: 2030



Description: This item includes the three hydraulic elevators servicing the three condo buildings.

Condition: The integrity and condition of this asset cannot be verified without a professional engineer. At the time of the site visit, the elevators were in operable condition with no observable deficiencies.

Comments: The reserve costs include the modernization plan for the three hydraulic elevators. The strata president reported that it is in the elevator contractor's opinion that a modernization plan is unnecessary; however, to stay prudent of the potential failures of these elevators and the renewal project that may follow, we have included the modernization project to occur in the next 5 years. A condition assessment and engineering overview is recommended before the project is initiated. Extra allowance has been made for the engineering review in 2027.

38 ELEVATOR CAB FINISHES

CONVEYANCE

Location: Elevator interior

Year Installed: 1995

Typical Service Life (years): 15

Effective Age (years): 10

Remaining Service Life (years): 5

Planned Renewal Date: 2030

Description: This item includes the cab finish inside the elevator cabs.

Condition: The cab finishes are in reasonable condition.

Comments: The reserve costs include replacing the elevator cab finishes. Since this asset will likely be replaced with the elevators, its service life has been set to time with the planned elevator modernization (item #36).

MECHANICAL

39 DOMESTIC WATER PIPES

MECHANICAL

Location:	Condo building interior
Year Installed:	1995
Typical Service Life (years):	30
Effective Age (years):	27
Remaining Service Life (years):	3
Planned Renewal Date:	2028

Description: This item includes all the domestic water lines installed within common walls to distribute water to units in the condos. This also includes the domestic water lines between the shared walls in townhouses.

Condition: The condition of the pipes could not be verified with a non-exploratory visual review.

Comments: For the distribution piping, plumbing issues are often the result of local water chemistry (low pH and relatively soft water), which contributes to corrosion in copper piping followed by pinhole leaks. The cost of this item is based on the number of units and recommends full scale renewal. Renewal costs do not include all interior work (e.g. drywall, paint, texturing and finishes), which may vary substantially based on code updates, and material compatibilities, etc. Extra allowance was allotted in 2027 for a plumbing assessment and targeted repairs to prepare for the potential large-scale plumbing renewal in 2028 (the scope of renewal will be dependent on plumbing assessment findings).

40 GAS PIPES

MECHANICAL

Location:	Underground throughout property
Year Installed:	1995
Typical Service Life (years):	50
Effective Age (years):	30
Remaining Service Life (years):	20
Planned Renewal Date:	2045

Description: This item includes all the underground gas piping throughout the property.

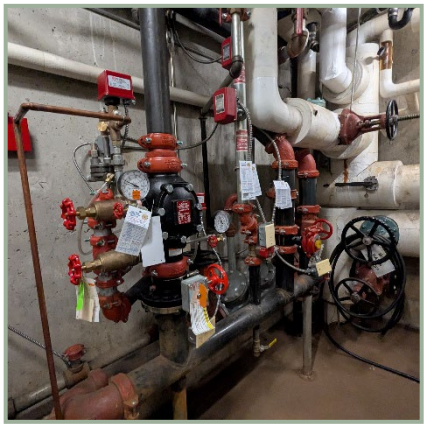
Condition: The gas pipe's condition could not be verified with a non-exploratory visual review. No issues were reported.

Comments: The reserve costs include an allowance for potential replacement and targeted repairs of the underground gas pipes.

41 SPRINKLER PIPES – FIRE PROTECTION

MECHANICAL

Location:	Throughout parkades and mechanical rooms
Year Installed:	1995
Typical Service Life (years):	50
Effective Age (years):	30
Remaining Service Life (years):	20
Planned Renewal Date:	2045



Description: This item includes the sprinkler system servicing the two parkades. This also includes the pumping/compressor equipment found in the mechanical rooms in the parkades.

Condition: The sprinkler pipes appear to be in reasonable condition. No notable deficiencies were observed or reported.

Comments: The fire suppression lines will likely last for a significant period of time. Costs associated with this asset will likely consist of upgrading or repairing mechanical components such as sprinkler heads, pumps, air compressors, etc. An allowance has been included for renewing a percentage of the sprinkler system in the parkade.

42 GAS FIRED BOILERS

MECHANICAL

Location:	Mechanical rooms
Year Installed:	1995
Typical Service Life (years):	20
Effective Age (years):	17
Remaining Service Life (years):	3
Planned Renewal Date:	2028

Description: This item includes the eight, gas-fired water-heating boilers found in the mechanical rooms of the condos and Clubhouse building.

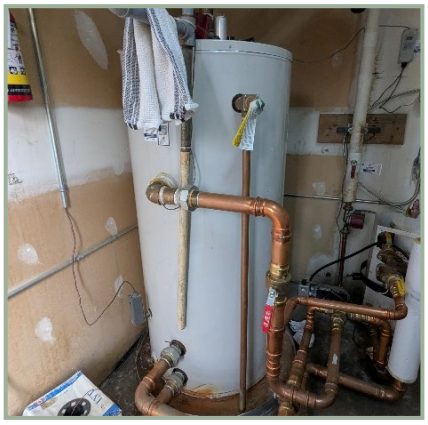
Condition: The gas boilers are in operable condition. It was noted that the Clubhouse boilers were replaced in 2017 and 2020.

Comments: The reserve costs include the renewal of the gas fired boilers. For the first replacement, the cost only includes the replacements of the condo building boilers. An allowance has been made in the following year for a mechanical condition assessment to better determine the boiler's remaining service life.

43 HOT WATER STORAGE TANKS

MECHANICAL

Location:	Mechanical rooms
Year Installed:	2014
Typical Service Life (years):	15
Effective Age (years):	11
Remaining Service Life (years):	4
Planned Renewal Date:	2029



Description: This item includes the hot water storage tanks found in the mechanical rooms of the condo buildings and the Clubhouse building.

Condition: The hot water storage tanks are in operable condition. It was observed from the manufacturing dates of these hot water storage tanks that the tank servicing the clubhouse building was replaced around 2014, Kensington around 2017, Windsor around 2020, and Mayfair around 2021.

Comments: The reserve costs include fully replacing the hot water storage tanks. For the first renewal, the cost only includes the replacement of the hot water storage tank servicing the clubhouse building. Other tanks are projected to be renewed in 2031. This item should be included in the condition assessment mentioned in item #42 to better determine its remaining service life.

44 HEAT PUMP & AIR CONDITIONING

MECHANICAL

Location:	Throughout Clubhouse building
Year Installed:	2021
Typical Service Life (years):	20
Effective Age (years):	4
Remaining Service Life (years):	16
Planned Renewal Date:	2041

Description: This includes the heat pumps servicing the Clubhouse building.

Condition: The heat pumps are in operable condition with no reports of any deficiencies. It was noted that these heat pumps were replaced in 2021.

Comments: The reserve costs include replacing all the heat pumps. It is recommended to engage a mechanical contractor to perform a condition assessment of these units before renewal.

45 MAKE-UP AIR UNITS

MECHANICAL

Location:	Roofs of the condo buildings and Clubhouse building
Year Installed:	2019
Typical Service Life (years):	20
Effective Age (years):	6
Remaining Service Life (years):	14
Planned Renewal Date:	2039

Description: This item includes the make-up air units installed on the roofs of the Kensington, Mayfair and Windsor condo buildings, and the Clubhouse buildings.

Condition: The make-up air units are in operable condition with no reports of deficiencies. It was noted that the make-up air units were fully replaced in 2019.

Comments: The reserve costs include the replacement of the make-up air units on the roofs. It is recommended to engage a mechanical contractor to perform a condition assessment of these units before renewal.

46 AIR CONDITIONING UNITS

MECHANICAL

Location:	Roofs of the condo buildings and Clubhouse building
Year Installed:	2019
Typical Service Life (years):	20
Effective Age (years):	6
Remaining Service Life (years):	14
Planned Renewal Date:	2039

Description: This item includes the air conditioning units installed on the roofs of the condo buildings and the clubhouse building.

Condition: The air conditioning units are in operable condition with no reports of deficiencies.

Comments: The reserve costs include the replacement of the air conditioning units. It is recommended to engage a mechanical contractor to perform a condition assessment of these units before renewal.

47 PARKADE EXHAUST FANS

MECHANICAL

Location:	Throughout parkades
Year Installed:	1995
Typical Service Life (years):	20
Effective Age (years):	17
Remaining Service Life (years):	3
Planned Renewal Date:	2028

Description: This item includes the parkade exhaust fans located in the parkades.

Condition: These exhaust fans are in operable condition.

Comments: The reserve costs include fully replacing the exhaust fans. It should be noted that this asset is currently past its expected service life and should be inspected in the mechanical condition assessment mentioned in item #42.

48 SUMP PUMP

MECHANICAL

Location: Windsor building parkade

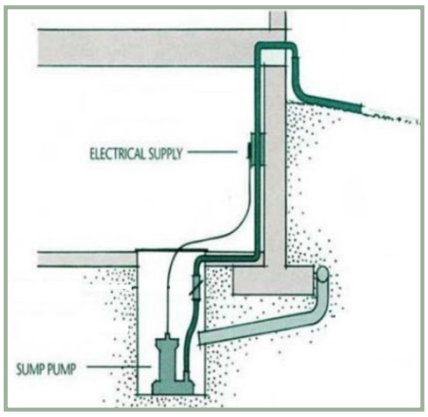
Year Installed: 1995

Typical Service Life (years): 20

Effective Age (years): 17

Remaining Service Life (years): 3

Planned Renewal Date: 2028



Description: This item includes the sump pump underneath the Windsor building.

Condition: The sump pump could not be verified with a visual review. However, no problems or issues were reported.

Comments: The reserve costs include replacing the sump pump. It should be noted that this asset is currently past its expected service life and should be inspected in the mechanical condition assessment mentioned in item #42.

49 MISCELLANEOUS MECHANICAL EQUIPMENT

MECHANICAL

Location: Mechanical rooms

Year Installed: 1995

Typical Service Life (years): 20

Effective Age (years): 17

Remaining Service Life (years): 3

Planned Renewal Date: 2028

Description: This item includes the many water pumps, pressure regulating valves, backflow preventers and other miscellaneous mechanical equipment servicing the condos and Clubhouse building. This also includes the mechanical equipment servicing the pool and the hot tub in the Clubhouse building.

Condition: The miscellaneous mechanical equipment are in operable condition.

Comments: The reserve costs include an allowance for replacing and repairing some of the mechanical equipment. These equipment should be included in the mechanical condition assessment mentioned in item #42.

ELECTRICAL

50 SERVICE DISTRIBUTION

ELECTRICAL

Location:	Electrical rooms
Year Installed:	1995
Typical Service Life (years):	50
Effective Age (years):	30
Remaining Service Life (years):	20
Planned Renewal Date:	2045

Description: This item includes the service distribution systems located in the electrical rooms throughout the property. This also includes the underground incoming service line to the property.

Condition: This asset appears to be in fair condition with no notable deficiencies.

Comments: Service distribution equipment often lasts beyond their expected service life with minimal maintenance, making it difficult to predict when the system might require renewal or what the risk of failure is. Often the equipment is upgraded due to increased residential demand, or replacement components become unavailable due to obsolescence. Common issues that arise from service distribution components are due to loosen connections, corrosion due to humid environment, and/or excessive dust. JRS recommends conducting periodic infrared checks for localized overheating of components to proactively identify deteriorating areas and maintain equipment performance and lifespan. Reserve costs consist of replacement for a percentage of the underground incoming service, as well as a percentage of the service distribution equipment. Extra allowance has been allotted in an interval of 10-years for infrared checks and vault maintenance.

51 POWER DISTRIBUTION

ELECTRICAL

Location: Throughout property

Year Installed: 1995

Typical Service Life (years): 40

Effective Age (years): 30

Remaining Service Life (years): 10

Planned Renewal Date: 2035

Description: This item includes all the interior lighting in common areas for the condos and the Clubhouse building. This also includes the electrical wiring in common and shared walls with all the buildings throughout the property.

Condition: The lighting appears to be in fair condition with no reports of any deficiencies. Wiring could not be verified with a non-exploratory review.

Comments: Similar to service distribution equipment, the strata corporation may consider commissioning an infrared check for localized overheating of junctions and/or wiring inside walls. This cost has not been included in this report. The reserve costs include an allowance for partial renewal of the wiring and the interior lights.

52 ENTERPHONE PANELS

ELECTRICAL

Location: Property and condo entrances

Year Installed: 2013

Typical Service Life (years): 30

Effective Age (years): 29

Remaining Service Life (years): 1

Planned Renewal Date: 2026

Description: This item includes the enterphone panels located at property entrances and condo building entrances. This does not include any wiring upgrade costs or system renewal.

Condition: The enterphones are generally in operable condition. It was noted that the enterphone panel for the Windsor building was replaced in 2025, and the remainder is planned to be replaced in 2026. It was also noted that the fob system for the Windsor building is currently broken and is being planned to be renewed.

Comments: The reserve costs include replacing the enterphone panels. JRS recommends that the strata corporation choose a replacement model that is compatible with the current building electrical systems and requires minimal wiring upgrading. An extra allowance has been allotted for the renewal of the enterphone system for the Windsor building in 2028.

53 FIRE ALARM PANEL & EMERGENCY LIGHTING

ELECTRICAL

Location:	Condo building entrances or mechanical room
Year Installed:	1995
Typical Service Life (years):	20
Effective Age (years):	19
Remaining Service Life (years):	1
Planned Renewal Date:	2026

Description: This item includes the fire alarm panels in the lobbies of Kensington and Windsor buildings, and in the mechanical room of the Mayfair building. This also includes the emergency lighting throughout the condo buildings and their parkades.

Condition: It was noted that the fire alarm panels for the Mayfair and Windsor buildings failed their test this year and need maintenance as soon as possible.

Short-Term Action Required: For safety reasons, the fire alarm panels should be repaired as soon as possible to ensure they operate as intended.

Comments: The reserve costs include replacing the fire alarm panels and a percentage of the emergency lighting. An allowance has been allotted to repair and potentially replace the fire alarm panels for the Mayfair and Windsor buildings in the following year.

SPECIALTY

54 HOT TUB & POOL

SPECIALTY

Location: Clubhouse building

Year Installed: 1995

Typical Service Life (years): 20

Effective Age (years): 10

Remaining Service Life (years): 10

Planned Renewal Date: 2035

Description: This item includes the indoor hot tub and outdoor pool located at the rear of the Clubhouse building.

Condition: The hot tub and the pool appear to be in operable condition. The pool was not open for service at the time of the site visit.

Comments: The reserve costs include an allowance for renewing the tiles, paint and the guardrails around the pool area and the hot tub. This also includes a general allowance for equipment as well. Due to the aesthetic nature of this asset, the renewal cost, strategy, and time are at the discretion of the owners.

55 LIBRARY

SPECIALTY

Location: Clubhouse building

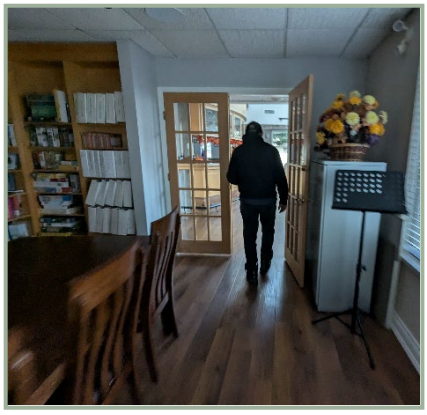
Year Installed: 1995

Typical Service Life (years): 20

Effective Age (years): 10

Remaining Service Life (years): 10

Planned Renewal Date: 2035



Description: This item includes the library located inside the Clubhouse building.

Condition: The library appears to be in fair condition.

Comments: The reserve costs include an allowance for potential renewal expenses associated with the library.

56 EXERCISE ROOM

SPECIALTY

Location:	Clubhouse building
Year Installed:	1995
Typical Service Life (years):	20
Effective Age (years):	10
Remaining Service Life (years):	10
Planned Renewal Date:	2035

Description: This item includes the exercise room located in the Clubhouse building.

Condition: The exercise room and its equipment are in operable condition with no reports of any issues.

Comments: The reserve costs include an allowance for potentially replacing some of the exercise equipment.

57 WORKSHOP

SPECIALTY

Location:	Clubhouse building
Year Installed:	1995
Typical Service Life (years):	20
Effective Age (years):	10
Remaining Service Life (years):	10
Planned Renewal Date:	2035

Description: This item includes the workshop located in the Clubhouse building.

Condition: The workshop appears to be in operable condition with no reports of any issues.

Comments: The reserve costs include an allowance for potentially replacing some of the equipment in the workshop.

58 MAILROOM

SPECIALTY

Location:	Clubhouse building
Year Installed:	1995
Typical Service Life (years):	30
Effective Age (years):	20
Remaining Service Life (years):	10
Planned Renewal Date:	2035

Description: This item includes the Mailroom located in the Clubhouse building.

Condition: The mailroom is in operable condition with no reports of any deficiencies

Comments: The reserve costs include an allowance for replacing the mailbox panels.

59 CHANGE/SHOWER ROOMS

SPECIALTY

Location:	Clubhouse building
Year Installed:	1995
Typical Service Life (years):	20
Effective Age (years):	10
Remaining Service Life (years):	10
Planned Renewal Date:	2035

Description: This item includes the two shower/change/bathrooms located in the Clubhouse building, right next to the hot tub entrance.

Condition: This asset is in operable condition with no reports or observations of any deficiencies.

Comments: The reserve costs include an allowance for renewing some of the showers and bathroom components.

60 LOUNGES & BILLIARDS ROOM

SPECIALTY

Location: Clubhouse building

Year Installed: 1995

Typical Service Life (years): 30

Effective Age (years): 20

Remaining Service Life (years): 10

Planned Renewal Date: 2035

Description: This item includes the lounge spaces as well as the billiards room beside the bar located in the Clubhouse building.

Condition: These spaces are in fair condition with no observations or reports of any deficiencies.

Comments: The reserve costs include an allowance for potential renewal expenses associated with the lounge and the billiards room.

61 GUEST SUITES

SPECIALTY

Location: Clubhouse building

Year Installed: 1995

Typical Service Life (years): 30

Effective Age (years): 15

Remaining Service Life (years): 15

Planned Renewal Date: 2040

Description: This item includes the three guest suites located on the second floor of the Clubhouse building.

Condition: The guest suites are in reasonable condition. Per the client review, it was noted that the strata council refurbished some of the guest suites in 2026, therefore the renewal date has been pushed back to 2040.

Comments: The reserve costs include an allowance for renewing some of the interior finish and furnishings inside these guest suites.

62 FOUNTAIN

SPECIALTY

Location:	Throughout property
Year Installed:	1995
Typical Service Life (years):	20
Effective Age (years):	10
Remaining Service Life (years):	10
Planned Renewal Date:	2035

Description: This item includes all the fountains that are placed throughout the property.

Condition: The fountains were in operable condition. It was observed that one of the fountains in front of the Kensington building was under maintenance on the day of the site visit.

Comments: The reserve costs include an allowance for membrane renewals and potential pump replacements for the fountains.

63 OUTBUILDING STRUCTURES

SPECIALTY

Location:	Throughout property
Year Installed:	2025
Typical Service Life (years):	25
Effective Age (years):	0
Remaining Service Life (years):	25
Planned Renewal Date:	2050

Description: This item includes the front entrance, kiosks and the Chelsea Garden corner sign structures found throughout the property.

Condition: It was reported by the strata manager that these structures were fully refurbished in 2025.

Comments: The refurbishment cost has been deducted in the projections for the year 2025. The reserve costs include an allowance for targeted repair work and partial rehabilitation.

SITE SERVICES

64 SOFTSCAPING

SITE SERVICES

Location:	Throughout property
Year Installed:	1995
Typical Service Life (years):	50
Effective Age (years):	30
Remaining Service Life (years):	20
Planned Renewal Date:	2045

Description: This item includes the removal and reinstatement of plants, trees and greenery found throughout the property.

Condition: The softscaping is generally in good condition. However, it was reported that some of the trees in front of the townhouses were disrupting the perimeter drain system around the property.

Comments: The reserve costs include renewing a percentage of the total softscaping found in the property. An allowance has been made in 2030 for potential tree removals and reinstatement of greenery due to the problem mentioned above. Extra allowances have been allocated over an interval of every 10 years for maintenance and targeted renewals.

65 HARDSCAPING

SITE SERVICES

Location:	Throughout property
Year Installed:	1995
Typical Service Life (years):	50
Effective Age (years):	30
Remaining Service Life (years):	20
Planned Renewal Date:	2045

Description: This item includes the paved roads, sidewalks and concrete/brick pavers throughout the property.

Condition: The hardscaping around the property is in reasonable condition. Minor cracks were observed on the roadway leading to the parkade entrance of the Mayfair and Kensington condo buildings.

Comments: The reserve costs include an allowance for targeted repairs and renewals of the hardscaping found in the property. Similar to softscaping (item #64), allowances have been made in 2030 for targeted repair work that may follow after the tree removals, and for maintenance in an interval of 10 years.

66 UNDERGROUND WATER SUPPLY & DRAINAGE

SITE SERVICES

Location: Throughout property

Year Installed: 1995

Typical Service Life (years): 50

Effective Age (years): 30

Remaining Service Life (years): 20

Planned Renewal Date: 2045

Description: This item includes the water, sanitary and storm lines that run through the underground of the property. This also includes the perimeter drains around the buildings.

Condition: The underground lines could not be verified without a more comprehensive review of the system. As mentioned before in item #64, it was reported that tree roots were disrupting the drainage system around some townhouses. Additionally, the strata manager noted that the drainage around the Windsor condo building was upgraded in 2021.

Comments: The reserve costs include an allowance for targeted repairs of the water, sanitary storm and drainage lines throughout the property. An allowance has been made in 2030 for targeted repair work of the disturbed drainage system on some townhouses.

67 OUTDOOR LIGHTING & ELECTRICAL

SITE SERVICES

Location: Throughout property

Year Installed: 1995

Typical Service Life (years): 40

Effective Age (years): 30

Remaining Service Life (years): 10

Planned Renewal Date: 2035

Description: This item includes all the exterior lighting found throughout the property. This includes the exterior lights attached to the townhouses and the light posts around walkways.

Condition: The operability of the exterior lighting could not be observed due to the time of the site visit; however, no issues were reported.

Comments: The reserve costs include an allowance for replacing some of the exterior lighting throughout the property.

JRS ENGINEERING

APPENDIX B

LIFECYCLE RENEWAL COSTS (BENCHMARK ANALYSIS)

CHELSEA GARDENS
LIFE CYCLE RENEWAL COSTS

Inflation Factor *3.0%*
Interest Rate *4.00%*

	RESERVE COMPONENTS BENCHMARK ANALYSIS	YEAR INSTALLED	TYPICAL LIFE (Yrs)	EFFECTIVE AGE (Yrs)	REMAINING LIFE (Yrs)	RENEWAL YEAR	CURRENT REPLACEMENT COST	FUTURE REPLACEMENT COST	CURRENT RESERVE FUND REQUIREMENT	FUTURE RESERVE FUND ACCUMULATION	FUTURE RESERVE FUND REQUIREMENT	ANNUAL RESERVE FUND ASSESSMENT	RESERVE FUND ASSESSMENT ALLOCATION
BUILDING ENVELOPE AND STRUCTURE													
1	Underground Parkade/Concrete Structure	1995	50	30	20	2045	606,800	1,095,948	364,080	797,744	298,204	10,014	0.56%
2	Balcony Guardrails (Apartments)	2007	40	18	22	2047	216,900	415,603	97,605	231,316	184,287	5,381	0.30%
3	Balcony Membrane Assemblies (Apartments)	2007	25	20	5	2030	700,000	811,492	560,000	681,326	130,166	24,032	1.36%
4	Deck Guardrails (Townhouses)	2017	30	8	22	2047	307,000	588,244	81,867	194,017	394,226	11,511	0.65%
5	Deck Membrane Assemblies (Townhouses)	1995	30	25	5	2030	1,492,000	1,729,637	1,243,333	1,512,705	216,932	40,051	2.26%
6	Exterior Walls - Stucco (Apartments)	1995	30	25	5	2030	3,233,000	3,747,933	2,694,167	3,277,866	470,067	86,787	4.90%
7	Exterior Walls - Stucco (Townhouses)	1995	30	20	10	2035	3,114,000	4,184,956	2,076,000	3,072,987	1,111,968	92,617	5.22%
8	Exterior Walls - Vinyl (Townhouses)	1995	40	30	10	2035	4,087,000	5,492,586	3,065,250	4,537,319	955,267	79,565	4.49%
9	Exterior Walls - Wood Trim (Townhouses)	1995	30	25	5	2030	1,858,000	2,153,931	1,548,333	1,883,784	270,147	49,876	2.81%
10	Window Assemblies (Apartments)	2007	30	18	12	2037	1,809,000	2,579,201	1,085,400	1,737,760	841,441	56,000	3.16%
11	Window Assemblies (Townhouses)	1995	30	25	5	2030	5,015,000	5,813,759	4,179,167	5,084,595	729,164	134,623	7.59%
12	Sliding Doors (Apartments)	2007	30	18	12	2037	113,400	161,681	68,040	108,934	52,747	3,510	0.20%
13	Sliding Doors (Townhouses)	1995	30	25	5	2030	1,701,000	1,971,925	1,417,500	1,724,605	247,320	45,662	2.58%
14	Swing Doors (Apartments)	1995	30	25	5	2030	497,600	576,855	414,667	504,505	72,349	13,358	0.75%
15	Entry Doors (Townhouses)	1995	30	25	5	2030	593,000	687,450	494,167	601,229	86,220	15,919	0.90%
16	Service Doors	1995	50	30	20	2045	95,800	173,025	57,480	125,946	47,080	1,581	0.09%
17	Garage Gates (Apartments)	1995	30	20	10	2035	37,700	50,666	25,133	37,203	13,462	1,121	0.06%
18	Garage Doors (Townhouses)	2020	30	5	25	2050	1,925,000	4,030,523	320,833	855,289	3,175,233	76,244	4.30%
19	Front Entrance (Apartments)	2007	30	18	12	2037	31,500	44,911	18,900	30,260	14,652	975	0.06%
20	Front Entrance & Glass Canopy (Clubhouse)	2023	30	2	28	2053	75,000	171,595	5,000	14,994	156,601	3,134	0.18%
21	Sealant	1995	10	0	10	2035	228,000	306,413	22,800	33,750	272,663	22,710	1.28%
22	Paint Coating	2025	10	0	10	2035	944,000	1,268,657	94,400	139,735	1,128,922	94,029	5.30%
23	Low Slope Roof - SBS (Apartments)	1995	25	24	1	2026	1,910,800	1,968,124	1,834,368	1,907,743	60,381	60,381	3.41%
24	Low Slope Roof - SBS (Townhouses)	2021	25	4	21	2046	1,878,000	3,493,633	300,480	684,724	2,808,909	87,863	4.96%
25	Steep Slope Roof - Metal	1995	40	30	10	2035	191,500	257,360	143,625	212,600	44,760	3,728	0.21%
26	Steep Slope Roof - Asphaltic Shingles	2021	25	4	21	2046	4,917,000	9,147,068	786,720	1,792,752	7,354,316	230,044	12.98%
27	Gutters & Downspouts	2021	15	4	11	2036	255,000	352,980	68,000	104,683	248,297	18,411	1.04%
28	Skylights	2021	35	4	31	2056	227,000	567,518	25,943	87,509	480,010	8,091	0.46%
29	Below-Grade Membrane	1995	50	30	20	2045	4,710,000	8,506,784	2,826,000	6,192,114	2,314,670	77,731	4.38%
INTERIOR													
30	Lobbies	2017	20	8	12	2037	86,500	123,328	34,600	55,396	67,933	4,521	0.26%
31	Unit Entry Doors	1995	50	30	20	2045	229,600	414,683	137,760	301,849	112,834	3,789	0.21%
32	Hallways & Stairwells (Apartments)	2017	15	7	8	2033	533,700	676,075	249,060	340,856	335,219	36,381	2.05%
33	Hallways & Stairwells (Clubhouse)	1995	15	4	11	2036	35,200	48,725	9,387	14,450	34,275	2,541	0.14%
34	Paint Coating - Interior (Apartments)	2018	15	7	8	2033	133,500	169,114	62,300	85,262	83,852	9,100	0.51%
35	Paint Coating - Interior (Clubhouse)	2021	15	4	11	2036	30,600	42,358	8,160	12,562	29,796	2,209	0.12%
36	Amenity Room Finishes	1995	20	9	11	2036	75,600	104,648	34,020	52,372	52,276	3,876	0.22%
CONVEYANCE													
37	Elevators - Hydraulic	1995	30	25	5	2030	1,181,000	1,369,103	984,167	1,197,389	171,713	31,703	1.79%
38	Elevator Cab Finishes	1995	15	10	5	2030	42,800	49,617	28,533	34,715	14,902	2,751	0.16%
MECHANICAL													
39	Domestic Water Pipes	1995	30	27	3	2028	3,899,000	4,260,543	3,509,100	3,947,260	313,282	100,360	5.66%
40	Gas Pipes	1995	50	30	20	2045	150,000	270,917	90,000	197,201	73,716	2,475	0.14%
41	Sprinkler Pipes - Fire Protetion	1995	50	30	20	2045	125,000	225,764	75,000	164,334	61,430	2,063	0.12%
42	Gas Fired Boilers	1995	20	17	3	2028	404,000	441,462	343,400	386,278	55,183	17,678	1.00%
43	Hot Water Storage Tanks	2014	15	11	4	2029	92,800	104,447	68,053	79,613	24,834	5,848	0.33%
44	Heat Pumps	2021	20	4	16	2041	95,800	153,731	19,160	35,886	117,845	5,400	0.30%
45	Make-up Air Units	2019	20	6	14	2039	217,000	328,232	65,100	112,732	215,500	11,781	0.66%
46	Air Conditioning Units	2019	20	6	14	2039	22,400	33,882	6,720	11,637	22,245	1,216	0.07%
47	Parkade Exhaust Fans	1995	20	17	3	2028	48,600	53,107	41,310	46,468	6,638	2,127	0.12%
48	Sump Pumps	1995	20	17	3	2028	10,400	11,364	8,840	9,944	1,421	455	0.03%
49	Miscellaneous Mechanical Equipment	1995	20	17	3	2028	100,000	109,273	85,000	95,613	13,659	4,376	0.25%
ELECTRICAL													
50	Service Distribution	1995	50	30	20	2045	449,200	811,305	269,520	590,552	220,754	7,413	0.42%
51	Power Distribution	1995	40	30	10	2035	332,300	446,583	249,225	368,914	77,670	6,469	0.36%
52	Enterphone Panels	2013	30	29	1	2026	74,300	76,529	71,823	74,696	1,833	1,833	0.10%
53	Fire Alarm Panel & Emergency Lighting	1995	20	19	1	2026	139,000	143,170	132,050	137,332	5,838	5,838	0.33%
SPECIALTY													
54	Hot Tub & Pool	1995	20	10	10	2035	65,900	88,564	32,950	48,774	39,790	3,314	0.19%
55	Library	1995	20	10	10	2035	10,000	13,439	5,000	7,401	6,038	503	0.03%
56	Exercise Room	1995	20	10	10	2035	53,300	71,631	26,650	39,449	32,182	2,680	0.15%
57	Workshop	1995	20	10	10	2035	20,000	26,878	10,000	14,802	12,076	1,006	0.06%
58	Mailroom	1995	30	20	10	2035	28,600	38,436	19,067	28,223	10,213	851	0.05%
59	Change/Shower Room	1995	20	10	10	2035	42,500	57,116	21,250	31,455	25,661	2,137	0.12%
60	Lounges & Billiards Room	1995	30	20	10	2035	30,000	40,317	20,000	29,605	10,713	892	0.05%
61	Guest Suites	1995	30	15	15	2040	39,400	61,384	19,700	35,479	25,905	1,294	0.07%
62	Fountains	1995	20	10	10	2035	50,000	67,196	25,000	37,006	30,190	2,515	0.14%
63	Outbuilding Structures	2025	25	0	25	2050	220,000	460,631	8,800	23,459	437,172	10,497	0.59%
SITE SERVICES													
64	Softscaping	1995	50	30	20	2045	2,051,000	3,704,334	1,230,600	2,696,396	1,007,938	33,848	1.91%
65	Hardscaping	1995	50	30	20	2045	1,306,000	2,358,781	783,600	1,716,964	641,817	21,553	1.22%
66	Underground Water Supply & Drainage	1995	50	30	20	2045	3,441,900	6,216,454	2,065,140	4,524,976	1,691,478	56,803	3.20%
67	Outdoor Lighting & Electrical	1995	40	30	10	2035	301,400	405,056	226,050	334,609	70,447	5,868	0.33%
RESERVE FUND PLANNING													
Certified Reserve Fund Consultant		2025	5	0	5	2030	9,450	10,955	-	-	10,955	2,023	0.11%
TOTAL RESERVES							**58,947,750**	**86,439,592**	**36,995,353**	**56,091,907**	**30,347,685**	**1,772,938**	**100%**

DEFINITIONS

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

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

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

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

REMAINING LIFE: Effective Age subtracted from Expected Life.

RENEWAL YEAR: Sum of current year and Remaining Life.

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

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

CURRENT RESERVE FUND REQUIREMENT: Amount needed in CRF now. What PRAs refer to as the FFB (Fully Funded Balance).

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

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

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

RESERVE FUND ASSESSMENT ALLOCATION: Allocated percentage of entire CRF.

CONSIDERATIONS & LIMITATIONS

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

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

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

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

- Labour and materials market conditions
- Time of the year
- Contractor availability
- Site-specific conditions
- Environment concerns
- Design specifications
- Functional obsolescence
- Project delivery method
- Tendering process
- Code upgrades
- Required emergency repairs discovered during construction
- Occupancy use and facility operations

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

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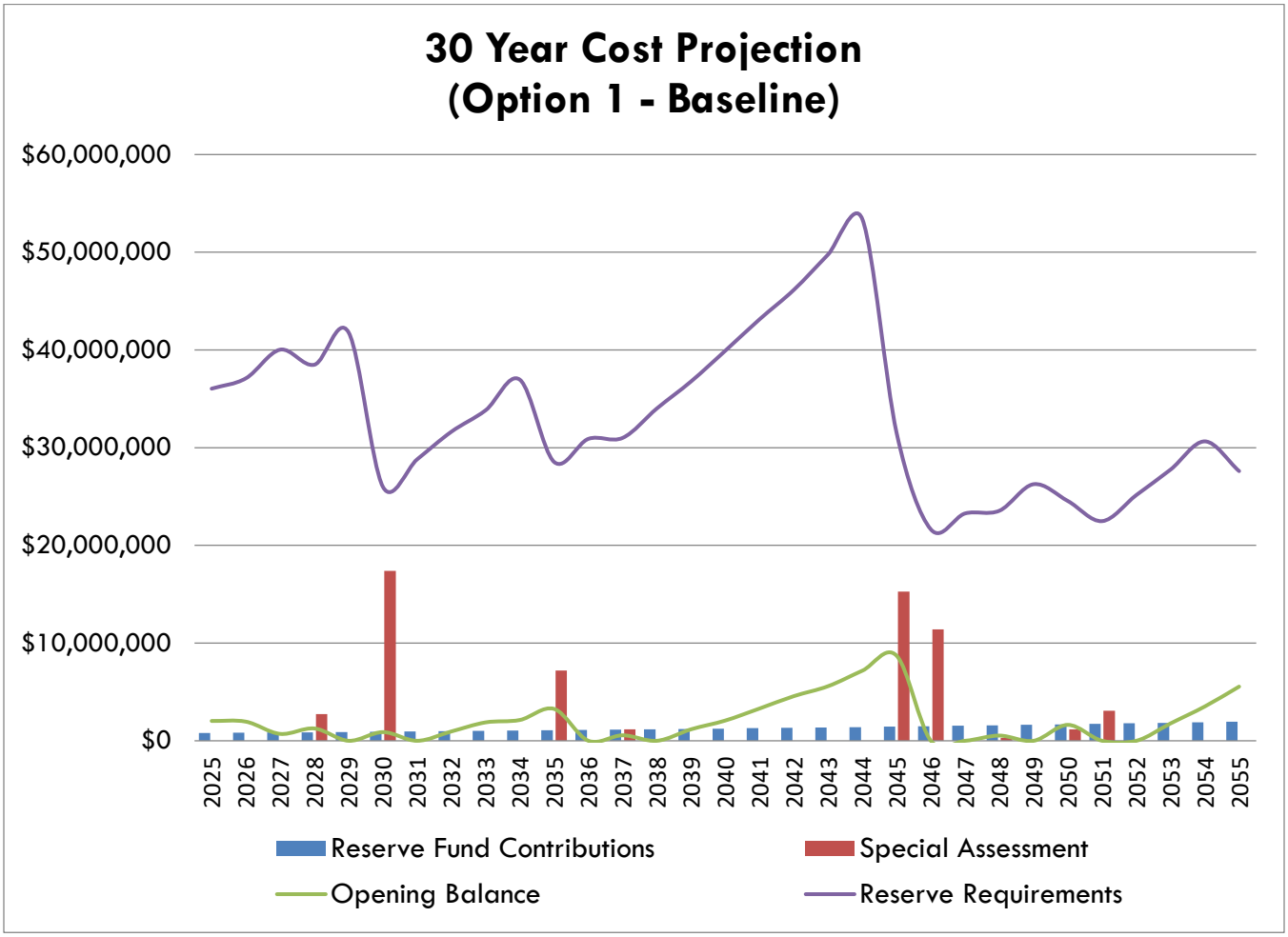
APPENDIX C

FUNDING MODELS & COST PROJECTIONS

OPTION 1 (BASELINE)

This model shows annual contributions (increasing with inflation) consistent with status quo (current contributions) or the statutory requirement of 10% of operating budget, whichever is higher. In this case it is the former at $801,654. As seen below, multiple special levies will be required with a total cumulative cost of $59.7M. From 2025 to 2055 (the end of the 30-year outlook), special levies will theoretically be required in 9 out of 30 years. This funding model does not allow for fair or equitable distribution of costs to the Owners, especially during the more expensive years.

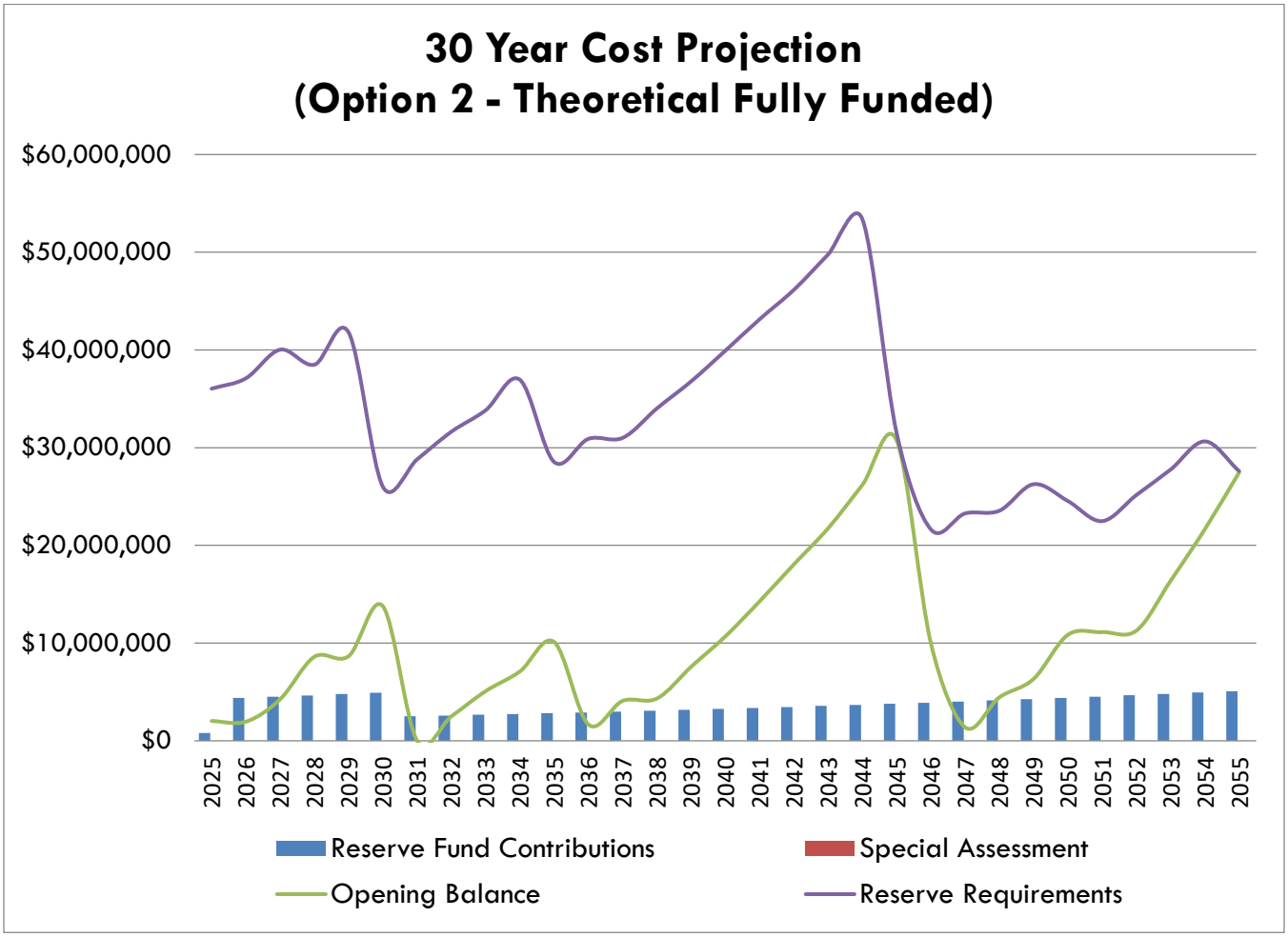


Option 1 (Baseline)

CHELSEA GARDENS SAMPLE 30-YEAR PROJECTION		YEAR 2025	YEAR 2026	YEAR 2027	YEAR 2028	YEAR 2029	YEAR 2030	YEAR 2031	YEAR 2032	YEAR 2033	YEAR 2034	YEAR 2035	YEAR 2036	YEAR 2037	YEAR 2038	YEAR 2039	YEAR 2040	YEAR 2041	YEAR 2042	YEAR 2043	YEAR 2044	YEAR 2045	YEAR 2046	YEAR 2047	YEAR 2048	YEAR 2049	YEAR 2050	YEAR 2051	YEAR 2052	YEAR 2053	YEAR 2054	YEAR 2055
OPENING BALANCE (CRF)		2,029,520	1,957,692	706,258	1,260,232	0	887,348	0	957,217	1,883,611	2,129,278	3,260,426	0	560,966	0	1,177,256	2,074,806	3,305,715	4,570,632	5,588,928	7,177,248	8,707,318	0	0	532,205	0	1,629,598	0	1,780,705	3,514,465	5,544,194
Reserve Fund Contributions	3.00%	801,654	825,704	850,475	875,989	902,269	929,337	957,217	985,933	1,015,511	1,045,977	1,077,356	1,109,677	1,142,967	1,177,256	1,212,574	1,248,951	1,286,419	1,325,012	1,364,762	1,405,705	1,447,876	1,491,313	1,536,052	1,582,134	1,629,598	1,678,485	1,728,840	1,780,705	1,834,126	1,889,150	1,945,825
Special Assessment		0	0	0	2,728,753	0	17,387,525	0	0	0	0	7,199,348	0	1,182,751	0	0	0	0	0	0	0	15,278,300	11,407,970	0	292,279	0	1,171,173	3,083,809	0	0	0	0
Reserve Fund Interest Income	4.00%	81,181	78,308	28,250	50,409	0	35,494	0	38,289	75,344	85,171	130,417	0	22,439	0	47,090	82,992	132,229	182,825	223,557	287,090	348,293	0	0	21,288	0	65,184	0	0	71,228	140,579	221,768
TOTAL CASH RESOURCES		2,912,355	2,861,703	1,584,983	4,915,382	902,269	19,239,703	957,217	1,981,439	2,974,467	3,260,426	11,667,546	1,109,677	2,909,123	1,177,256	2,436,920	3,406,749	4,724,363	6,078,469	7,177,248	8,870,043	25,781,786	12,899,283	1,536,052	2,427,906	1,629,598	4,544,440	4,812,649	1,780,705	3,686,060	5,544,194	7,711,786
RESERVE FUND EXPENDITURES																															
BUILDING ENVELOPE AND STRUCTURE																															
1 Underground Parkade/Concrete Structure	364,080	--	20,000	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	100,295	--	--	1,095,948	--	--	--	--	--	--	--	--	--	--
2 Balcony Guardrails (Apartments)	97,605	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	415,603	--	--	--	--	--	--	--	--
3 Balcony Membrane Assemblies (Apartments)	560,000	--	--	185,658	--	--	608,619	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	1,699,084
4 Deck Guardrails (Townhouses)	81,867	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	588,244	--	--	--	--	--	--	--	--
5 Deck Membrane Assemblies (Townhouses)	1,243,333	--	--	--	--	--	1,729,637	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
6 Exterior Walls - Stucco (Apartments)	2,694,167	--	40,000	--	--	--	3,747,933	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
7 Exterior Walls - Stucco (Townhouses)	2,076,000	--	--	--	--	--	--	--	--	--	--	4,184,956	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
8 Exterior Walls - Vinyl (Townhouses)	3,065,250	--	--	--	--	--	--	--	--	--	--	4,119,440	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
9 Exterior Walls - Wood Trim (Townhouses)	1,548,333	--	--	--	--	--	2,153,931	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
10 Window Assemblies (Apartments)	1,085,400	--	--	--	--	--	--	--	--	--	--	--	--	2,579,201	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
11 Window Assemblies (Townhouses)	4,179,167	--	--	--	--	--	5,813,759	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
12 Sliding Doors (Apartments)	68,040	--	--	--	--	--	--	--	--	--	--	--	--	161,681	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
13 Sliding Doors (Townhouses)	1,417,500	--	--	--	--	--	1,971,925	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
14 Swing Doors (Apartments)	414,667	--	--	--	--	--	576,855	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
15 Entry Doors (Townhouses)	494,167	--	--	--	--	--	687,450	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
16 Service Doors	57,480	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	173,025	--	--	--	--	--	--	--	--	--
17 Garage Gates (Apartments)	25,133	--	--	--	--	--	6,956	--	--	--	--	50,666	--	--	--	--	--	9,348	--	--	--	--	--	--	--	--	12,563	--	--	--	--
18 Garage Doors (Townhouses)	320,833	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	4,030,523	--	--	--	--
19 Front Entrance (Apartments)	18,900	--	--	--	--	--	--	--	--	--	--	--	--	44,911	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
20 Front Entrance & Glass Canopy (Clubhouse)	5,000	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	171,595	--	--
21 Sealant	22,800	--	--	--	--	--	66,079	--	--	--	--	306,413	--	--	--	--	--	--	--	--	--	411,793	--	--	--	--	--	--	--	--	553,416
22 Paint Coating	94,400	725,213	--	--	--	--	--	--	--	--	--	1,268,657	--	--	--	--	--	--	--	--	--	1,704,969	--	--	--	--	--	--	--	--	2,291,336
23 Low Slope Roof - SBS (Apartments)	1,834,368	--	1,968,124	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	4,120,815	--	--	--	--
24 Low Slope Roof - SBS (Townhouses)	300,480	--	--	--	--	--	151,285	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	3,493,633	--	--	--	--	--	--	--	--
25 Steep Slope Roof - Metal	143,625	--	--	--	--	--	--	--	--	--	--	257,360	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
26 Steep Slope Roof - Asphaltic Shingles	786,720	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	9,147,068	--	--	--	--	--	--	--	--
27 Gutters & Downspouts	68,000	--	--	--	--	--	--	--	--	--	--	--	352,980	--	--	--	--	--	--	--	--	--	--	--	--	--	549,931	--	--	--	618,952
28 Skylights	25,943	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
29 Below-Grade Membrane	2,826,000	--	--	--	--	--	--	--	--	--	--	63,298	--	--	--	--	--	--	389,246	--	--	8,506,784	--	--	--	--	--	--	--	--	--	--
INTERIOR																																
30 Lobbies	34,600	--	--	--	--	--	--	--	--	--	--	--	--	123,328	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
31 Unit Entry Doors	137,760	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	207,342	--	--	--	--	--	--	--	--	--	--
32 Hallways & Stairwells (Apartments)	249,060	--	--	--	--	--	--	--	--	676,075	--	--	--	--	--	--	--	--	--	--	--	--	--	--	1,053,303	--	--	--	--	--	--	--
33 Hallways & Stairwells (Clubhouse)	9,387	--	--	--	--	--	--	--	--	--	--	--	48,725	--	--	--	--	--	--	--	--	--	--	--	--	--	75,912	--	--	--	--	--
34 Paint Coating - Interior (Apartments)	62,300	--	--	--	--	--	--	--	--	169,114	--	--	--	--	--	--	--	--	--	--	--	--	--	--	263,474	--	--	--	--	--	--	--
35 Paint Coating - Interior (Clubhouse)	8,160	--	--	--	--	--	--	--	--	--	--	--	42,358	--	--	--	--	--	--	--	--	--	--	--	--	--	65,992	--	--	--	--	--
36 Amenity Room Finishes	34,020	--	--	--	--	--	--	--	--	--	--	--	104,648	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
CONVEYANCE																																
37 Elevators - Hydraulic	984,167	--	--	15,000	--	--	1,369,103	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
38 Elevator Cab Finishes	28,533	--	--	--	--	--	49,617	--	--	--	--	--	--	--	--	--	--	--	--	--	--	77,302	--	--	--	--	--	--	--	--	--	--
MECHANICAL																																
39 Domestic Water Pipes	3,509,100	--	--	124,093	4,260,543	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
40 Gas Pipes	90,000	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	270,917	--	--	--	--	--	--	--	--	--	--
41 Sprinkler Pipes - Fire Protetion	75,000	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	225,764	--	--	--	--	--	--	--	--	--	--
42 Gas Fired Boilers	343,400	--	15,000	--	331,096	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	797,329	--	--	--	--	--	--	--
43 Hot Water Storage Tanks	68,053	--	--	--	--	14,921	--	--	97,828	--	--	--	--	--	--	--	--	--	--	--	162,725	--	--	--	--	--	--	--	--	--	--	--
44 Heat Pumps	19,160	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	153,731	--	--	--	--	--	--	--	--	--	--	--	--	--	--
45 Make-up Air Units	65,100	--	--	--	--	--	--	--	--	--	--	--	--	--	--	328,232	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
46 Air Conditioning Units	6,720	--	--	--	--	--	--	--	--	--	--	--	--	--	--	33,882	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
47 Parkade Exhaust Fans	41,310	--	--	--	53,107	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	95,916	--	--	--	--	--	--	--
48 Sump Pumps	8,840	--	--	--	11,364	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	20,525	--	--	--	--	--	--	--
49 Miscellaneous Mechanical Equipment	85,000	--	--	--	109,273	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	197,359	--	--	--	--	--	--	--
ELECTRICAL																																
50 Service Distribution	269,520	--	--	--	--	--	11,593	--	--	--	--	13,439	--	--	--	--	15,580	--	--	--	--	811,305	--	--	--	--	20,938	--	--	--	--	24,273
51 Power Distribution	249,225	--	--	--	--	--	--	--	--	--	--	446,583	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
52 Enterphone Panels	71,823	--	76,529	--	150,000	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
53 Fire Alarm Panel & Emergency Lighting	132,050	--	35,793	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	258,581	--	--	--	--	--	--	--	--	--
SPECIALTY																																
54 Hot Tub & Pool	32,950	--	--	--	--	--	--	--	--	--	--	88,564	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	159,957
55 Library	5,000	--	--	--	--	--	--	--	--	--	--	13,439	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	24,273
56 Exercise Room	26,650	--	--	--	--	--	--	--	--	--	--	71,631	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	129,373
57 Workshop	10,000	--	--	--	--	--	--	--	--	--	--	26,878	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	48,545
58 Mailroom	19,067	--	--	--	--	--	--	--	--	--	--	38,436	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59 Change/Shower Room	21,250	--	--	--	--	--	--	--	--	--	--	57,116	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	103,158
60 Lounges & Billiards Room	20,000	--	--	--	--	--	--	--	--	--	--	40,317	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
61 Guest Suites	19,700	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	61,384	--	--	--	--	--	--	--	--	--	--	--	--	--	--
62 Fountains	25,000	--	--	--	--	--	--	--	--	--	--	67,196	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	121,363
63 Outbuilding Structures	8,800	220,000	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	460,631	--	--	--	--	--
SITE SERVICES																																
64 Softscaping	1,230,600	--	--	--	--	--	118,884	--	--	--	--	82,700	--	--	--	--	--	--	--	--	--	3,704,334	--	--	--	--	--	--	--	--	--	149,400
65 Hardscaping	783,600	--	--	--	--	--	45,420	--	--	--	--	52,700	--	--	--	--	--	--	--	--	--	2,358,781	--	--	--	--	--	--	--	--	--	95,100
66 Underground Water Supply & Drainage	2,065,140	--	--	--	--	--	119,703	--	--	--	--	--	--	--	--	--	--	--	--	--	--	6,216,454	--	--	--	--	--	--	--	--	--	--
67 Outdoor Lighting & Electrical	226,050	--	--	--	--	--	--	--	--	--	--	405,056	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
RESERVE FUND PLANNING																																
Certified Reserve Fund Consultant	-	9,450	--	--	--	--	10,955	--	--	--	--	12,700	--	--	--	--	14,723	--	--	--	--	17,068	--	--	--	--	19,786	--	--	--	--	22,938
TOTAL EXPENDITURES		954,663	2,155,446	324,751	4,915,382	14,921	19,239,703	0	97,828	845,189	0	11,667,546	548,710	2,909,123	0	362,114	101,034	153,731	489,540	0	162,725	25,781,786	12,899,283	1,003,847	2,427,906	0	4,544,440	4,812,649	0	171,595	0	6,041,167
CLOSING BALANCE		1,957,692	706,258	1,260,232	0	887,348	0	957,217	1,883,611	2,129,278	3,260,426	0	560,966	0	1,177,256	2,074,806	3,305,715	4,570,632	5,588,928	7,177,248	8,707,318	0	0	532,205	0	1,629,598	0	1,780,705	3,514,465	5,544,194	1,670,620
RESERVE REQUIREMENTS	36,995,353	36,040,690	37,099,810	40,031,989	38,490,824	41,788,474	25,993,248	28,805,916	31,633,263	33,826,343	36,952,335	28,535,820	30,901,481	31,001,355	34,014,348	36,785,746	39,929,079	43,145,450	46,154,666	49,773,790	53,374,955	31,501,105	21,634,804	23,269,288	23,545,091	26,259,833	24,538,724	22,480,562	25,152,723	27,760,175	30,643,520	27,601,032
ACCUMULATED RESERVE FUND BALANCE		-34,082,998	-36,393,552	-38,771,758	-38,490,824	-40,901,127	-25,993,248	-27,848,700	-29,749,652	-31,697,065	-33,691,909	-28,535,820	-30,340,514	-31,001,355	-32,837,092	-34,710,940	-36,623,365	-38,574,818	-40,565,737	-42,996,542	-44,667,637	-31,501,105	-21,634,804	-22,737,083	-23,545,091	-24,630,236	-24,538,724	-22,480,562	-23,372,018	-24,245,710	-25,099,326	-25,930,413

OPTION 2 (THEORETICAL FULLY FUNDED)

This model shows annual contributions (increasing with inflation) that would allow for a sufficient and fully funded CRF that should theoretically not require special levies during the 30-year outlook. This contribution level is immediate and based on the objective of achieving a positive value in the accumulated CRF balance after 30 years. Fully funded contributions are usually much higher than the amount the Owners are actually contributing to the CRF. Therefore, it is usually impractical and difficult to achieve this immediately.

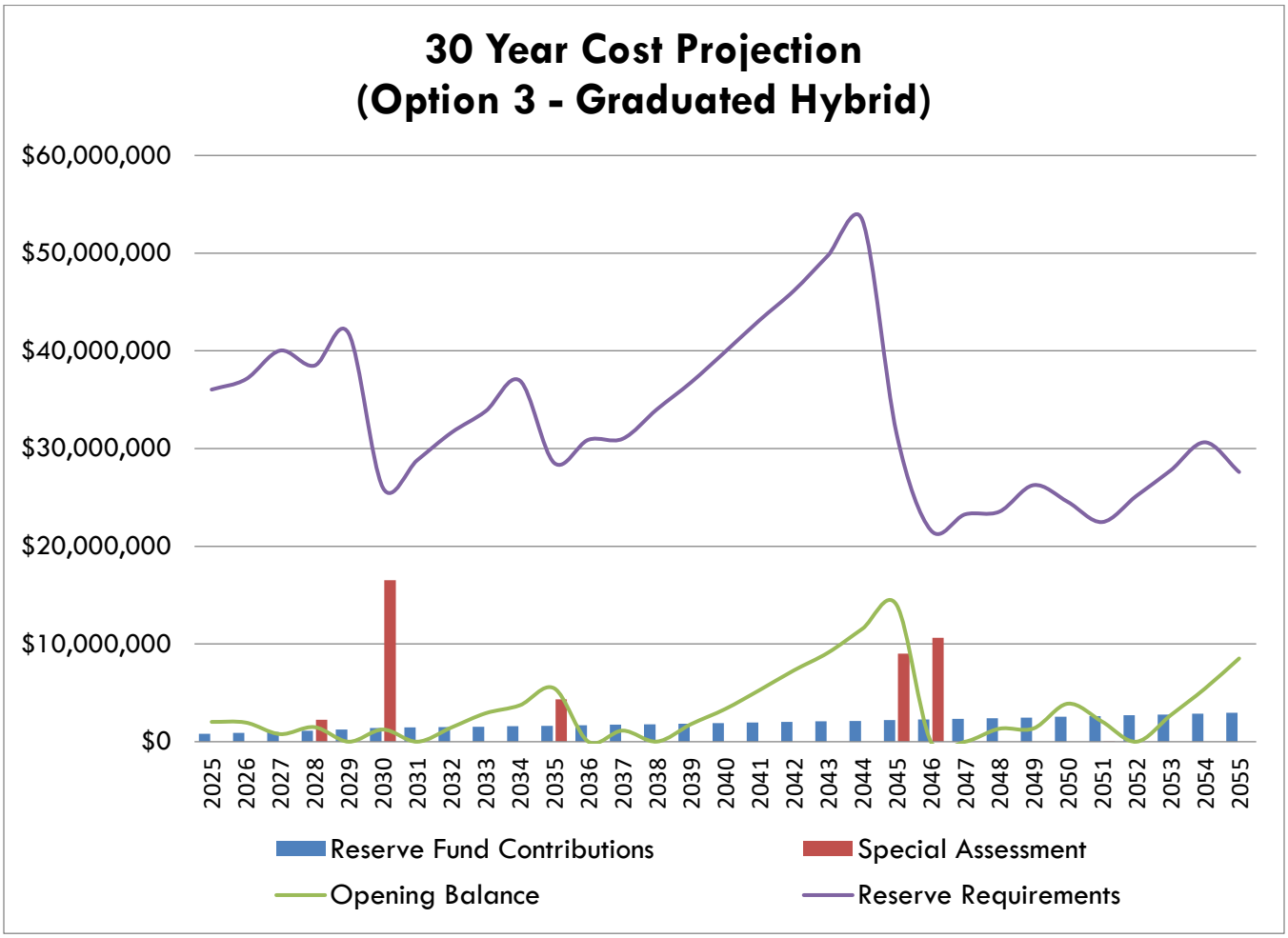


Option 2 (Theoretical Fully Funded)

	CHELSEA GARDENS SAMPLE 30-YEAR PROJECTION		YEAR 2025	YEAR 2026	YEAR 2027	YEAR 2028	YEAR 2029	YEAR 2030	YEAR 2031	YEAR 2032	YEAR 2033	YEAR 2034	YEAR 2035	YEAR 2036	YEAR 2037	YEAR 2038	YEAR 2039	YEAR 2040	YEAR 2041	YEAR 2042	YEAR 2043	YEAR 2044	YEAR 2045	YEAR 2046	YEAR 2047	YEAR 2048	YEAR 2049	YEAR 2050	YEAR 2051	YEAR 2052	YEAR 2053	YEAR 2054	YEAR 2055
	OPENING BALANCE (CRF)		**2,029,520**	**1,957,692**	**4,250,935**	**8,597,714**	**8,662,777**	**13,770,001**	**0**	**2,502,006**	**5,081,325**	**7,093,767**	**10,111,528**	**1,664,472**	**4,082,852**	**4,324,569**	**7,574,704**	**10,685,045**	**14,275,963**	**18,055,758**	**21,751,809**	**26,189,144**	**30,748,265**	**9,980,918**	**1,378,916**	**4,445,212**	**6,330,549**	**10,843,269**	**11,119,842**	**11,270,888**	**16,376,192**	**21,653,748**	**27,457,823**
	Reserve Fund Contributions	3.00%	801,654	4,370,381	4,501,492	4,636,537	4,775,633	4,918,902	2,502,006	2,577,066	2,654,378	2,734,010	2,816,030	2,900,511	2,987,526	3,077,152	3,169,467	3,264,551	3,362,487	3,463,362	3,567,262	3,674,280	3,784,509	3,898,044	4,014,985	4,135,435	4,259,498	4,387,283	4,518,901	4,654,468	4,794,102	4,937,926	5,086,063
	Special Assessment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Reserve Fund Interest Income	4.00%	81,181	78,308	170,037	343,909	346,511	550,800	0	100,080	203,253	283,751	404,461	66,579	163,314	172,983	302,988	427,402	571,039	722,230	870,072	1,047,566	1,229,931	399,237	55,157	177,808	253,222	433,731	444,794	450,836	655,048	866,150	1,098,313
	TOTAL CASH RESOURCES		**2,912,355**	**6,406,381**	**8,922,465**	**13,578,160**	**13,784,922**	**19,239,703**	**2,502,006**	**5,179,153**	**7,938,956**	**10,111,528**	**13,332,019**	**4,631,562**	**7,233,692**	**7,574,704**	**11,047,159**	**14,376,997**	**18,209,489**	**22,241,350**	**26,189,144**	**30,910,990**	**35,762,704**	**14,278,199**	**5,449,058**	**8,758,455**	**10,843,269**	**15,664,282**	**16,083,537**	**16,376,192**	**21,825,342**	**27,457,823**	**33,642,199**
	RESERVE FUND EXPENDITURES																															
	BUILDING ENVELOPE AND STRUCTURE																															
1	Underground Parkade/Concrete Structure	364,080	--	20,000	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	100,295	--	--	1,095,948	--	--	--	--	--	--	--	--	--
2	Balcony Guardrails (Apartments)	97,605	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	415,603	--	--	--	--	--	--	--
3	Balcony Membrane Assemblies (Apartments)	560,000	--	--	185,658	--	--	608,619	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	1,699,084
4	Deck Guardrails (Townhouses)	81,867	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	588,244	--	--	--	--	--	--	--
5	Deck Membrane Assemblies (Townhouses)	1,243,333	--	--	--	--	--	1,729,637	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
6	Exterior Walls - Stucco (Apartments)	2,694,167	--	40,000	--	--	--	3,747,933	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
7	Exterior Walls - Stucco (Townhouses)	2,076,000	--	--	--	--	--	--	--	--	--	--	4,184,956	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
8	Exterior Walls - Vinyl (Townhouses)	3,065,250	--	--	--	--	--	--	--	--	--	--	4,119,440	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
9	Exterior Walls - Wood Trim (Townhouses)	1,548,333	--	--	--	--	--	2,153,931	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
10	Window Assemblies (Apartments)	1,085,400	--	--	--	--	--	--	--	--	--	--	--	--	2,579,201	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
11	Window Assemblies (Townhouses)	4,179,167	--	--	--	--	--	5,813,759	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
12	Sliding Doors (Apartments)	68,040	--	--	--	--	--	--	--	--	--	--	--	--	161,681	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
13	Sliding Doors (Townhouses)	1,417,500	--	--	--	--	--	1,971,925	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
14	Swing Doors (Apartments)	414,667	--	--	--	--	--	576,855	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
15	Entry Doors (Townhouses)	494,167	--	--	--	--	--	687,450	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
16	Service Doors	57,480	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	173,025	--	--	--	--	--	--	--	--	--
17	Garage Gates (Apartments)	25,133	--	--	--	--	--	6,956	--	--	--	--	50,666	--	--	--	--	9,348	--	--	--	--	--	--	--	--	12,563	--	--	--	--	--
18	Garage Doors (Townhouses)	320,833	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	4,030,523	--	--	--	--	--
19	Front Entrance (Apartments)	18,900	--	--	--	--	--	--	--	--	--	--	--	--	44,911	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
20	Front Entrance & Glass Canopy (Clubhouse)	5,000	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	171,595	--	--
21	Sealant	22,800	--	--	--	--	--	66,079	--	--	--	--	306,413	--	--	--	--	--	--	--	--	--	411,793	--	--	--	--	--	--	--	--	553,416
22	Paint Coating	94,400	725,213	--	--	--	--	--	--	--	--	--	1,268,657	--	--	--	--	--	--	--	--	--	1,704,969	--	--	--	--	--	--	--	--	2,291,336
23	Low Slope Roof - SBS (Apartments)	1,834,368	--	1,968,124	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	4,120,815	--	--	--	--	--
24	Low Slope Roof - SBS (Townhouses)	300,480	--	--	--	--	--	151,285	--	--	--	--	--	--	--	--	--	--	--	--	--	--	3,493,633	--	--	--	--	--	--	--	--	--
25	Steep Slope Roof - Metal	143,625	--	--	--	--	--	--	--	--	--	--	257,360	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
26	Steep Slope Roof - Asphaltic Shingles	786,720	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	9,147,068	--	--	--	--	--	--	--	--
27	Gutters & Downspouts	68,000	--	--	--	--	--	--	--	--	--	--	--	352,980	--	--	--	--	--	--	--	--	--	--	--	--	--	549,931	--	--	--	618,952
28	Skylights	25,943	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
29	Below-Grade Membrane	2,826,000	--	--	--	--	--	--	--	--	--	--	63,298	--	--	--	--	--	--	389,246	--	--	8,506,784	--	--	--	--	--	--	--	--	--
	INTERIOR																															
30	Lobbies	34,600	--	--	--	--	--	--	--	--	--	--	--	--	123,328	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
31	Unit Entry Doors	137,760	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	207,342	--	--	--	--	--	--	--	--	--
32	Hallways & Stairwells (Apartments)	249,060	--	--	--	--	--	--	--	--	676,075	--	--	--	--	--	--	--	--	--	--	--	--	--	--	1,053,303	--	--	--	--	--	--
33	Hallways & Stairwells (Clubhouse)	9,387	--	--	--	--	--	--	--	--	--	--	--	48,725	--	--	--	--	--	--	--	--	--	--	--	--	75,912	--	--	--	--	--
34	Paint Coating - Interior (Apartments)	62,300	--	--	--	--	--	--	--	--	169,114	--	--	--	--	--	--	--	--	--	--	--	--	--	--	263,474	--	--	--	--	--	--
35	Paint Coating - Interior (Clubhouse)	8,160	--	--	--	--	--	--	--	--	--	--	--	42,358	--	--	--	--	--	--	--	--	--	--	--	--	65,992	--	--	--	--	--
36	Amenity Room Finishes	34,020	--	--	--	--	--	--	--	--	--	--	--	104,648	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	CONVEYANCE																															
37	Elevators - Hydraulic	984,167	--	--	15,000	--	--	1,369,103	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
38	Elevator Cab Finishes	28,533	--	--	--	--	--	49,617	--	--	--	--	--	--	--	--	--	--	--	--	--	--	77,302	--	--	--	--	--	--	--	--	--
	MECHANICAL																															
39	Domestic Water Pipes	3,509,100	--	--	124,093	4,260,543	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
40	Gas Pipes	90,000	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	270,917	--	--	--	--	--	--	--	--	--
41	Sprinkler Pipes - Fire Protetion	75,000	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	225,764	--	--	--	--	--	--	--	--	--
42	Gas Fired Boilers	343,400	--	15,000	--	331,096	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	797,329	--	--	--	--	--	--
43	Hot Water Storage Tanks	68,053	--	--	--	--	14,921	--	--	97,828	--	--	--	--	--	--	--	--	--	--	--	162,725	--	--	--	--	--	--	--	--	--	--
44	Heat Pumps	19,160	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	153,731	--	--	--	--	--	--	--	--	--	--	--	--	--
45	Make-up Air Units	65,100	--	--	--	--	--	--	--	--	--	--	--	--	--	328,232	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
46	Air Conditioning Units	6,720	--	--	--	--	--	--	--	--	--	--	--	--	--	33,882	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
47	Parkade Exhaust Fans	41,310	--	--	--	53,107	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	95,916	--	--	--	--	--	--
48	Sump Pumps	8,840	--	--	--	11,364	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	20,525	--	--	--	--	--	--
49	Miscellaneous Mechanical Equipment	85,000	--	--	--	109,273	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	197,359	--	--	--	--	--	--
	ELECTRICAL																															
50	Service Distribution	269,520	--	--	--	--	--	11,593	--	--	--	--	13,439	--	--	--	--	15,580	--	--	--	--	811,305	--	--	--	--	20,938	--	--	--	24,273
51	Power Distribution	249,225	--	--	--	--	--	--	--	--	--	--	446,583	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
52	Enterphone Panels	71,823	--	76,529	--	150,000	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
53	Fire Alarm Panel & Emergency Lighting	132,050	--	35,793	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	258,581	--	--	--	--	--	--	--	--
	SPECIALTY																															
54	Hot Tub & Pool	32,950	--	--	--	--	--	--	--	--	--	--	88,564	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	159,957
55	Library	5,000	--	--	--	--	--	--	--	--	--	--	13,439	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	24,273
56	Exercise Room	26,650	--	--	--	--	--	--	--	--	--	--	71,631	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	129,373
57	Workshop	10,000	--	--	--	--	--	--	--	--	--	--	26,878	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	48,545
58	Mailroom	19,067	--	--	--	--	--	--	--	--	--	--	38,436	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59	Change/Shower Room	21,250	--	--	--	--	--	--	--	--	--	--	57,116	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	103,159
60	Lounges & Billiards Room	20,000	--	--	--	--	--	--	--	--	--	--	40,317	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
61	Guest Suites	19,700	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	61,384	--	--	--	--	--	--	--	--	--	--	--	--	--	--
62	Fountains	25,000	--	--	--	--	--	--	--	--	--	--	67,196	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	121,363
63	Outbuilding Structures	8,800	220,000	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	460,631	--	--	--	--	--
	SITE SERVICES																															
64	Softscaping	1,230,600	--	--	--	--	--	118,884	--	--	--	--	82,700	--	--	--	--	--	--	--	--	--	3,704,334	--	--	--	--	--	--	--	--	149,400
65	Hardscaping	783,600	--	--	--	--	--	45,420	--	--	--	--	52,700	--	--	--	--	--	--	--	--	--	2,358,781	--	--	--	--	--	--	--	--	95,100
66	Underground Water Supply & Drainage	2,065,140	--	--	--	--	--	119,703	--	--	--	--	--	--	--	--	--	--	--	--	--	--	6,216,454	--	--	--	--	--	--	--	--	--
67	Outdoor Lighting & Electrical	226,050	--	--	--	--	--	--	--	--	--	--	405,056	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	RESERVE FUND PLANNING																															
	Certified Reserve Fund Consultant	-	9,450	--	--	--	--	10,955	--	--	--	--	12,700	--	--	--	--	14,723	--	--	--	--	17,068	--	--	--	19,786	--	--	--	--	22,938
	TOTAL EXPENDITURES		**954,663**	**2,155,446**	**324,751**	**4,915,382**	**14,921**	**19,239,703**	**0**	**97,828**	**845,189**	**0**	**11,667,546**	**548,710**	**2,909,123**	**0**	**362,114**	**101,034**	**153,731**	**489,540**	**0**	**162,725**	**25,781,786**	**12,899,283**	**1,003,847**	**2,427,906**	**0**	**4,544,440**	**4,812,649**	**0**	**171,595**	**0**	**6,041,167**
	CLOSING BALANCE		**1,957,692**	**4,250,935**	**8,597,714**	**8,662,777**	**13,770,001**	**0**	**2,502,006**	**5,081,325**	**7,093,767**	**10,111,528**	**1,664,472**	**4,082,852**	**4,324,569**	**7,574,704**	**10,685,045**	**14,275,963**	**18,055,758**	**21,751,809**	**26,189,144**	**30,748,265**	**9,980,918**	**1,378,916**	**4,445,212**	**6,330,549**	**10,843,269**	**11,119,842**	**11,270,888**	**16,376,192**	**21,653,748**	**27,457,823**	**27,601,032**
	RESERVE REQUIREMENTS	**36,995,353**	**36,040,690**	**37,099,810**	**40,031,989**	**38,490,824**	**41,788,474**	**25,993,248**	**28,805,916**	**31,633,263**	**33,826,343**	**36,952,335**	**28,535,820**	**30,901,481**	**31,001,355**	**34,014,348**	**36,785,746**	**39,929,079**	**43,145,450**	**46,154,666**	**49,773,790**	**53,374,955**	**31,501,105**	**21,634,804**	**23,269,288**	**23,545,091**	**26,259,833**	**24,538,724**	**22,480,562**	**25,152,723**	**27,760,175**	**30,643,520**	**27,601,032**
	ACCUMULATED RESERVE FUND BALANCE		**-34,082,998**	**-32,848,875**	**-31,434,275**	**-29,828,047**	**-28,018,474**	**-25,993,248**	**-26,303,910**	**-26,551,938**	**-26,732,576**	**-26,840,807**	**-26,871,348**	**-26,818,629**	**-26,676,786**	**-26,439,643**	**-26,100,701**	**-25,653,116**	**-25,089,692**	**-24,402,856**	**-23,584,646**	**-22,626,690**	**-21,520,187**	**-20,255,888**	**-18,824,076**	**-17,214,543**	**-15,416,564**	**-13,418,882**	**-11,209,674**	**-8,776,531**	**-6,106,428**	**-3,185,697**	**0**

OPTION 3 (GRADUATED HYBRID)

This model shows increasing the annual contribution by 12% for the next five years, then the growth is maintained by 3% inflation rate. This strategy reaches almost 80% of the fully funded contribution level at $1,412,788 by 2030 and decreases the special levies down to 6 from 9 and the total cumulative cost down to $42.8M from 59.7M. This will likely be the most prudent option that the general Ownership would be willing to accept. These increases can be revised during the 5-year updates based on a number of factors: actual CRF contributions, recent upgrades, anticipated short-term expenditures, as well as current interest and inflation factors. The owners can ultimately revise the percentage of annual increases and time it takes to get to this value.



Option 3 (Graduated Hybrid)

CHELSEA GARDENS SAMPLE 30-YEAR PROJECTION		YEAR 2025	YEAR 2026	YEAR 2027	YEAR 2028	YEAR 2029	YEAR 2030	YEAR 2031	YEAR 2032	YEAR 2033	YEAR 2034	YEAR 2035	YEAR 2036	YEAR 2037	YEAR 2038	YEAR 2039	YEAR 2040	YEAR 2041	YEAR 2042	YEAR 2043	YEAR 2044	YEAR 2045	YEAR 2046	YEAR 2047	YEAR 2048	YEAR 2049	YEAR 2050	YEAR 2051	YEAR 2052	YEAR 2053	YEAR 2054	YEAR 2055
OPENING BALANCE (CRF)		**2,029,520**	**1,957,692**	**778,406**	**1,490,387**	**0**	**1,246,497**	**0**	**1,455,172**	**2,914,378**	**3,729,556**	**5,468,844**	**0**	**1,138,233**	**12,191**	**1,802,356**	**3,355,705**	**5,287,568**	**7,300,969**	**9,117,766**	**11,557,204**	**13,993,736**	**0**	**0**	**1,331,277**	**1,361,800**	**3,893,604**	**2,056,561**	**0**	**2,707,048**	**5,431,996**	**8,521,163**
Reserve Fund Contributions	3.00%	801,654	897,852	1,005,595	1,126,266	1,261,418	1,412,788	1,455,172	1,498,827	1,543,792	1,590,106	1,637,809	1,686,943	1,737,551	1,789,678	1,843,368	1,898,669	1,955,629	2,014,298	2,074,727	2,136,969	2,201,078	2,267,110	2,335,124	2,405,177	2,477,333	2,551,653	2,628,202	2,707,048	2,788,260	2,871,908	2,958,065
Special Assessment		0	0	0	2,239,114	0	16,530,558	0	0	0	0	4,342,140	0	0	0	0	0	0	0	0	0	9,027,223	10,632,172	0	0	0	0	45,623	0	0	0	0
Reserve Fund Interest Income	4.00%	81,181	78,308	31,136	59,615	0	49,860	0	58,207	116,575	149,182	218,754	0	45,529	488	72,094	134,228	211,503	292,039	364,711	462,288	559,749	0	0	53,251	54,472	155,744	82,262	0	108,282	217,280	340,847
TOTAL CASH RESOURCES		**2,912,355**	**2,933,852**	**1,815,137**	**4,915,382**	**1,261,418**	**19,239,703**	**1,455,172**	**3,012,206**	**4,574,745**	**5,468,844**	**11,667,546**	**1,686,943**	**2,921,313**	**1,802,356**	**3,717,819**	**5,388,602**	**7,454,700**	**9,607,306**	**11,557,204**	**14,156,461**	**25,781,786**	**12,899,283**	**2,335,124**	**3,789,706**	**3,893,604**	**6,601,001**	**4,812,649**	**2,707,048**	**5,603,590**	**8,521,183**	**11,820,095**
RESERVE FUND EXPENDITURES																																
BUILDING ENVELOPE AND STRUCTURE																																
1 Underground Parkade/Concrete Structure	364,080	--	20,000	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	100,295	--	--	1,095,948	--	--	--	--	--	--	--	--	--	--
2 Balcony Guardrails (Apartments)	97,605	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	415,603	--	--	--	--	--	--	--	--
3 Balcony Membrane Assemblies (Apartments)	560,000	--	--	185,658	--	--	608,619	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	1,699,084
4 Deck Guardrails (Townhouses)	81,867	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	588,244	--	--	--	--	--	--	--	--
5 Deck Membrane Assemblies (Townhouses)	1,243,333	--	--	--	--	--	1,729,637	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
6 Exterior Walls - Stucco (Apartments)	2,694,167	--	40,000	--	--	--	3,747,933	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
7 Exterior Walls - Stucco (Townhouses)	2,076,000	--	--	--	--	--	--	--	--	--	--	4,184,956	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
8 Exterior Walls - Vinyl (Townhouses)	3,065,250	--	--	--	--	--	--	--	--	--	--	4,119,440	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
9 Exterior Walls - Wood Trim (Townhouses)	1,548,333	--	--	--	--	--	2,153,931	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
10 Window Assemblies (Apartments)	1,085,400	--	--	--	--	--	--	--	--	--	--	--	--	2,579,201	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
11 Window Assemblies (Townhouses)	4,179,167	--	--	--	--	--	5,813,759	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
12 Sliding Doors (Apartments)	68,040	--	--	--	--	--	--	--	--	--	--	--	--	161,681	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
13 Sliding Doors (Townhouses)	1,417,500	--	--	--	--	--	1,971,925	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
14 Swing Doors (Apartments)	414,667	--	--	--	--	--	576,855	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
15 Entry Doors (Townhouses)	494,167	--	--	--	--	--	687,450	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
16 Service Doors	57,480	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	173,025	--	--	--	--	--	--	--	--	--	--
17 Garage Gates (Apartments)	25,133	--	--	--	--	--	6,956	--	--	--	--	50,666	--	--	--	--	9,348	--	--	--	--	--	--	--	--	--	12,563	--	--	--	--	--
18 Garage Doors (Townhouses)	320,833	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	4,030,523	--	--	--	--	--
19 Front Entrance (Apartments)	18,900	--	--	--	--	--	--	--	--	--	--	--	--	44,911	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
20 Front Entrance & Glass Canopy (Clubhouse)	5,000	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	171,595	--	--
21 Sealant	22,800	--	--	--	--	--	66,079	--	--	--	--	306,413	--	--	--	--	--	--	--	--	--	411,793	--	--	--	--	--	--	--	--	--	553,416
22 Paint Coating	94,400	725,213	--	--	--	--	--	--	--	--	--	1,268,657	--	--	--	--	--	--	--	--	--	1,704,969	--	--	--	--	--	--	--	--	--	2,291,336
23 Low Slope Roof - SBS (Apartments)	1,834,368	--	1,968,124	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	4,120,815	--	--	--	--	--
24 Low Slope Roof - SBS (Townhouses)	300,480	--	--	--	--	--	151,285	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	3,493,633	--	--	--	--	--	--	--	--	--
25 Steep Slope Roof - Metal	143,625	--	--	--	--	--	--	--	--	--	--	257,360	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
26 Steep Slope Roof - Asphaltic Shingles	786,720	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	9,147,068	--	--	--	--	--	--	--	--	--
27 Gutters & Downspouts	68,000	--	--	--	--	--	--	--	--	--	--	--	352,980	--	--	--	--	--	--	--	--	--	--	--	--	--	--	549,931	--	--	--	618,952
28 Skylights	25,943	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
29 Below-Grade Membrane	2,826,000	--	--	--	--	--	--	--	--	--	--	63,298	--	--	--	--	--	--	389,246	--	--	8,506,784	--	--	--	--	--	--	--	--	--	--
INTERIOR																																
30 Lobbies	34,600	--	--	--	--	--	--	--	--	--	--	--	--	123,328	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
31 Unit Entry Doors	137,760	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	207,342	--	--	--	--	--	--	--	--	--	--
32 Hallways & Stairwells (Apartments)	249,060	--	--	--	--	--	--	--	--	676,075	--	--	--	--	--	--	--	--	--	--	--	--	--	--	1,053,303	--	--	--	--	--	--	--
33 Hallways & Stairwells (Clubhouse)	9,387	--	--	--	--	--	--	--	--	--	--	--	48,725	--	--	--	--	--	--	--	--	--	--	--	--	--	75,912	--	--	--	--	--
34 Paint Coating - Interior (Apartments)	62,300	--	--	--	--	--	--	--	--	169,114	--	--	--	--	--	--	--	--	--	--	--	--	--	--	263,474	--	--	--	--	--	--	--
35 Paint Coating - Interior (Clubhouse)	8,160	--	--	--	--	--	--	--	--	--	--	--	42,358	--	--	--	--	--	--	--	--	--	--	--	--	--	65,992	--	--	--	--	--
36 Amenity Room Finishes	34,020	--	--	--	--	--	--	--	--	--	--	--	104,648	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
CONVEYANCE																																
37 Elevators - Hydraulic	984,167	--	--	15,000	--	--	1,369,103	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
38 Elevator Cab Finishes	28,533	--	--	--	--	--	49,617	--	--	--	--	--	--	--	--	--	--	--	--	--	--	77,302	--	--	--	--	--	--	--	--	--	--
MECHANICAL																																
39 Domestic Water Pipes	3,509,100	--	--	124,093	4,260,543	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
40 Gas Pipes	90,000	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	270,917	--	--	--	--	--	--	--	--	--	--
41 Sprinkler Pipes - Fire Protetion	75,000	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	225,764	--	--	--	--	--	--	--	--	--	--
42 Gas Fired Boilers	343,400	--	15,000	--	331,096	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	797,329	--	--	--	--	--	--	--
43 Hot Water Storage Tanks	68,053	--	--	--	--	14,921	--	--	97,828	--	--	--	--	--	--	--	--	--	--	--	162,725	--	--	--	--	--	--	--	--	--	--	--
44 Heat Pumps	19,160	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	153,731	--	--	--	--	--	--	--	--	--	--	--	--	--	--
45 Make-up Air Units	65,100	--	--	--	--	--	--	--	--	--	--	--	--	--	328,232	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
46 Air Conditioning Units	6,720	--	--	--	--	--	--	--	--	--	--	--	--	--	33,882	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
47 Parkade Exhaust Fans	41,310	--	--	--	53,107	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	95,916	--	--	--	--	--	--	--
48 Sump Pumps	8,840	--	--	--	11,364	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	20,525	--	--	--	--	--	--	--
49 Miscellaneous Mechanical Equipment	85,000	--	--	--	109,273	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	197,359	--	--	--	--	--	--	--
ELECTRICAL																																
50 Service Distribution	269,520	--	--	--	--	--	11,593	--	--	--	--	13,439	--	--	--	--	15,580	--	--	--	--	811,305	--	--	--	--	20,938	--	--	--	--	24,273
51 Power Distribution	249,225	--	--	--	--	--	--	--	--	--	--	446,583	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
52 Enterphone Panels	71,823	--	76,529	--	150,000	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
53 Fire Alarm Panel & Emergency Lighting	132,050	--	35,793	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	258,581	--	--	--	--	--	--	--	--	--
SPECIALTY																																
54 Hot Tub & Pool	32,950	--	--	--	--	--	--	--	--	--	--	88,564	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	159,957
55 Library	5,000	--	--	--	--	--	--	--	--	--	--	13,439	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	24,273
56 Exercise Room	26,650	--	--	--	--	--	--	--	--	--	--	71,631	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	129,373
57 Workshop	10,000	--	--	--	--	--	--	--	--	--	--	26,878	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	48,545
58 Mailroom	19,067	--	--	--	--	--	--	--	--	--	--	38,436	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59 Change/Shower Room	21,250	--	--	--	--	--	--	--	--	--	--	57,116	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	103,159
60 Lounges & Billiards Room	20,000	--	--	--	--	--	--	--	--	--	--	40,317	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
61 Guest Suites	19,700	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	61,384	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
62 Fountains	25,000	--	--	--	--	--	--	--	--	--	--	67,196	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	121,363
63 Outbuilding Structures	8,800	220,000	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	460,631	--	--	--	--	--
SITE SERVICES																																
64 Softscaping	1,230,600	--	--	--	--	--	118,884	--	--	--	--	82,700	--	--	--	--	--	--	--	--	--	3,704,334	--	--	--	--	--	--	--	--	--	149,400
65 Hardscaping	783,600	--	--	--	--	--	45,420	--	--	--	--	52,700	--	--	--	--	--	--	--	--	--	2,358,781	--	--	--	--	--	--	--	--	--	95,100
66 Underground Water Supply & Drainage	2,065,140	--	--	--	--	--	119,703	--	--	--	--	--	--	--	--	--	--	--	--	--	--	6,216,454	--	--	--	--	--	--	--	--	--	--
67 Outdoor Lighting & Electrical	226,050	--	--	--	--	--	--	--	--	--	--	405,056	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
RESERVE FUND PLANNING																																
Certified Reserve Fund Consultant	-	9,450	--	--	--	--	10,955	--	--	--	--	12,700	--	--	--	--	14,723	--	--	--	--	17,068	--	--	--	--	19,786	--	--	--	--	22,938
TOTAL EXPENDITURES		**954,663**	**2,155,446**	**324,751**	**4,915,382**	**14,921**	**19,239,703**	**0**	**97,828**	**845,189**	**0**	**11,667,546**	**548,710**	**2,909,123**	**0**	**362,114**	**101,034**	**153,731**	**489,540**	**0**	**162,725**	**25,781,786**	**12,899,283**	**1,003,847**	**2,427,906**	**0**	**4,544,440**	**4,812,649**	**0**	**171,595**	**0**	**6,041,167**
CLOSING BALANCE		**1,957,692**	**778,406**	**1,490,387**	**0**	**1,246,497**	**0**	**1,455,172**	**2,914,378**	**3,729,556**	**5,468,844**	**0**	**1,138,233**	**12,191**	**1,802,356**	**3,355,705**	**5,287,568**	**7,300,969**	**9,117,766**	**11,557,204**	**13,993,736**	**0**	**0**	**1,331,277**	**1,361,800**	**3,893,604**	**2,056,561**	**0**	**2,707,048**	**5,431,996**	**8,521,163**	**5,778,928**
RESERVE REQUIREMENTS	**36,995,353**	**36,040,690**	**37,099,810**	**40,031,989**	**38,490,824**	**41,788,474**	**25,993,248**	**28,806,916**	**31,633,263**	**33,826,343**	**36,952,335**	**28,535,820**	**30,901,451**	**31,001,355**	**34,014,348**	**36,785,746**	**39,929,079**	**43,145,450**	**46,154,666**	**49,773,790**	**53,374,955**	**31,501,105**	**21,634,804**	**23,269,288**	**23,545,091**	**26,259,833**	**24,538,724**	**22,480,562**	**25,152,723**	**27,760,175**	**30,643,520**	**27,601,032**
ACCUMULATED RESERVE FUND BALANCE		**-34,082,998**	**-36,321,403**	**-38,541,603**	**-38,490,824**	**-40,541,977**	**-25,993,248**	**-27,350,744**	**-28,718,885**	**-30,096,787**	**-31,483,491**	**-28,535,820**	**-29,763,248**	**-30,989,164**	**-32,211,991**	**-33,430,041**	**-34,641,511**	**-35,844,480**	**-37,036,899**	**-38,216,586**	**-39,381,219**	**-31,501,105**	**-21,634,804**	**-21,938,011**	**-22,183,292**	**-22,366,229**	**-22,482,163**	**-22,480,562**	**-22,445,674**	**-22,328,180**	**-22,122,337**	**-21,822,104**

JRS ENGINEERING

APPENDIX D

CASH FLOW TABLE

RESERVE FUND – CASH FLOW TABLE

The Cash Flow Table presented below is for JRS' recommended Graduated Hybrid Funding Model. It demonstrates estimated cash flow over a 30-year period as the funding model is applied, including opening balance, of reserve fund contributions and expenditures as major components are expected to be replaced.

Year	Opening Balance	Recommended Annual Contribution	special assessment	Estimated Inflation-adjusted expenditures	Estimated Interest Earned 4.0%	% Increase in Recommended Annual Contributions	Closing Balance
2025	2,029,520	801,654	-	954,663	81,181	--	1,957,692
2026	1,957,692	897,852	-	2,155,446	78,308	12.00%	778,406
2027	778,406	1,005,595	-	324,751	31,136	12.00%	1,490,387
2028	1,490,387	1,126,266	2,239,114	4,915,382	59,615	12.00%	0
2029	0	1,261,418	-	14,921	-	12.00%	1,246,497
2030	1,246,497	1,412,788	16,530,558	19,239,703	49,860	12.00%	0
2031	0	1,455,172	-	-	-	3.00%	1,455,172
2032	1,455,172	1,498,827	-	97,828	58,207	3.00%	2,914,378
2033	2,914,378	1,543,792	-	845,189	116,575	3.00%	3,729,556
2034	3,729,556	1,590,106	-	-	149,182	3.00%	5,468,844
2035	5,468,844	1,637,809	4,342,140	11,667,546	218,754	3.00%	0
2036	0	1,686,943	-	548,710	-	3.00%	1,138,233
2037	1,138,233	1,737,551	-	2,909,123	45,529	3.00%	12,191
2038	12,191	1,789,678	-	-	488	3.00%	1,802,356
2039	1,802,356	1,843,368	-	362,114	72,094	3.00%	3,355,705
2040	3,355,705	1,898,669	-	101,034	134,228	3.00%	5,287,568
2041	5,287,568	1,955,629	-	153,731	211,503	3.00%	7,300,969
2042	7,300,969	2,014,298	-	489,540	292,039	3.00%	9,117,766
2043	9,117,766	2,074,727	-	-	364,711	3.00%	11,557,204
2044	11,557,204	2,136,969	-	162,725	462,288	3.00%	13,993,736
2045	13,993,736	2,201,078	9,027,223	25,781,786	559,749	3.00%	0
2046	0	2,267,110	10,632,172	12,899,283	-	3.00%	0
2047	0	2,335,124	-	1,003,847	-	3.00%	1,331,277
2048	1,331,277	2,405,177	-	2,427,906	53,251	3.00%	1,361,800
2049	1,361,800	2,477,333	-	-	54,472	3.00%	3,893,604
2050	3,893,604	2,551,653	-	4,544,440	155,744	3.00%	2,056,561
2051	2,056,561	2,628,202	45,623	4,812,649	82,262	3.00%	0
2052	0	2,707,048	-	-	-	3.00%	2,707,048
2053	2,707,048	2,788,260	-	171,595	108,282	3.00%	5,431,996
2054	5,431,996	2,871,908	-	-	217,280	3.00%	8,521,183
2055	8,521,183	2,958,065	-	6,041,167	340,847	3.00%	5,778,928

JRS ENGINEERING

APPENDIX E

GLOSSARY OF TERMS

GLOSSARY OF TERMS

ANNUNCIATOR PANEL:

A central fire alarm display panel usually located in close proximity to the building entrance. It is used to allow for easy identification of fire hazard areas by fire rescue personnel during an emergency and is linked with fire sensor devices throughout the building. It is a requirement in many Canadian bylaws and requires periodic testing, which can be performed in conjunction with other fire protection equipment.

ASBESTOS:

A natural fibrous mineral that has carcinogenic and other negative health properties. It was heavily used in building construction in the early to mid-twentieth century due to its strength, corrosion, and fire-resistant properties. In the late 20th century, the carcinogenic effects of asbestos were better understood, and it was then banned from use in developed countries in the 1980s and 1990s. Typically, buildings built earlier than 1990 should have asbestos testing performed, if interior finishes are disturbed.

BACKFLOW PREVENTER VALVE:

A mechanical piping component that is used to prevent backflow of fluid (fluid flowing opposite to intended direction). Its use may be required by municipal regulations and can prevent contaminants from entering potable water. The City of Vancouver requires this device for use in "larger complexes" to prevent backflow into potable water from fire sprinkler systems, underground irrigation systems, and commercial/residential boiler systems with and without antifreeze. NFPA 25 (Standard for the Inspection, Testing, and Maintenance of Water-Based Fire Protection Systems) includes a specification for testing of fire sprinkler system backflow. These devices require annual testing according to the Vancouver Water Works Bylaw 4848.

BASELINE FUNDING:

A CRF funding regime that typically represents how much the Strata Corporation is currently contributing or whatever the statutory minimum is, whichever is higher. This usually describes a CRF growth strategy that tries to keep contributions low or similar to current or minimum statutory requirements, usually with minor annual adjustments due to inflation. This funding strategy will allow for minimal disturbance to owners' annual Contingency Reserve Fund (CRF) contributions but will likely lead to frequent special assessments to fund larger future projects (dependent on the health of the current CRF balance).

BELOW-GRADE MEMBRANE:

A waterproofing material that is applied to surfaces that are below grade, often buried under a nominal amount of landscaping (“at-grade” waterproofing is often at a trafficable surface or at close proximity to a trafficable surface). The material is designed to prevent water ingress into the substrate (e.g., concrete wall) where hydrostatic pressure is expected. A common example of a below grade membrane is 2-ply SBS (Styrene Butadiene Styrene) over an underground parkade roof.

BENCHMARK ANALYSIS:

Backbone of the Depreciation Report's financial analysis. It consists of an asset inventory along with information regarding installation dates, typical life expectancies, effective ages, remaining life, projected future renewal dates, estimated current and future costs for renewal as well as other CRF related financial information, including the annual reserve fund assessment values.

BOILER:

A mechanical vessel designed for heating fluid (air or water) for the purpose of air or domestic water distribution. A boiler is often used for heating the building, where, for example, the heated medium is pumped to radiant heaters and its energy is dissipated to its surroundings.

BOOSTER PUMP:

A mechanical device used to increase/maintain the pressure or flow rate of a fluid. Booster pumps are not typically intended to be used independently but as an auxiliary unit to a usually larger and more complex pumping device. Booster pumps are commonly used in mechanical sprinkler systems in buildings and for domestic water use in high-rise buildings.

BUILDING CONDITION ASSESSMENT:

A technical review of all the physical assets of a property and often includes associated costs of short-term renewals. It is similar to a Depreciation Report, except technically more detailed and without the cost projections and cash flow tables associated with long term capital asset planning.

BUILDING ENVELOPE:

The shell of the building that separates the interior environment from the exterior environment. Its purpose is to protect the interior space from environmental and manmade elements. Parts of the building envelope include windows, walls, roofs, and floors. Other noteworthy components can include attics, parkades, garages, carports and balconies.

BUILDING ENVELOPE CONDITION ASSESSMENT:

Unlike Depreciation Reports/Reserve Fund Studies or Building Condition Assessments, this type of assessment focuses only on building envelope systems/components and at a greater detail, often including interior and/or exterior exploratory openings, moisture probes and other analytical methods/tools to diagnose the building envelope's condition in greater detail.

BYLAWS:

Sets of rules, regulations or subsidiary laws imposed onto a community, group, or organization by consensus or legislation and registered in the Land Title Office. All strata corporations should have a set of bylaws to address specific concerns where the standard Strata Property Act and Regulation are not sufficient. It should be noted that not all rules voted into the bylaws may be legal and should be reviewed by legal professionals.

CANOPY:

A physical overhanging component commonly installed over fenestrations such as windows and doors. It is used to deflect precipitation and/or provide shading for users.

CAPITAL RESERVE PLAN:

A formalized plan/strategy that compiles all major assets of a property and projects what major remedial actions may be required along with their costs. The term is used interchangeably with Depreciation Report (used mainly in BC), Reserve Study and Reserve Fund Study and is used more often with Housing Co-ops and commercial property.

CASH FLOW METHOD:

A CRF contribution strategy or option where contributions are designed to offset the variable annual expenditures from the CRF. The CRF is considered one large pool of money, where annual contributions (or special levies) offset the scheduled CRF expenditures from the fund, regardless of what the money is intended for on that particular year.

CASH FLOW TABLE:

A summary table in a depreciation report or reserve fund study that summarizes the pertinent and more practical financial values within a projected outlook (e.g., balances, recommended annual contributions, possible special assessments, estimated expenditures, estimated interest earned).

CEDAR SHAKES:

A thin tapered piece of cedar that is often used in an offset layered pattern such as roofing or cladding. Shakes are similar in appearance to shingles, but have differences in application, surface, and dimension. Compared to shingles, shakes are slightly thicker (1/2" to 3/4" at butt end) and have a more irregular surface finish causing them to not lay as flat after installation. Because of this, roofing shakes typically utilize felt paper between courses.

CEDAR SHINGLES:

A thin tapered piece of cedar that is often used in an offset layered pattern such as roofing or cladding. Shingles are similar in appearance to shakes, but have differences in application, surface, and dimension. Compared to shakes, shingles are slightly thinner (3/8" to 1/2" at butt end) and have a more precise surface finish. Shingles do not typically have felt interweaving.

CHILLER SYSTEM:

A mechanical system that is used to remove heat. It uses either vapour-compression or absorption refrigeration cycle processes to cool a fluid, which is then run through further equipment (e.g., heat exchanger) to remove heat from a space or equipment.

CHLORINATOR:

A mechanism used to treat a substrate, most commonly water, with chlorine or a chloride compound for the purpose of disinfection.

CIRCUIT BREAKER:

An electrical device that is composed of mechanical switches, which are designed to automatically switch off in case of high current flow. The equipment is used for safety purposes and is usually required by law.

CLADDING:

The exterior material or component of a building (typically at walls) designed to provide a deflection mechanism for weather precipitation and the first line of defense against the environment.

CONDOMINIUM BOARD:

The condominium board is usually elected by, and made up of, individual condominium or property owners. The board meets regularly to handle policy, finances, and make decisions about the upkeep and repair of the common property. In BC, these are referred to as strata councils.

CONTINGENCY RESERVE FUND:

A fund or financial account used to pay for asset repairs, rehabilitation work, renovations and renewals that occur less often than once per year. The fund may be built up over time through annual strata fees so that future common expenses can be paid for partially or fully from the fund.

CONVEYANCE:

Part of the building that transports (vertically or horizontally) supplies and/or building occupants from one point to another (e.g., elevators, escalators, wheelchair lifts).

COOLING TOWER:

A type of mechanical equipment that rejects waste heat to the atmosphere by way of cooling water. This type of heat rejection is "evaporative", where it allows a small portion of the water to evaporate into a moving air stream and provide significant cooling to the rest of that water stream. Common applications are found in air conditioning, manufacturing and electric power generation.

COST PROJECTION:

For Depreciation Reports and Reserve Studies, the cost projections relate to the future costs of asset renewals within a given timeframe.

CPI (CONSUMER PRICE INDEX):

An indicator of changes in consumer prices experienced by Canadians. It is obtained by comparing, over time, the cost of a fixed basket of goods and services purchased by consumers. This value should not be mistaken for the construction inflation rate and should not used for projecting future asset renewal costs in a Depreciation Report or Reserve Study.

DECK:

A deck is a low slope surface capable of supporting weight, similar to a floor, but typically constructed outdoors, often elevated from the ground, and usually connected to a building. More specifically, the term deck refers to a roof over living space and may be designed to be used in a fashion similar to a balcony.

DEPRECIATION REPORT UPDATES:

An update to a previous Depreciation Report, typically performed by the same company. This includes an update in interest and inflation values, history of CRF transactions and asset renewals, another interview with building representatives and in most jurisdictions, a site visit. Currently, strata corporations in BC are required to obtain depreciation report updates every three years unless voted down by a 3/4 vote and require a site visit. The updates, if performed by the same company, are usually much cheaper than the previous Depreciation Report.

DISCONNECT SWITCHES:

A disconnect switch is a piece of mechanical equipment that has the capability to interrupt power to an electrical circuit or to a group of electrical circuits. Disconnect switches are used in a wide variety of settings, and are primarily employed as safety devices, which de-energize circuits so that people can work on them safely.

DISTRIBUTION PANELS

A distribution panel is also known as a breaker panel. It consists of circuit breakers, fuses, and switches. The panel is connected to the main feeder lines and branch lines and is used to distribute electricity within a building.

DOMESTIC WATER PIPE ASSESSMENT

This is a comprehensive assessment conducted on the potable water and pipes to review the current condition of the domestic water distribution system. Information including, but not limited to, water quality, corrosion, leakage due to pitting, pipe breakage and serviceability, will be documented such that informed decisions regarding repair, rehabilitation or replacement of the pipelines can be made.

DUE DILIGENCE REPORT:

These reports typically refer to technical reviews or condition assessments on buildings that are being re-financed or changing possession. The interested party commissions the due diligence report from building/construction professionals/consultants in order to ascertain any potential financial liabilities.

EAVE:

The bottom horizontal edge of a roof that overhangs the face of a wall. The primary function of eaves is to keep rainwater off the windows and walls and to prevent the ingress of water at the junction where the roof meets the wall. The eaves may also protect walkways around a building, prevent erosion of the footings, and reduce splatter on the walls.

EFFECTIVE AGE:

The age of a component or asset based on its condition. This is usually chronological by default (time since installation), but may be younger or older, depending on the asset's condition.

ELEVATOR MODERNIZATION:

This typically refers to overhauling the elevator for most, if not all, of the mechanical and electrical components, as well as the interior finishes, with the exception of the structural cab.

EMERGENCY GENERATOR:

Equipment that uses fuel to produce emergency electricity when the electricity source from the centralized electrical grid is cut off, interrupted, or reduced. Emergency generators are often installed in buildings and are dormant when the building is obtaining electricity from the central grid.

EMERGENCY LIGHTING:

A battery-packed or generator-sourced lighting device that switches on automatically when a building experiences a power outage. Emergency lights are standard in new commercial and high occupancy residential buildings.

ENTERPHONE:

A standalone voice communication system for use within a building or small collection of buildings, functioning independently of the public telephone network. Enterphones are generally mounted permanently in buildings and can incorporate connections to public address loudspeaker systems, walkie-talkies, telephones, and other intercom systems. Some intercom systems incorporate control of devices such as signal lights and door latches.

EXPANSION TANK:

A mechanical vessel that is typically filled with air and is used to regulate water pressure by allowing the flow of expanding water into the tank and release pressure within the system. Expansion tanks are typically installed as part of the water supply line to the water heater. When the water temperature within the water heater rises, the water will expand due to its incompressibility.

FASCIA:

Usually consists of long, straight boards (e.g., wood or fibre cement) that run along the lower edge of a roof or balcony. Roof fascias are usually fixed directly to the trusses and act as backing for gutters.

FIRE PANELS:

A control unit for a building's fire alarm system. The purpose of this panel is to monitor fires, alert people to the location of a fire and supply power to fire detectors. There are two categories of fire alarm panels: conventional and addressable. In conventional fire alarm panels, a series of circuits link all the fire sensors to the central panel. The building is divided into zones, to which devices are wired accordingly. Addressable fire alarm panels have the system wired in one or more loops so that a fire can be pinpointed to its exact location.

FLASHING:

Usually refers to thin material (most often metal or polymeric) installed to deflect water away from a structure, joint, fenestration, etc. It often plays a key role in the weather resistant barrier (WRB) system.

FOB ACCESS:

A small security hardware device with built-in authentication, used to control, monitor, and secure access to certain areas. In buildings, key fobs can be used to access lobby doors, storage areas, fitness rooms, pool rooms, etc. The FOB communicates via a reader pad with a central server for the building to grant access to a particular area within customizable durations.

FULLY FUNDED OR FULL FUNDING:

A funding option proposed in most depreciation reports that allow for all projected expenses to be paid completely by the CRF with no projected special levies for the entire 30-year scope of the report. This funding strategy is usually impractical and requires substantial increases to CRF contributions and subsequently the strata fees. In other provinces where reserve planning has been legislated for much longer (e.g., Alberta), fully funded models are reasonable and attainable goals.

FUNDING MODELS:

Funding models utilize mathematical framework to establish appropriate funding strategies towards the proper maintenance and asset renewal of a property. These models incorporate various parameters such as inflation rates, interest rates, predicted special levies, as well as allowances for targeted work and consulting.

The purpose of proposing funding models is to quantify the level of unfunded liabilities and empower the building owners with information to make informed financial decisions. The Strata Property Regulation in BC requires that Depreciation Reports include at least 3 funding models.

FUSE:

A type of low resistance resistor that acts as a sacrificial device to provide over current protection of either the load or source circuit. The primary component is a metal wire or strip that melts when too much current flows through it, interrupting the circuit that it connects. Short circuits, overloading, mismatched loads, or device failure are the prime reasons for excessive current.

GEAR TRACTION ELEVATOR:

An elevator that is driven by an AC or DC electric motor using a worm-and-gear-type reduction unit, which turns the hoisting sheave. While the lift rates are slower than in a typical gearless elevator, the gear reduction offers the advantage of requiring a less powerful motor to turn the sheave.

GRADUATED HYBRID:

A type of funding model that combines the Baseline and Fully Funded models to achieve a balanced approach and gradual increase in CRF contributions. It starts with the current contribution levels and eventually reaches a 50% to 75% fully funded contribution level (this target percentage can be adjusted based on the financial condition of the property). Special levies may still occur but at smaller quantities and less frequently than the baseline model. This funding strategy allows for a more customized and pragmatic funding plan.

HEAT PUMP:

A mechanical device that uses electrical energy to extract heat from an area of lower heat content and transfer it to an area of higher heat content. A refrigerator is a common example of a heat pump device.

HEATING VENTILATION AIR CONDITIONING (HVAC):

Refers to either a professional field, area of study, or type of mechanical system/equipment. The HVAC of a building focuses on using mechanical systems and design to maintain reasonable air quality and interior environmental comfort through heating, ventilation, and air conditioning.

HOSE BIB:

An outdoor water threaded faucet, protruding from a building, also known as a wall hydrant. In colder climates, exterior house bibs should be installed in line with an interior wall (thermal barrier) such that it can be recessed within the wall to provide freezing protection or protected with exterior grade foam insulation.

HOT WATER STORAGE TANKS:

A mechanical vessel, such as an insulated tank, that is used for storing hot water for domestic use. Hot water tanks may have a built-in gas or oil burner system, electric immersion heaters, or may use an external heat exchanger to heat water from another energy source.

HOUSING CO-OP:

A legal entity, usually a corporation, which owns real estate, consisting of one or more residential buildings, where individual parties own a share instead of equity in the property. There are two types of housing co-operatives: non-profit and for-profit. In BC, there are also government subsidized and non-subsidized housing co-ops.

HYDRAULIC ELEVATOR:

An elevator that is powered by a piston that travels inside a cylinder. An electric motor pumps oil into the cylinder to move the piston, which then lifts the elevator cab. Electrical valves control the release of the oil for a gentle descent. They do not use large overhead hoisting machinery the way gear traction systems do.

INFLATION RATE:

A sustained increase in the general price level of materials and/or services in an economy over a period of time. Also defined as the percentage rate of change of a price index over time. For renewal costs, a construction inflation rate is used, rather than the CPI.

INFRARED (IR):

A type of electromagnetic radiation that has a wavelength greater than the red end of the visible light spectrum. It is invisible to the human eye. All objects on earth emit infrared radiation as heat, which is detectable by electronic sensors. IR cameras are used to assist with air leakage and discontinuities in thermal insulation.

INSPECTION:

Refers to a highly detailed and systematic review of a property with a well-defined scope of work and objective (e.g., roof, home). Most professional engineers do not provide "inspections," instead, provide assessments, observations, or technical reviews of buildings and/or targeted systems or equipment.

INTEREST RATE:

Also known as the annual percentage rate of the principal, is an amount that is charged to borrowers for the use of money from the lenders. It may be understood as the cost of borrowing money. Rates can change by lenders, government policies as well as inflation.

IRRIGATION:

The application of water to vegetation by means of pipes, sprinklers, ditches, or streams. It may refer to as a mechanical system (often automated) installed on a property for the purpose of watering trees, grass, or plants.

LIFE CYCLE ANALYSIS (LCA):

LCA is often applied to construction products, building assemblies, whole structures, building portfolios and highways. It is often referred to as cradle-to-grave or cradle-to-cradle analysis and is essential for making green decisions, whether in product manufacturing or in building design. It is life cycle thinking applied to a product: what is involved to make a product and transport it to an installation site; what inputs (e.g. raw materials) and outputs (e.g. products, waste) will occur related to making and using the product over its expected life as well as what will happen to the product when it is no longer needed.

MAINTENANCE MANUAL:

A report that acts as an information source, which includes building envelope assemblies, warranties, and guides end users in the understanding a building. The manual should define the building construction and its systems, along with the processes and procedures required for it to be maintained efficiently and safely. The manual should also provide recommendations, requirements and checklists for the proper maintenance and long-term performance of the respective system or equipment.

MAINTENANCE REVIEW:

A report that consists of a site visit to a property and typically a review of the building envelope systems and components, which comments on the effectiveness of current maintenance processes and procedures and offers recommendations for further maintenance actions.

MAJOR MAINTENANCE:

Maintenance is casually defined in the Strata Property Act as actions performed more often than once a year. Major maintenance consists of action items such as painting and sealant renewals, that are likely to occur less frequently than once a year and if not performed, have potentially significant financial and physical impact to the buildings.

MAKE UP AIR UNIT:

A piece of equipment used to accept, filter, and regulate airflow and distribute it throughout the building as part of the HVAC system. Usually contains a blower, heating or cooling elements, and filter racks.

MEMBRANE:

A layer or multiple layers of material or a combination of materials that serve as a moisture barrier or as an air and vapour barrier as well. An example would be a balcony or deck membrane (e.g., PVC or polyurethane), which protects the substrate below from water ingress. Other common membranes consist of asphalt, rubber, TPO and polyolefin.

MIXING VALVE:

A mechanical device that blends hot and cold water together to ensure constant safe outlet temperatures. The storage of water at a high temperature limits the possible breeding ground for bacteria, and the use of a mixing valve allows for water to be stored at high enough temperatures and still be used safely.

MOULD:

A form of organic growth, such as fungi, that may grow on construction materials. Mould needs three things to be created and sustain growth: food source, water, and suitable temperature. It can be any colour and can contribute to poor indoor air quality, adverse health effects, and material deterioration. It reproduces by releasing small "spores" into the air that can lay dormant for long periods of time.

OBSOLESCENCE (TYPES: FUNCTIONAL, AESTHETIC, ECONOMIC):

The state at which a piece of equipment, service, or practice is no longer needed even though it may still be in good working order. Obsolescence frequently occurs because a replacement has become available that has, in sum, more advantages than the inconvenience related to repurchasing the replacement.

PARKADE VESTIBULE:

A parkade vestibule is a lobby, entrance hall, or passage that serves to connect the parkade space to the rest of the building interior.

PATIO:

A ground level area intended for recreational use, commonly adjoining to a residence. Patios can be paved (e.g., stone, concrete, brick, etc.) or built up from the ground (e.g., wood) and not typically suspended or cantilevered from a building. Balconies are often suspended or cantilevered, and roof decks are over living space.

PAVER:

A cementitious/masonry unit commonly used at patios, roof decks, or walkways to provide a walking/traffic surface, a drainage pathway, and/or protection for underlying membranes/surfaces. Pavers are often made from concrete, stone, or brick.

PERCENT FUNDED:

The ratio, at a particular point of time (typically the beginning of the fiscal year), of the actual or projected reserve fund balance to the accrued reserve fund balance, expressed as a percentage.

PRESSURE REDUCING VALVE (PRV):

A mechanical device used in plumbing to provide a lower pressure fluid output from a higher-pressure fluid input, with the purpose of preventing damage that high pressure could cause to lines and plumbing devices on the output side. In many municipalities, supply water pressure is higher than what is recommended for domestic water lines (in some cases supply mains can exceed 200 psi). Many plumbing codes require PRVs where supply pressures exceed 80 psi.

RAKE:

The sloped edge of a roof at the ends or sides of a building. Rakes typically do not consist of an overhang, but should as it greatly assists in water deflection, especially if window penetrations exist below.

REAL ESTATE INSTITUTE OF CANADA (REIC):

An organization that provides education and designation programs for real estate industry professionals in Canada.

RECIRCULATION PIPE:

Recirculation pipes are used to circulate hot water continuously so that plumbing fixtures (e.g., faucet) will better provide hot water on demand.

RESERVE FUND STUDY:

Also known as a depreciation report, a report that reviews the current financial well-being of a property as well as provides a visual assessment of the quantities and conditions of common assets of the property and estimates whether there are sufficient funds available for anticipated major repairs or replacement of these common assets in the future. This report assists in long term financial planning; it strives to examine all the systems and other physical aspects and gives a reasonable expectation as to when they will need to be replaced or have non-routine repairs, and how much this will cost at that projected time in the future. BC is one of the only jurisdictions in North America that uses the term "Depreciation Report."

ROCK BALLAST:

Part of an assembly that consists of coarse aggregate (rocks or gravel) that is typically used to protect or hold something in place and/or provide a drainage plane. Rock ballasts are used frequently on built-up or inverted, low-slope roofing systems.

ROOFING CONTRACTORS ASSOCIATION OF BC (RCABC):

An organization that includes professional roofing contractors, manufacturers, and suppliers, and offers training, support, and leadership to its members.

SAND FILTER:

A device that uses sand as a natural filtration substance to purify water by removing suspended solids. This type of filter is environmentally friendly and commonly used in swimming pools. Regular maintenance (via backwashing or reversing the water flow through the filter) should be performed to maintain good water filtration.

SBS MEMBRANE:

A type of low-slope roofing membrane (styrene-butadiene-styrene) otherwise known as modified bitumen, made from asphalt and a variety of rubber modifiers and solvents. Techniques or methods to install SBS roofing membrane consist of heat applied, hot-mopped, mechanically fastened, and cold-applied adhesives.

SKYLIGHT:

A type of fenestration installed in a roof or ceiling (typically at 45 degrees or smaller), fitted with safety glass (i.e. tempered, laminated or wire reinforced) to allow for the transmission of daylight.

SOFFIT:

A flat material installed under roof overhangs, or balcony joist spaces. It may be used for aesthetic purposes but may also be useful in preventing unwanted animal habitation. Soffits are often perforated or have vents installed to allow for venting of the enclosed space. Soffits can be made from a variety of materials such as aluminum, vinyl, fiber cement, wood, steel, etc.

SPECIAL LEVY OR ASSESSMENT:

An amount of money that owners are required to provide to their Strata Corporation, in addition to their normal strata fees, to pay for essential items such as major maintenance, emergency repairs, legal fees/costs, renewal and rehabilitation of common assets, when there is a shortfall in available funds normally used for these types of expenses.

STANDPIPE:

A standpipe is part of a series of pipes that transport water to hose valves located within the building. It is designed to provide constant water flow for fire protection purposes and sometimes serves as a backup system for buildings with sprinklers.

STATUTORY FUNDING:

The minimum CRF funding level that is required to meet the statutory requirements for strata corporations. In BC, the minimum statutory CRF contribution is 10% of the strata corporation's operating budget, unless the CRF balance is at 25% of the operating budget. This is misleading as it indicates that 10% is sufficient when it typically is not.

STRATA CORPORATION:

A legal entity created by the deposit of a strata plan in the Land Title Office. Its purpose is to divide a building (or buildings) and/or a parcel of land into separate components individually owned where common components are owned by all of the owners. The owners of the strata lots are the members of the strata corporation. An elected strata council governs and maintains the strata corporation.

STRATA PLAN:

A strata plan outlines the areas, boundaries, and dimensions of the strata lots on a horizontal plane by reference to survey makers and not by reference to the floors, walls or ceilings of a building. This document is registered in the Land Title Office.

STRATA PROPERTY ACT:

The Strata Property Act came into effect on July 1, 2000, (replacing the Condominium Act) and provides a legal framework for all creations and operations of strata corporations in British Columbia. It contains pertinent information affecting strata corporations. Owners and residents in all strata properties must comply with the Strata Property Act, which requires every strata corporation to maintain property insurance on the buildings on a strata plan and to maintain liability insurance. Under the Strata Property Act, a strata corporation has a Schedule of Standard Bylaws, which governs the use, safety and condition of common property and common assets.

STRATA PROPERTY REGULATION:

Regulations are part of the Strata Property Act and are made by the Lieutenant Governor in Council. Along with the Strata Property Act, the Regulations are the applicable and practical component that allows for specific governance of a strata corporation's operation.

SUMP PUMP:

A pump used to remove water that has accumulated in a water collection sump basin commonly found in the lower sections of buildings. Sump pumps are especially used where the water table is above the foundation of the home. They will divert the water away from a house to a location that can withstand and deal with water flow such as a storm drain.

THEORETICAL FULLY FUNDED:

This refers to the annual allocation of funds that is required so that the owners will theoretically never require a special levy. In BC, where CRF balances and contributions (as well as strata fees) are relatively lower than the rest of Canada, it is often an unrealistic target for the short term but is useful to reference when setting targets and financial goals.

THRESHOLD FUNDING:

Threshold funding represents a reference funding level where the contingency reserve contribution is set at a predetermined amount.

TRANSFORMER:

An electrical device that converts electricity of one voltage into another. It does so by increasing or reducing the voltage of an alternating current.

TRIM:

Generally, a strip of material used to help transition between different underlying substrates or cladding components. Trims offer increased protection at vulnerable locations, facilitate construction, and/or provide an aesthetic element to a building. Common areas for trim usage include around windows and doors, at cladding inside/outside corners, floor lines, between different types of cladding, and at the base of walls. Common trim materials include comb-faced spruce, fiber cement board, metal, and polyvinyl sheets.

UNIFORMAT:

UniFormat is a North American based technical standard used for building asset life cycle and cost analysis as well as building specifications. It has been adopted by ASTM (American Society for Testing and Materials).

WARRANTY REVIEW:

A warranty review is a technical report written for a building generally 12-, 15-, 24-, 60-, and 120-months following construction. This report often includes a questionnaire for owners, a site visit by engineers for the purpose of reviewing the condition of various warrantable assets, and a professional opinion on construction deficiencies that may be warrantable by the insurance company. This report is most often commissioned by the owner(s) of the building. Types of warranty reviews will differ depending on what is covered, given a certain timeframe, but it is important to understand that only the insurer (not the engineer or contractor) can determine what a warrantable defect is. If there is disagreement, litigation can ensue, which would be costly to the property owners and insurance company.