Strata Plan EPS 2247

CAPSTONE - 135 West 2nd Street, North Vancouver, BC

Depreciation Study – December 2020

Prepared For:

The Owners, Strata Plan EPS 2247
AWM Alliance Real Estate Group Ltd
#401-958 West 8th Avenue, Vancouver, BC

Attention: Alex Boatman, Strata Agent

Project Number

VAN-00259754-A0

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Legal Notification

This report was prepared by EXP Services Inc. for the account of The Owners, Strata Plan EPS 2247.

Any use which a third party makes of this report, or any reliance on or decisions to be made based on it, are the responsibility of such third parties. EXP Services Inc. accepts no responsibility for damages, if any, suffered by any third party because of decisions made or actions based on this project.

Executive Summary

We have identified the expected action items in terms of maintenance, renewal, repair and replacement of each of the physical components for the next 30 years and have estimated the expenses per current rates. An idealized thirty-year (30) expense forecast has been constructed for the common physical components using which three funding models per legislation with varying annual contributions, special levies and borrowing was generated. In all models a $50,000 minimum rescue fund balance is maintained.

In general, considering the age of the building and the pro-active action by the Strata, the common elements at Capstone was observed to be performing adequately. An expenditure of approximately $2.86 Million is expected in the next 30 years for the management of common elements.

Immediate expenses in the next 8 years include the following:

- Liquid Balcony Membrane
- Security Monitoring
- Hot Water Tanks
- Exterior Paint
- Sealant
- Entrance gate motors
- Security monitoring
- Timber retaining walls
- Amenity room
- Lobby

We have presented three Funding Models per the intent of the legislation to provide the Owners with case scenarios of how the amount of annual contribution and the percentage increase in contributions each succeeding year affects the amount of Special Assessments required to meet the expenses in the forthcoming 30 years.

1. Analysis of Funding Model 1

Funding Model 1 begins with the annual contingency contribution of the $36,000 annually but with an inflation rate of 3%**.** This funding model may be underfunded to meet the forecasted expenditures, especially in the years 2023, 2033, 2038 and 2043 where 'Special Assessments' may be required to fund the work. Several Special Assessments are expected with this current model, but the Strata Fees will remain at the current level where approximately 63% of anticipated expenditures could be funded by the strata contributions.

2. Analysis of Funding Model 2

Funding Model 2 begins with the annual contingency contribution of the current $36,000 annually but with an inflation rate of **4%** until the year 2044 where it returns to 3% annually. (All three funding models will have the same annual contribution amounts going forward in the year 2044) Four Special Assessments are expected with this model (2023, 2033, 2038 and 2043) where approximately 69% of anticipated expenditures could be funded by the strata contributions.

3. Analysis of Funding Model 3

Funding Model 3 begins with the annual contingency contribution of the current $36,000 annually but with an inflation rate of **6%** until the year 2044 where it returns to 3% annually. (All three funding models will have the same annual contribution amounts going forward in the year 2044) Four Special Assessments are expected with this model (2023, 2033, 2038 and 2043) where approximately 84% of anticipated expenditures could be funded by the strata contributions.

Introduction

1.1 Terms of Reference

EXP services Inc. (EXP) was retained by the Owners, Strata Plan EPS 2247, to conduct a Depreciation Study of the residential condominium buildings located at 135 West 2nd Street, North Vancouver, BC. Per request from AWM Alliance Real Estate Group Ltd. Strata Agent Alex Boatman on behalf of Strata Plan EPS 2247, EXP submitted a proposal 999-00067062-PP dated: January 22, 2020. Authorization to proceed was provided by Mr. Alex Boatman on May 06, 2020.

Strata Corporations in British Columbia are legally required by the Strata Property Act to establish and maintain a contingency reserve fund, to accommodate major capital expenditures necessary for maintenance, repair and/or replacement of the common elements. Recent changes to the Strata Property Act, dated: December 13th, 2011, by the B.C. Provincial Government require Strata Corporations to engage a qualified individual/firm to conduct an in initial Depreciation Study before December 13, 2013 and periodic updates (every 3 years) to evaluate the fund's adequacy towards the forthcoming capital expenditures.

The objective of a Depreciation Study is to provide a realistic appraisal of the funds required for the purposes of undertaking major renewal, repair and/or maintenance (conducted less often than once a year) of various common element building components. The common elements include common property, common assets, and those parts of a Strata lot or limited common property that the Strata Corporation repairs or maintains.

The following report summarizes the findings and recommendations of the Depreciation Study of the buildings owned and maintained by Strata Plan EPS 2247. This report presents our recommendations for the Strata Plan EPS 2247's annual contribution for a fiscal year to December 31, 2019.

1.2 Scope of Work

The depreciation study was conducted in general conformance with the EXP's proposal, unless otherwise indicated specifically in the below report. The detailed scope of work described in our proposal and carried out by EXP is briefly summarized as follows.

1. Review of available construction and maintenance documents provided by the Strata Corporation to become familiar with the individual building systems.
2. Conduct a visual review of the common element components, to review their present condition, and estimate remaining life expectancies of these components. The visual review of common elements is limited to the ground-level common areas, amenity areas, roof and review of building envelope components such as balconies, roof decks, exterior walls, windows that are visible form the accessed areas through select suites.
3. Prepare an inventory of physical components of the common elements based on the documents provided and visual review.
4. Based on the type, age and current observed condition estimate the expected service life of each of the components. Prepare estimates per current year (i.e., 2020) for replacement, repair and/or maintenance actions, as appropriate for each common element components that will fall within the next 30-year period.

5. Provide a digital copy of the report that includes an inventory list of common physical components, their expected remaining service life, estimated current repair/maintenance/replacement expenses, expenses forecast over the next 30-year period and 3 options of cash-flow and contribution charts indicating the annual contributions required and annual reserve fund balances over a thirty (30) year period.

1.3 No Relation Statement

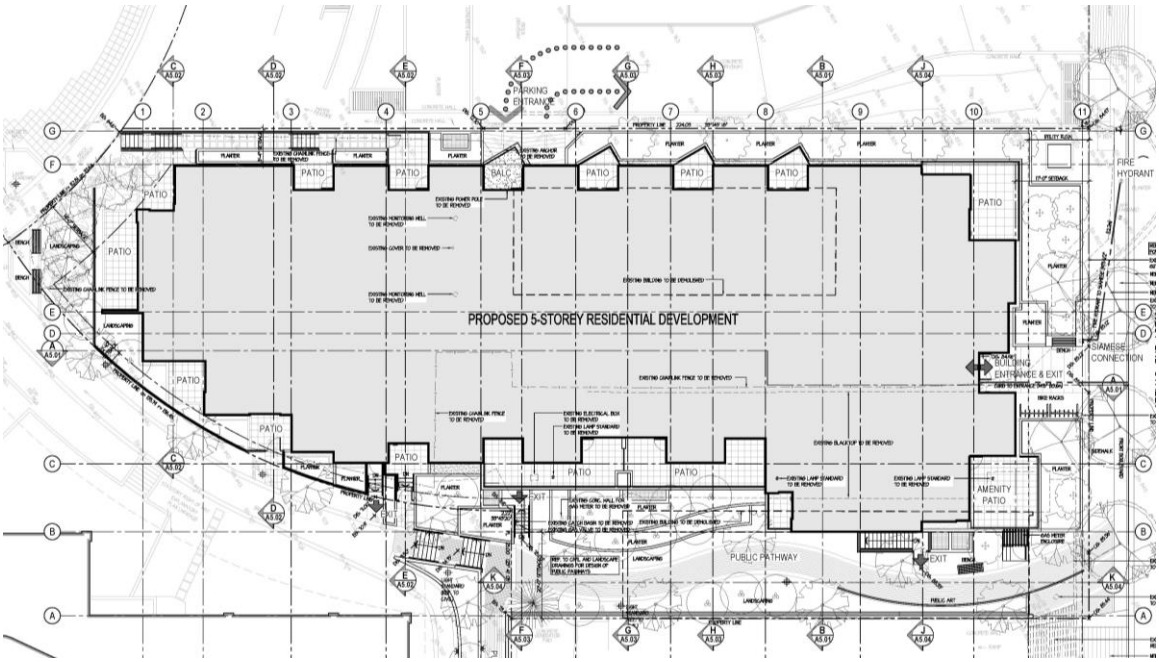
EXP declares that there is no relationship or financial conflict of interest relating to the preparation of the Depreciation Report. None of the employees of EXP's Building Science Division Burnaby Office is part of or related to any of the Strata Council.

1.4 Building Description

The building of Strata Plan EPS 2247 is located at 135 West 2nd Street, North Vancouver, BC.

The building consists of a six (6) storey residential building with 71 residential units and two (2) level of below-grade residential parking. The building was constructed circa 2013.

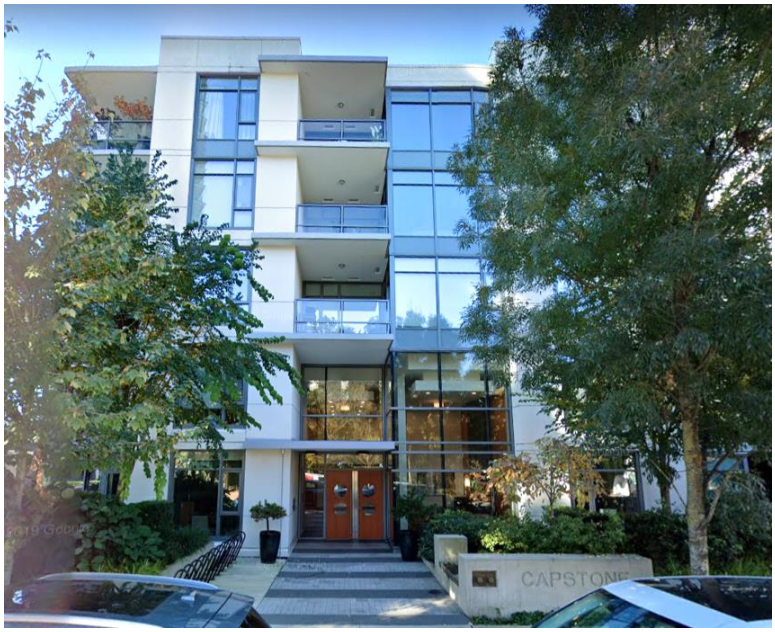
Figure 1: Site Plan





South Elevation

(Image from Googlemaps)



North Elevation

(Image from Googlemaps)



East Elevation



West Elevation

1.5 Report Composition

This report is divided into five (5) chapters.

Chapter 1 includes an introduction outlining the scope of work, building description and report composition.

Chapter 2 discusses our methodology and approach to creating an inventory of physical common elements, evaluating and assessing the remaining lives of each element and costs for all major common elements.

Chapter 3 discusses the overall condition of the major common element components, based on our limited visual review.

Chapter 4 presents the issue of forecasted major expenditures required to maintain all the common element components of the complex. The assumptions and methodology used in constructing the thirty (30) year forecast are also explained, and suggested cash flow charts for the reserve fund over the next thirty (30) years are presented.

Chapter 5 is the report's closing statement.

Appendicles include:
Appendix A – Interpretation and Use of Study and Report
Appendix B – Inventory of Common Elements
Appendix C – Cost Summary
Appendix D – 30-Year Expenses Forecast
Appendix E – Insurance Certificate

2 Study Methodology and Approach

This chapter briefly describes our approach to evaluating the major common elements reviewed regarding their normal life expectancies, assessing the remaining life expectancies (that account for the present age and/or condition of the element), and estimating the current, i.e., 2020, anticipated maintenance, repair and/or replacement cost.

2.1 Study Methodology

As part of the Depreciation Study, EXP had conducted a document review, visual review, an interview with the Building Manager and issuance of a draft report.

2.1.1 Documents Review

EXP conducted a document review to get familiarized with the building and the building components prior to the visual review. EXP was provided with the following documents for review provided by AWM Alliance Real Estate Group Ltd:

- Architectural Drawings – January 28, 2013
- Financial Statement: December 31, 2019

2.1.2 Visual Review

On June 02, 2020 Jeremy Last of EXP was on site to conduct a visual review of the building exterior and interior. The weather at the time of the exterior review was cloudy with rain and a temperature of approximately 13º C. The property manager was present on site at the time of the reviews and discussed the history, condition and current problems of some of the components in the building with the building manager.

The assessments made herein are based upon visual review only. No form of testing has been conducted. Accordingly, the projections are subjective in nature and represent only our professional opinion.

2.1.3 Final Report

EXP will issue this as a Draft Report for Strata Council's review. EXP will revise the draft report based on the strata's comments before submitting this Final Report.

2.2 Study Approach

2.2.1 Inventory of Common Physical Components

EXP reviewed and included an inventory of common physical components as required and defined by the legislation in the Appendix B with Photos. A summary of the physical components is included in Chapter 3. The information such as the expected remaining service life, required actions for each of the components and the cost of each of the actions are included in the Cost Summary - Appendix C.

The common physical components are pre-dominantly identified and confirmed during the visual review. Identification of common physical components is based on our experience with typical strata buildings. We note this may vary. The physical components are grouped

and defined taking into consideration the location of the element (e.g. interior and exterior elements) and the system it belongs to (e.g. mechanical and electrical).

2.2.2 Expected Remaining Service Life

The normal service life expectancy of the components has been determined based on our site visit and our experience with buildings and construction of a similar nature. For the purposes of this Study, the present age of the elements has been determined based on the age and history, confirmed through the factual documents provided, discussion with the property manager, strata council and/or building manager and through visual observations.

The expected remaining life expectancy of the common building components is evaluated based on the expected normal service life of the condition during our visual review. Our judgment of normal and remaining life expectancies assumes that a reasonable amount of timely and proper maintenance is provided during the lifespan of the components. It should be noted that life expectancy will depend on the use and maintenance of the building components.

It is important that the building and related assets be inspected regularly to determine whether all components are performing as anticipated and to take appropriate corrective measures if they are not. It is possible that components may be replaced before the end of their service lives to serve needs other than maintaining their functionality. Such conditions (e.g., building improvements) are not considered in this Study.

Under normal circumstances “Remaining Life” is the arithmetical difference between the “Normal Service Life” and “Present Age”. However, in some instances, due to either premature failure or superior performance and durability, the “Expected Remaining Life” of an element may be modified to account for its present condition. For some elements, brick pavement as an example, the normal life expectancy equals or exceeds the design life of the building itself. In such instances we recommend that an allowance for partial repair and or maintenance of the total element be allowed for on a regular basis.

2.2.3 Estimated Action Items, Expenses and Forecast

Quantity take-offs are conducted on a unit measurement basis, e.g., area (square foot), or per item/job. The type of construction is determined from available information and, where this is deemed inadequate, the details of construction are assumed to be that which would typically be done for the specific element under consideration.

The estimates are based on normal life expectancy and do not include repairs that may be required due to unusual circumstances, improper use of facilities, or “Acts of God”. It should be noted that costs will vary from year to year, for several reasons, and that these costs should be updated periodically to reflect current market conditions.

‘Replacement Cost’ is generally based upon complete removal and replacement of the element in question. Where a contingency has been made for only partial repair (and not replacement), we have identified this in the report as ‘Repair’ or ‘Maintenance’. Replacement costs are typically higher than similar items for new construction, since additional effort is required to remove and dispose of existing systems and to protect components that must remain.

The costs presented are in 2020 dollars, however projected using an average inflation rate of 2%. We have not allowed for the expense of professional consulting services to prepare specifications and to review remedial work. However, in our opinion, it may be desirable to retain professional consulting services to help ensure that high quality replacement work is conducted.

We expect our estimates to be reasonably accurate when compared to an average of reasonable bids from professional contractors for a given repair/replacement item.

Our cost projections are based upon the following:

- Experience and records of similar construction and remedial work;
- Discussions with various contractors and/or material suppliers where appropriate;
- "Means Building Construction Cost Data", published by R.S. Means Company, Inc., Kingston, MA, and

No allowance has been made for costs associated with disruption of use of facility, costs due to non-availability of current system or material (obsolescence), or costs related to changes in legislation (e.g., safety code changes, disposal costs, etc.).

3 Overview of Common Elements

3.1 Introduction

This chapter includes a summary of the Common Physical Elements and discusses only the significant cost implications on the components for which the remaining life varies from the normal life expectancy as listed in Appendix B. Within these sections we may provide some typical samples of premature failures and/or deterioration which we noted during our site review. These examples are not intended to be a complete listing of all the areas affected, but rather to provide an indication as to the types of conditions present on site.

3.2 Site Elements

The site elements typically comprise of the components that are within the property line of the building complex but exterior of the building footprint such as landscaping, exterior ramps, stairs and driveways.

3.3 Building Superstructure

The superstructure of the building is a 6-storey cast-in-place concrete reinforced structure that extends to below-grade foundation of the building.

The foundation and below-grade structural system predominately comprises of suspended slab with slab-bands, shear wall, and columns. The above grade concrete structure comprises of concrete construction with cantilevered concrete balconies.

The superstructure of the building in general was observed to be in serviceable condition and not expected to require replacement or major renewal for the duration of this Study, and possibly not for the entire expected service life of the building, provided the waterproofing and weather protection of the superstructure is maintained and renewed as required.

3.4 Below-Grade & At-Grade

Major items that are anticipated to require replacement, renewal or repairs within the 30-year term are the garage door motors, entry phone, landscape membrane and paving stone entrance.

3.5 Exterior Building Elements

Most of the major items of the exterior building elements including the liquid balcony membranes, exterior paint is anticipated to require replacement around 2023. Landscape membrane and roof deck membrane is anticipated for replacement around 2043 and the green roof is anticipated for replacement around 2048. All items are dependent on how well the building envelope is maintained over the next 15-20 years.

3.6 Interior Building Elements

Interior Elements carry a Life Cycle of approximately 15-years and replacement costs are anticipated in around 8-years' time (2028) for components such as new carpet and painting.

3.7 Electrical Elements

The garage entrance motors, and the gas detection system are anticipated for potential replacement in 2023.

3.8 Mechanical Elements

The irrigation system and garage ventilation fans are anticipated for potential replacement in 2033. The make-up air units and storm pump systems are anticipated for potential replacement in 2038. The hot water tanks are anticipated for potential replacement in 2043.

3.9 Building Service Systems

Building Systems are to be annually inspected by certified personnel as per City of Vancouver and Provincial Safety Authority requirements. The fire alarm and speakerphone systems have an uncertain life cycle and are to be monitored and replaced as required. Replacement of the entry phone and security system is anticipated for the year 2038.

4 Funding Models

4.1 Overview

The Strata Property Act requires that a Strata corporation establish and maintain a separate Contingency Reserve Fund to accommodate major capital expenditures. Further, the Act requires that the Strata collect, from the unit-owners, contributions to this Contingency Reserve Fund which are calculated based on expected maintenance, repair and replacement costs, and the life expectancy of the common elements. This requires a prediction of future events.

Establishing the amounts necessary to properly fund the reserves is one of the most difficult tasks facing condominiums. The Strata Council is often confronted with two apparently conflicting mandates. Firstly, they must keep common element fees low and, secondly, they must maintain the condominium assets in a reasonable state of repair and avoid special assessments. The estimates in the following tables, based on an engineered approach, provide a rational plan for accumulating reserves for future repair and replacement. This relies on costs based on available information, the current state of knowledge of performance of building systems, present technology and on commonly used economic factors.

The Table in Appendix B provides a list of items included in the study, a brief description of these elements, their estimated normal and remaining lives, and their respective replacement costs. The Table in Appendix C summarizes the pertinent information to be used in forecasting future capital expenditures for all the major maintainable common element components of Strata Plan EPS 2247.

The Table in Appendix D presents our projections for annual expenditures, interest income, required contributions (for the corporation as a whole), and reserve fund balance forecast over a thirty-year (30) period for one select interest/inflation rate scenario. It also includes three different funding scenarios at the bottom of the page. The following sections explain the methodology used and assumptions made in constructing the thirty-year (30) repair/replacement forecast.

The three tables in the Section 4.3 include the cash flow and contribution for each of the three funding scenarios and explore the following objectives:

Funding Model 1 begins with the annual contingency contribution of the $36,000 annually but with an inflation rate of 3%**.** This funding model may be underfunded to meet the forecasted expenditures, especially in the years 2023, 2033, 2038 and 2043 where ‘Special Assessments’ may be required to fund the work. Several Special Assessments are expected with this current model, but the Strata Fees will remain at the current level where approximately 63% of anticipated expenditures could be funded by the strata contributions.

Funding Model 2 begins with the annual contingency contribution of the current $36,000 annually but with an inflation rate of 4% until the year 2044 where it returns to 3% annually. (All three funding models will have the same annual contribution amounts going forward in the year 2044) Four Special Assessments are expected with this model (2023, 2033, 2038 and 2043) where approximately 69% of anticipated expenditures could be funded by the strata contributions.

Funding Model 3 begins with the annual contingency contribution of the current $36,000 annually but with an inflation rate of 6% until the year 2044 where it returns to 3% annually. (All three funding models will have the same annual contribution amounts going forward in the year 2044) Four Special Assessments are expected with this model (2023, 2033, 2038 and 2043) where approximately 84% of anticipated expenditures could be funded by the strata contributions.

4.2 Thirty-Year (30) Repair/Replacement Forecast

Appendix D is an idealized thirty-year (30) cash flow plan for the contingency reserve fund of Strata Plan EPS 2247 that has been constructed for the common elements as they presently exist.

A repair or replacement cost for that item is entered to the appropriate column of Appendix D as expenditure based upon the projections of remaining life for each common element component. The cost inserted into any column is the future value of the element's current action cost that is listed in the Table in Appendix B. We have used a constant annual inflation rate of 2.0% (displayed at the top of the Table in Appendix C) and standard annuity formulas to determine the future value of remedial work. The expenditures are then summed for each year to arrive at a figure for “Total Expenditures”.

During the next 30-year period the Strata Corporation is expected to have expenses of approximately $2.86 million.

“Interest Income” is generated from two components: from reserve fund monies already on deposit; and from the Strata's annual contributions. For this Depreciation Study we have assumed a constant interest rate of 1% which is displayed at the top of Appendix D. Our analysis presupposes that the “Strata's Annual Contribution” is deposited in twelve (12) equal payments at the end of each month. We recommend that all interest be reinvested in the reserve fund to offset increases in annual contributions.

The end-of-year “Reserve Fund Balance” is calculated as the sum of the previous year's “Reserve Fund Balance” (or “Present Reserve Fund” in the case of year one), “Total Expenditures”, “Taxes”, “Interest Income”, “Corporation's Annual Contribution”, and any “Special Assessment”.

It is our opinion that the actual reserve fund contributions should be determined by the Council of Strata Plan EPS 2247 (using our recommendations as a guide), in consort with their property management firm and accountant, to properly reflect the perceived needs and planning objectives set out by the Council.

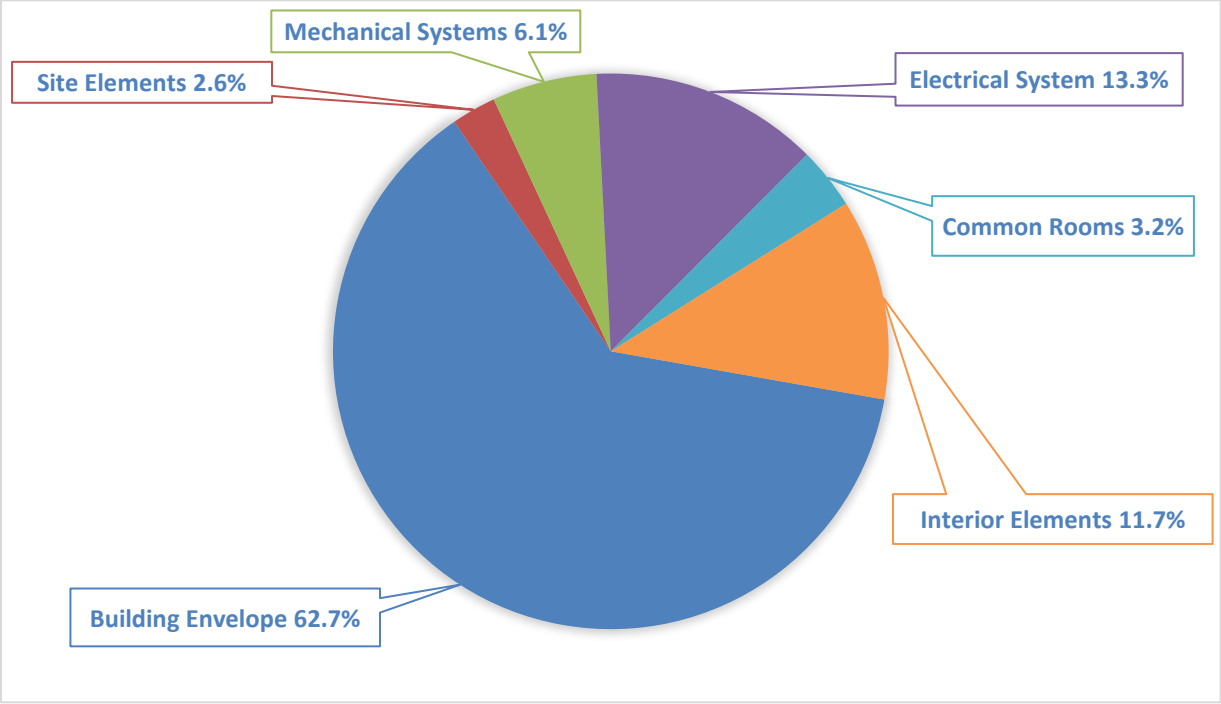
Please note that this study must not be relied upon on its own, without regular periodic updating. We also recommend that firm quotes be obtained from reputable contractors for the required rehabilitation work to more accurately establish the exact figure for any special assessment.

4.3 Cash Flow and Contribution

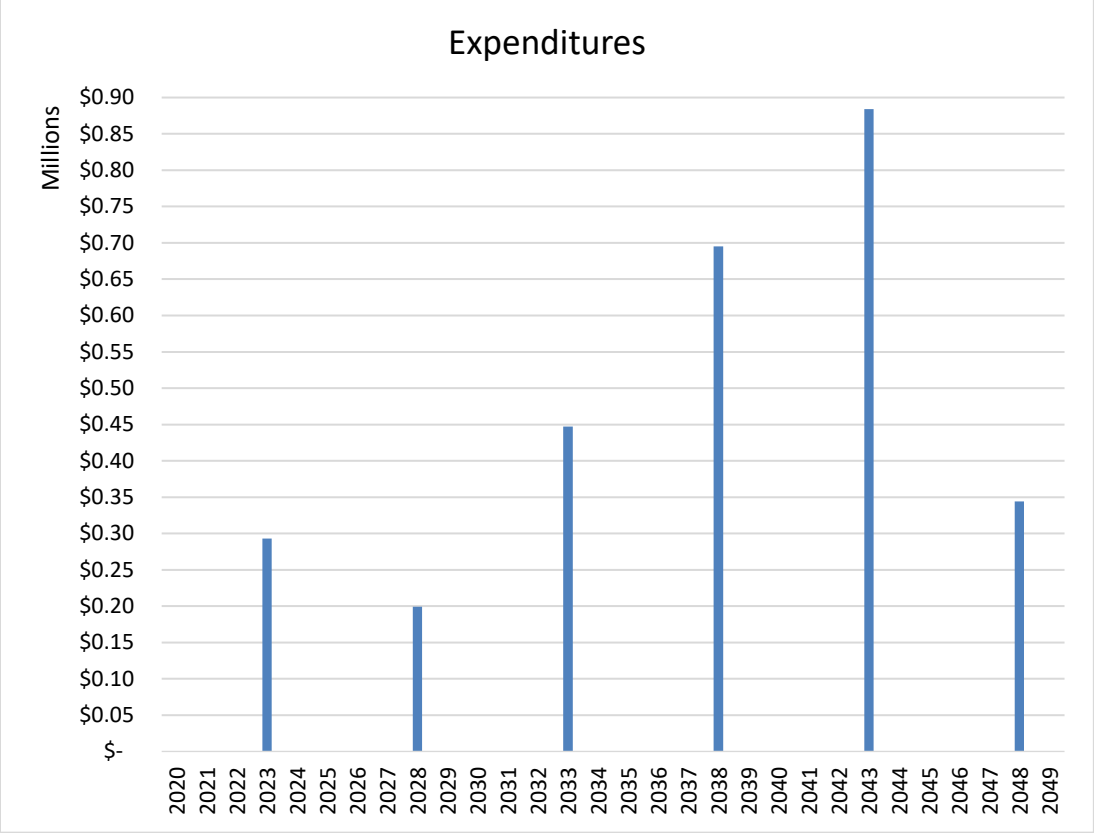
We have provided 3 different reserve fund models per the requirements of the legislation. We have made recommendations for funding levels that should ensure that adequate

reserve funds are accumulated to pay for major capital expenditures over the next thirty (30) years.

We have determined the “Strata's Annual Contribution” requirement on the basis that the “Reserve Fund Balance” for each of the remaining thirty (30) years must never result in a deficit or zero balance. We do not recommend that reserves be maintained at or near a “zero” balance in case some unforeseen repair arise requiring emergency expenditures. A minimum balance of $50,000 has been maintained in each funding model.



The chart below presents the projected timeline of the expenditures during the 30-year study. It is possible the replace/repair years are postponed or expedited depending on the Strata's decisions, financial situation and short-term/long-term goals. The timeline is used as a guide only and should not be relied upon itself for maintaining the Strata's common asset.



4.3.1 Funding Model 1

Funding Model 1 begins with the annual contingency contribution of the $36,000 annually but with an inflation rate of 3%**.** This funding model may be underfunded to meet the forecasted expenditures, especially in the years 2023, 2033, 2038 and 2043 where 'Special Assessments' may be required to fund the work. Several Special Assessments are expected with this current model, but the Strata Fees will remain at the current level where approximately 63% of anticipated expenditures could be funded by the strata contributions.

Funding Model 1: Cash Flow

Year	Opening Balance	Annual Contribution	Special Assessment	Total Contribution	Interest Income	Expenditures	Closing Balance
		A	B	A + B			
2020	$150,000.00	$36,000.00	$0.00	$36,000.00	$0.00	$0.00	$186,000.00
2021	$186,000.00	$37,080.00	$0.00	$37,080.00	$1,860.00	$0.00	$224,940.00
2022	$224,940.00	$38,192.40	$0.00	$38,192.40	$2,249.40	$0.00	$265,381.80
2023	$265,381.80	$39,338.17	$36,000.00	$75,338.17	$2,653.82	-$293,000.00	$50,373.79
2024	$50,373.79	$40,518.32	$0.00	$40,518.32	$503.74	$0.00	$91,395.85
2025	$91,395.85	$41,733.87	$0.00	$41,733.87	$913.96	$0.00	$134,043.67
2026	$134,043.67	$42,985.88	$0.00	$42,985.88	$1,340.44	$0.00	$178,369.99
2027	$178,369.99	$44,275.46	$0.00	$44,275.46	$1,783.70	$0.00	$224,429.15
2028	$224,429.15	$45,603.72	$0.00	$45,603.72	$2,244.29	-$199,000.00	$73,277.16
2029	$73,277.16	$46,971.83	$0.00	$46,971.83	$732.77	$0.00	$120,981.77
2030	$120,981.77	$48,380.99	$0.00	$48,380.99	$1,209.82	$0.00	$170,572.58
2031	$170,572.58	$49,832.42	$0.00	$49,832.42	$1,705.73	$0.00	$222,110.72
2032	$222,110.72	$51,327.39	$0.00	$51,327.39	$2,221.11	$0.00	$275,659.22
2033	$275,659.22	$52,867.21	$166,000.00	$218,867.21	$2,756.59	-$447,000.00	$50,283.03
2034	$50,283.03	$54,453.23	$0.00	$54,453.23	$502.83	$0.00	$105,239.09
2035	$105,239.09	$56,086.83	$0.00	$56,086.83	$1,052.39	$0.00	$162,378.31
2036	$162,378.31	$57,769.43	$0.00	$57,769.43	$1,623.78	$0.00	$221,771.52
2037	$221,771.52	$59,502.51	$0.00	$59,502.51	$2,217.72	$0.00	$283,491.75
2038	$283,491.75	$61,287.59	$398,000.00	$459,287.59	$2,834.92	-$695,000.00	$50,614.26
2039	$50,614.26	$63,126.22	$0.00	$63,126.22	$506.14	$0.00	$114,246.62
2040	$114,246.62	$65,020.00	$0.00	$65,020.00	$1,142.47	$0.00	$180,409.09
2041	$180,409.09	$66,970.60	$0.00	$66,970.60	$1,804.09	$0.00	$249,183.78
2042	$249,183.78	$68,979.72	$0.00	$68,979.72	$2,491.84	$0.00	$320,655.34
2043	$320,655.34	$71,049.11	$540,000.00	$611,049.11	$3,206.55	-$884,000.00	$50,911.01
2044	$50,911.01	$73,180.59	$0.00	$73,180.59	$509.11	$0.00	$124,600.71
2045	$124,600.71	$75,376.01	$0.00	$75,376.01	$1,246.01	$0.00	$201,222.72
2046	$201,222.72	$77,637.29	$0.00	$77,637.29	$2,012.23	$0.00	$280,872.24
2047	$280,872.24	$79,966.40	$0.00	$79,966.40	$2,808.72	$0.00	$363,647.36
2048	$363,647.36	$82,365.40	$0.00	$82,365.40	$3,636.47	-$344,000.00	$105,649.23
2049	$105,649.23	$84,836.36	$0.00	$84,836.36	$1,056.49	$0.00	$191,542.08
2050	$87,381.45	$87,381.45	$1,056.49	$88,437.94	$191,542.08	$0.00	$280,838.95

4.3.2 Funding Model 2

Funding Model 2 begins with the annual contingency contribution of the current $36,000 annually but with an inflation rate of 4% until the year 2044 where it returns to 3% annually. (All three funding models will have the same annual contribution amounts going forward in the year 2044) Four Special Assessments are expected with this model (2023, 2033, 2038 and 2043) where approximately 69% of anticipated expenditures could be funded by the strata contributions.

Funding Model 2: Cash Flow							
Year	Opening Balance	Annual Contribution	Special Assessment	Total Contribution	Interest Income	Expenditures	Closing Balance
		A	B	A + B			
2020	$150,000.00	$36,000.00		$36,000.00	$0.00	$0.00	$186,000.00
2021	$186,000.00	$37,440.00	$0.00	$37,440.00	$1,860.00	$0.00	$225,300.00
2022	$225,300.00	$38,937.60	$0.00	$38,937.60	$2,253.00	$0.00	$266,490.60
2023	$266,490.60	$40,495.10	$34,000.00	$74,495.10	$2,664.91	-$293,000.00	$50,650.61
2024	$50,650.61	$42,114.91	$0.00	$42,114.91	$506.51	$0.00	$93,272.02
2025	$93,272.02	$43,799.50	$0.00	$43,799.50	$932.72	$0.00	$138,004.25
2026	$138,004.25	$45,551.48	$0.00	$45,551.48	$1,380.04	$0.00	$184,935.78
2027	$184,935.78	$47,373.54	$0.00	$47,373.54	$1,849.36	$0.00	$234,158.68
2028	$234,158.68	$49,268.49	$0.00	$49,268.49	$2,341.59	-$199,000.00	$86,768.75
2029	$86,768.75	$51,239.23	$0.00	$51,239.23	$867.69	$0.00	$138,875.66
2030	$138,875.66	$53,288.79	$0.00	$53,288.79	$1,388.76	$0.00	$193,553.21
2031	$193,553.21	$55,420.35	$0.00	$55,420.35	$1,935.53	$0.00	$250,909.09
2032	$250,909.09	$57,637.16	$0.00	$57,637.16	$2,509.09	$0.00	$311,055.34
2033	$311,055.34	$59,942.65	$123,000.00	$182,942.65	$3,110.55	-$447,000.00	$50,108.54
2034	$50,108.54	$62,340.35	$0.00	$62,340.35	$501.09	$0.00	$112,949.98
2035	$112,949.98	$64,833.97	$0.00	$64,833.97	$1,129.50	$0.00	$178,913.45
2036	$178,913.45	$67,427.32	$0.00	$67,427.32	$1,789.13	$0.00	$248,129.91
2037	$248,129.91	$70,124.42	$0.00	$70,124.42	$2,481.30	$0.00	$320,735.62
2038	$320,735.62	$72,929.39	$349,000.00	$421,929.39	$3,207.36	-$895,000.00	$50,872.37
2039	$50,872.37	$75,846.57	$0.00	$75,846.57	$508.72	$0.00	$127,227.67
2040	$127,227.67	$78,880.43	$0.00	$78,880.43	$1,272.28	$0.00	$207,380.38
2041	$207,380.38	$82,035.65	$0.00	$82,035.65	$2,073.80	$0.00	$291,489.83
2042	$291,489.83	$85,317.08	$0.00	$85,317.08	$2,914.90	$0.00	$379,721.81
2043	$379,721.81	$88,729.76	$462,000.00	$550,729.76	$3,797.22	-$884,000.00	$50,248.78
2044	$50,248.78	$73,180.59	$0.00	$73,180.59	$502.49	$0.00	$123,931.86
2045	$123,931.86	$75,376.01	$0.00	$75,376.01	$1,239.32	$0.00	$200,547.18
2046	$200,547.18	$77,637.29	$0.00	$77,637.29	$2,005.47	$0.00	$280,189.94
2047	$280,189.94	$79,966.40	$0.00	$79,966.40	$2,801.90	$0.00	$362,958.24
2048	$362,958.24	$82,365.40	$0.00	$82,365.40	$3,629.58	-$344,000.00	$104,953.22
2049	$104,953.22	$84,836.36	$0.00	$84,836.36	$1,049.53	$0.00	$190,839.11
2050	$190,839.11	$87,381.45	$0.00	$87,381.45	$1,908.39	$0.00	$280,128.95

4.3.3 Funding Model 3

Funding Model 3 begins with the annual contingency contribution of the current $36,000 annually but with an inflation rate of 6% until the year 2044 where it returns to 3% annually. (All three funding models will have the same annual contribution amounts going forward in the year 2044) Four Special Assessments are expected with this model (2023, 2033, 2038 and 2043) where approximately 84% of anticipated expenditures could be funded by the strata contributions.

Funding Model 3: Cash Flow							
Year	Opening Balance	Annual Contribution	Special Assessment	Total Contribution	Interest Income	Expenditures	Closing Balance
		A	B	A + B			
2020	$150,000.00	$36,000.00	$0.00	$36,000.00	$0.00	$0.00	$186,000.00
2021	$186,000.00	$38,160.00	$0.00	$38,160.00	$1,860.00	$0.00	$226,020.00
2022	$226,020.00	$40,449.60	$0.00	$40,449.60	$2,260.20	$0.00	$268,729.80
2023	$268,729.80	$42,876.58	$29,000.00	$71,876.58	$2,687.30	-$293,000.00	$50,293.67
2024	$50,293.67	$45,449.17	$0.00	$45,449.17	$502.94	$0.00	$96,245.78
2025	$96,245.78	$48,176.12	$0.00	$48,176.12	$962.46	$0.00	$145,384.36
2026	$145,384.36	$51,066.69	$0.00	$51,066.69	$1,453.84	$0.00	$197,904.89
2027	$197,904.89	$54,130.69	$0.00	$54,130.69	$1,979.05	$0.00	$254,014.63
2028	$254,014.63	$57,378.53	$0.00	$57,378.53	$2,540.15	-$199,000.00	$114,933.31
2029	$114,933.31	$60,821.24	$0.00	$60,821.24	$1,149.33	$0.00	$176,903.88
2030	$176,903.88	$64,470.52	$0.00	$64,470.52	$1,769.04	$0.00	$243,143.44
2031	$243,143.44	$68,338.75	$0.00	$68,338.75	$2,431.43	$0.00	$313,913.62
2032	$313,913.62	$72,439.07	$0.00	$72,439.07	$3,139.14	$0.00	$389,491.83
2033	$389,491.83	$76,785.42	$27,000.00	$103,785.42	$3,894.92	-$447,000.00	$50,172.17
2034	$50,172.17	$81,392.54	$0.00	$81,392.54	$501.72	$0.00	$132,066.43
2035	$132,066.43	$86,276.09	$0.00	$86,276.09	$1,320.66	$0.00	$219,663.19
2036	$219,663.19	$91,452.66	$0.00	$91,452.66	$2,196.63	$0.00	$313,312.48
2037	$313,312.48	$96,939.82	$0.00	$96,939.82	$3,133.12	$0.00	$413,385.43
2038	$413,385.43	$102,756.21	$225,000.00	$327,756.21	$4,133.85	-$695,000.00	$50,275.49
2039	$50,275.49	$108,921.58	$0.00	$108,921.58	$502.75	$0.00	$159,699.83
2040	$159,699.83	$115,456.88	$0.00	$115,456.88	$1,597.00	$0.00	$276,753.70
2041	$276,753.70	$122,384.29	$0.00	$122,384.29	$2,767.54	$0.00	$401,905.53
2042	$401,905.53	$129,727.35	$0.00	$129,727.35	$4,019.06	$0.00	$535,651.93
2043	$535,651.93	$137,510.99	$256,000.00	$393,510.99	$5,356.52	-$884,000.00	$50,519.44
2044	$50,519.44	$73,180.59	$0.00	$73,180.59	$505.19	$0.00	$124,205.22
2045	$124,205.22	$75,376.01	$0.00	$75,376.01	$1,242.05	$0.00	$200,823.28
2046	$200,823.28	$77,637.29	$0.00	$77,637.29	$2,008.23	$0.00	$280,468.80
2047	$280,468.80	$79,966.40	$0.00	$79,966.40	$2,804.69	$0.00	$363,239.89
2048	$363,239.89	$82,365.40	$0.00	$82,365.40	$3,632.40	-$344,000.00	$105,237.68
2049	$105,237.68	$84,836.36	$0.00	$84,836.36	$1,052.38	$0.00	$191,126.42
2050	$191,126.42	$87,381.45	$0.00	$87,381.45	$1,911.26	$0.00	$280,419.13

4.4 Assumptions and Limitations

It must be emphasized that, in preparing a Depreciation Study report, many predictions of future events are required. The rationale behind projecting life expectancy and current repair/replacement costs has already been explained in Chapter 2.

To predict the future repair/replacement costs, we firmly believe it is necessary to account for the influence of inflation on construction costs. EXP has reviewed the overall escalation of residential construction costs, as reflected in certain statistical indicators, as well as fluctuations in interest rates in Canada over the past years.

A thirty-year (30) repair / replacement forecast for a Depreciation Study cannot be expected to be one hundred percent accurate because of changing economic conditions as well as the many assumptions and limited visual sampling of common elements involved in developing. We recommend that Strata Plan EPS 2247 review and update this study as required by the Strata Act and regulations every three (3) years.

4.5 Investment Planning

We recommend that Strata Plan EPS 2247 review the Repair / Replacement Forecast with their accountant and/or financial manager to maximize returns on their reserve fund.

EXP has assumed a single interest rate that, in our opinion, is on the conservative side. By varying deposits between investments, it may be possible to obtain higher market rates and thus increase interest income and slightly reduce required contributions. However, this approach must consider that high-risk investments must be avoided.

5 Closure

This report was prepared for the exclusive use of our client, Strata Plan EPS 2247, and cannot be used for any other purpose without written consent of EXP Services Inc.

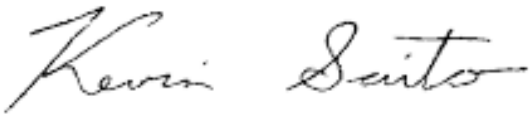
Appendix A contains our “Interpretation and Use of Study and Report” instructions. These instructions form an integral part of this report and must be included with any copies of this report.

We appreciate this opportunity to be of service to you. If you have any questions regarding the contents of this report, or if we can assist you further on this project, please contact the undersigned.

Sincerely,

EXP Services Inc.





Jeremy R. Last, Dipl. Tech.
Technologist
Building Science Division

Kevin Saito, P. Eng.
Project Manager
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Appendix A –
Interpretation and Use of Study and Report

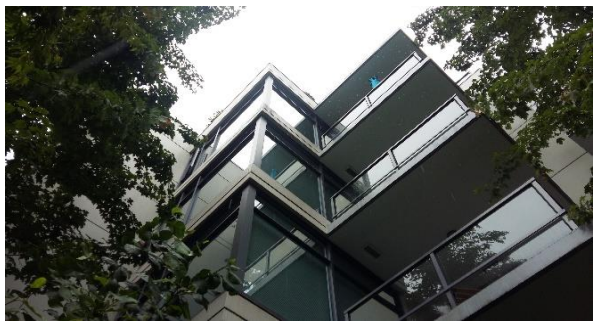
Appendix B –
Inventory of Common Elements

BUILDING STRUCTURE

BS01 - Concrete Structure

Quantity: # of Buildings	1	**Recommended Action:**	None
Year Built:	2013	**Next Action Year:**	2113
Expected Service Life:	100	**Element Cost:**	$ -
Observed Age:	7	**Approx. 2020 Cost:**	$ -





Description:

135 West 2nd Street is a 5-storey concrete structure residential apartment building with 71 suites built atop a common below-grade parkade. The parkade is constructed of cast-in-place concrete walls, columns, and floor/ceiling slabs. Reinforced concrete slab act as the podium for the landscaping above.

The parkade ceiling has insulation installed within the occupied building area above. The landscape has a waterproofing membrane with trees and various plants all around.

Balconies are constructed of concrete with a liquid applied waterproof membrane. The 4th floor roof deck also has a liquid applied membrane with drain rock and pavers.

Visual Review:

The building's exterior concrete structure is painted. Visually, 135 West 2nd Street does not present evidence of abnormal movement or deflection which suggests structural distress.

Recommendations:

The building's structure will remain in good condition provided that waterproofing and weather protection are maintained and renewed as required. We do not anticipate major replacement within the duration of this Study.

BUILDING ENVELOPE

BE01 - Aluminum Windows & Sliding Doors

Quantity:	330	**Recommended Action:**	Maintenance
Year Installed:	2013	**Next Action Year:**	2053
Expected Service Life:	40	**Element Cost:**	$ 1,800
Observed Age:	7	**Approx. 2020 Cost:**	$ 594,000





Description:

There are approximately 330 aluminum windows and sliding doors at 135 West 2nd Street of various styles and sizes.

Visual Review:

The average life expectancy for windows and doors is approximately 40-years and the windows and sliding doors observed appear to be in good condition.

Recommendations:

EXP recommends cleaning all windows annually.

BUILDING ENVELOPE

BE02 - Liquid Balcony Membrane

Quantity: SQFT (61 BALC)	7500	**Recommended Action:**	Maintenance
Year Installed:	2013	**Next Action Year:**	2023
Expected Service Life:	10	**Element Cost:**	$ 25
Observed Age:	7	**Approx. 2020 Cost:**	$ 187,500





Description:

Balcony membranes are cold applied liquid urethane membrane on concrete.

Visual Review:

Balconies observed appear to be in good condition overall. Several balconies appear to have some organic growth or algae on the surfaces. Owners are recommended to perform routine cleaning and maintenance as per the membrane manufacturers recommendations.

Recommendations:

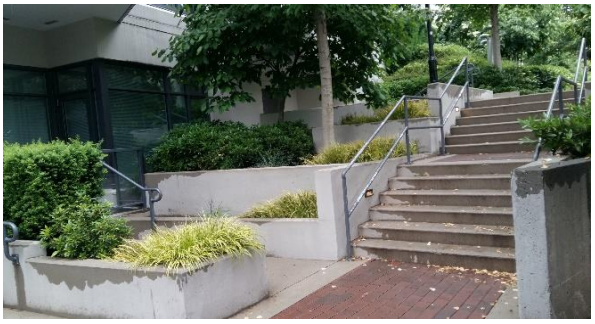
The service life of the liquid applied membrane relies heavily on application, amount of traffic and maintenance. EXP recommends an allowance for target repairs and re-coating every 10 to 12 years. EXP recommends all balcony membranes to be re-assessed within the next 2-3 years. Ensure drainage paths are clear of any blockages.

BUILDING ENVELOPE

BE03 - Landscape Membrane / Planters and Patios

Quantity: SQFT	7500	**Recommended Action:**	Maintenance
Year Installed:	2013	**Next Action Year:**	2048
Expected Service Life:	35	**Element Cost:**	$ 25
Observed Age:	7	**Approx. 2020 Cost:**	$ 187,500





Description:

The landscape membrane is a liquid applied membrane installed on the suspended slab above the parkade and below the exterior landscape and planters.

Visual Review:

Good Condition. The landscape drainage system appears to be good with no signs of ponding noted. Patio decks were observed overall in good condition.

Recommendations:

Exp recommends cleaning the drain covers annually before the fall rainy season. EXP anticipates costs for membrane replacement in approximately 20-30 years.

BUILDING ENVELOPE

BE04 - Exterior Paint

Quantity: SQFT	5000	**Recommended Action:**	Renewal
Year Installed:	2013	**Next Action Year:**	2023
Expected Service Life:	10	**Element Cost:**	$ 2
Observed Age:	7	**Approx. 2020 Cost:**	$ 10,000





Description:

The concrete exterior is covered in paint to protect from the elements.

Visual Review:

The exterior paint appears to be in fair condition with some areas showing early signs of deterioration. Some of the balcony soffits show signs of delamination / peeling paint. The area around the top floor also shows some of the more deteriorated paint area.

Recommendations:

The expected service life of exterior paint is normally estimated at 15-years which makes the paint at 135 West 2nd Street at the midway point of service life, however, EXP recommends the strata to re-assess the existing exterior paint condition and consider re-painting the roof level paint and also the random delaminating paint issues located around the building and soffits.

EXP has estimated approximately 5000 SQFT of area to repaint. EXP recommends the strata to locate all paint issues and obtain at least two quotes from one or more qualified painters. One quote for a partial re-paint of the top floor eyebrow / soffits and another for a full re-paint of the entire building.

BUILDING ENVELOPE

BE05 - Sealant

Quantity: LF	1000	**Recommended Action:**	Replacement
Year Installed:	2013	**Next Action Year:**	2023
Expected Service Life:	10	**Element Cost:**	$ 3
Observed Age:	7	**Approx. 2020 Cost:**	$ 3,000





Description:

Sealant is mainly located at window and door head, jamb and sills and saddle details. Sealant is expected to last 5-10 years with a recommended complete replacement after approximately 10-15 years depending on the overall condition.

Visual Review:

The window and door sealant appear to be in good condition however the more exposed sealant along the edge of metal flashing gumlips and saddle details appears to more deteriorated.

Recommendations:

EXP recommends replacing all gumlip flashing sealant within the next 1-3 years.

BUILDING ENVELOPE

BE06 - Dampproofing

Quantity: LF	100	**Recommended Action:**	Repair
Year Installed:	2013	**Next Action Year:**	2063
Expected Service Life:	50	**Element Cost:**	$ 25
Observed Age:	7	**Approx. 2020 Cost:**	$ 2,500





Description:

Dampproofing provides waterproof protection to the concrete foundation walls and helps to prevent water from leaking through into the underground parking.

Visual Review:

Damp-proofing was not visible from the exterior however there are some signs of membrane failure in the underground parking garage in the form of rust coloured stains, efflorescence and delaminated paint. There are a few areas along the North end ramps and at the South-West side near the sumps.

Recommendations:

EXP recommends the strata to conduct a closer inspection of the underground parking level walls and ceilings during the Fall/Winter months and to document all crack / leak locations. Repair as needed by a qualified professional.

BUILDING ENVELOPE

BE07 - Spray Insulation

Quantity: SQFT	12000	**Recommended Action:**	None
Year Installed:	2013	**Next Action Year:**	2038
Expected Service Life:	25	**Element Cost:**	$ 2
Observed Age:	7	**Approx. 2020 Cost:**	$ 24,000





Description:

Spray insulation installed the underside of the building footprint above in the underground parking level.

Visual Review:

All parking level ceiling insulation appears to be in good condition.

Recommendations:

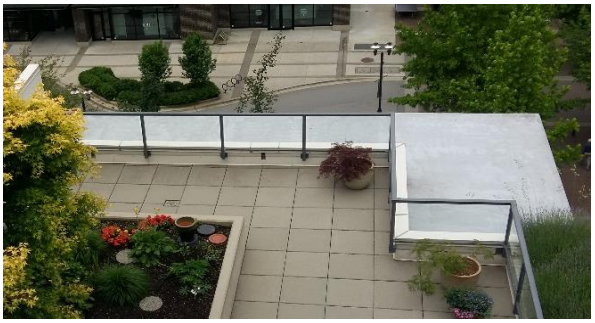
None.

BUILDING ENVELOPE

BE08 - Roof Deck

Quantity: SQFT	2000	**Recommended Action:**	None
Year Installed:	2013	**Next Action Year:**	2038
Expected Service Life:	25	**Element Cost:**	$ 25
Observed Age:	7	**Approx. 2020 Cost:**	$ 50,000





Description:

Fourth floor roof-deck facing South includes trees, planters and pavers on a waterproof membrane.

Visual Review:

EXP did not inspect the roof deck and could only view parts of it from the roof but the roof deck appears to be clean and well maintained with no signs of ponding and no reports of leaks below.

Recommendations:

EXP recommends cleaning all drains annually.

BUILDING ENVELOPE

BE09 - Green Roof / Ballast Roof

Quantity: SQFT	13500	**Recommended Action:**	Maintenance
Year Installed:	2013	**Next Action Year:**	2038
Expected Service Life:	25	**Element Cost:**	$ 25
Observed Age:	7	**Approx. 2020 Cost:**	$ 337,500





Description:

The roof is comprised mainly of a Green Roof System with ballast roofing system around the perimeter.

GREENROOF / PROTECTED MEMBRANE ROOF ASSEMBLIES
- Green Roof with Root Barrier / Gravel Ballast
- Filter Fabric
- 6" Rigid insulation
- Drain Mat
- Protection Board
- Fluid Applied Protected Membrane (Hot Rubber)
- Concrete Slab

Visual Review:

The Green Roof / Ballast roof appears to be well maintained with no signs of ponding or clogged drains and no reports of leaks below. Council has reported that not all plants are flourishing and are investigating remedies.

Recommendations:

EXP recommends inspecting the green roof plants and assembly annually and to replace all dead or damaged plants with new and same. Cleaning all drains at least twice annually.

SITE ELEMENTS

SE01 - General Landscaping

Quantity: SQFT	8000	**Recommended Action:**	Maintenance
Year Installed:	2013	**Next Action Year:**	2113
Expected Service Life:	100	**Element Cost:**	$ -
Observed Age:	7	**Approx. 2020 Cost:**	$ -





Description:

Perimeter ground cover around the buildings are primarily installed into planters with soil, plants, shrubs and trees. Service walkways and driveways are constructed from cast-in place concrete and walking paths are made from paving units. The landscaping and hardscape elements sit above the parkade.

Visual Review:

Overall elements appear in good condition and well maintained.

Recommendations:

EXP recommends continuing the current maintenance plan.

SITE ELEMENTS

SE02 - Paving Stone Entrance Walkways

Quantity: SQFT	250	**Recommended Action:**	None
Year Installed:	2013	**Next Action Year:**	2043
Expected Service Life:	30	**Element Cost:**	$ 40
Observed Age:	7	**Approx. 2020 Cost:**	$ 10,000





Description:

There is approximately 250 SQFT of paving stones installed at the front entrance exterior at 135 West 2nd St.

Visual Review:

The paving stones appear to be installed correctly and in good condition.

Recommendations:

EXP recommends cleaning the front entrance paving stones annually.

SITE ELEMENTS

SE03 - Timber Retaining Walls

Quantity: LF	450	**Recommended Action:**	Maintenance
Year Installed:	2013	**Next Action Year:**	2028
Expected Service Life:	15	**Element Cost:** per LF	$ 20
Observed Age:	7	**Approx. 2020 Cost:**	$ 9,000





Description:

6x6 timber planter walls installed around the green roof perimeter.

Visual Review:

The perimeter timbers are in varying degrees of deterioration with some showing signs of fungus. Some areas appear in good condition whereas others have fungus growing out the sides.

Recommendations:

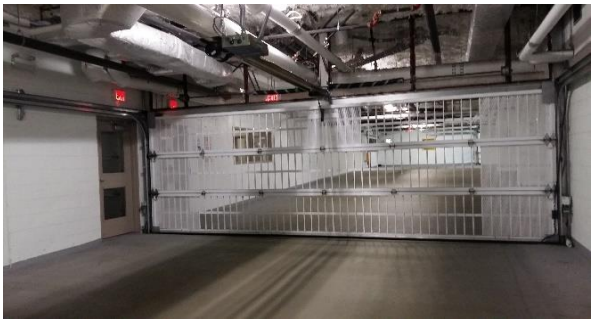
EXP recommends inspecting these timbers annually and replacing any that become a tripping hazard or affect the performance of the green roof.

SITE ELEMENTS

SE04 - Underground Garage Doors

Quantity:	2	**Recommended Action:**	Maintenance
Year Installed:	2013	**Next Action Year:**	2038
Expected Service Life:	25	**Element Cost:**	$ 10,000
Observed Age:	7	**Approx. 2020 Cost:**	$ 20,000





Description:

There are two metal garage doors, each with a motor. One garage door is located at the garage entrance and the 2nd garage door is located within the parking garage.

Visual Review:

Both metal framed garage doors appear to be in good condition.

Recommendations:

EXP recommends continuing the current maintenance plan.

SITE ELEMENTS

SE05 - Balcony Railings

Quantity: LF	800	**Recommended Action:**	Maintenance
Year Installed:	2013	**Next Action Year:**	2053
Expected Service Life:	40	**Element Cost:**	$ 50
Observed Age:	7	**Approx. 2020 Cost:**	$ 40,000





Description:

Balcony railings are installed top-mounted to the balcony concrete surface with a liquid applied membrane

Visual Review:

Railings appear to be in good condition. No signs of rust or corrosion. Glass appears clean and clear.

Recommendations:

EXP recommends continuing the current maintenance plan.

MECHANICAL SYSTEMS

MS01 - Irrigation System

Quantity: SQFT	16000	**Recommended Action:**	Maintenance
Year Installed:	2013	**Next Action Year:**	2033
Expected Service Life:	20	**Element Cost:**	$ 3
Observed Age:	7	**Approx. 2020 Cost:**	$ 48,000





Description:

Irrigation systems are located on the 'Green Roof' (Approx. 7500 SQFT) and the ground level landscaping (Approx. 8500 SQFT)

Visual Review:

Sprinkler system appears to be all original piping but is not in good condition according to the Strata.

Recommendations:

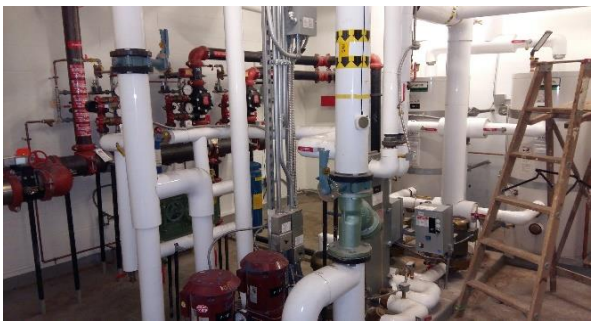
EXP recommends the Strata hire a irrigation specialist to inspect and maintain the irrigation system annually and repair as needed.

MECHANICAL SYSTEMS

MS02 - Sprinkler System

Quantity:	1	**Recommended Action:**	Maintenance
Year Installed:	2013	**Next Action Year:**	2063
Expected Service Life:	50	**Element Cost:**	$ 50,000
Observed Age:	7	**Approx. 2020 Cost:**	$ 50,000





Description:

The sprinkler system is in all suites on all floors and in the underground garage.

Visual Review:

Sprinkler system is original piping and components. Sprinkler heads appeared to be in good condition. Annual maintenance functions are defined by the National Fire Protection Association (NFPA) and require a complete inspection and testing of the fire suppression system. After 50 years of service, sprinkler heads must be tested to ensure that they are working properly. Generally, the sprinkler heads fail this test and have to be replaced.

Recommendations:

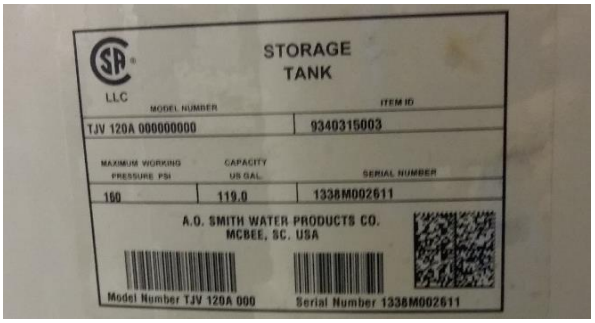
No operational problems were noted or reported. All equipment reviewed had up-to-date inspection tags. We have included a cost to replace the sprinkler heads.

MECHANICAL SYSTEMS

MS03 - Hot Water Tanks

Quantity:	4	**Recommended Action:**	Maintenance
Year Installed:	2013	**Next Action Year:**	2023
Expected Service Life:	10	**Element Cost:** each	$ 4,000
Observed Age:	7	**Approx. 2020 Cost:**	$ 16,000





Description:

Four 'AO SMITH' water heaters located in the mechanical room are gas fired boilers (Model: TJV 120A 000)

Visual Review:

All units appear to be in good condition with no signs of leaks, damage or neglect.

Recommendations:

EXP recommends replace the tanks every 10-12 years or as needed.

MECHANICAL SYSTEMS

MS04 - Make-up Air Units

Quantity:	1	**Recommended Action:**	Maintenance
Year Installed:	2013	**Next Action Year:**	2038
Expected Service Life:	25	**Element Cost:**	$ 15,000
Observed Age:	7	**Approx. 2020 Cost:**	$ 15,000





Description:

There is one make-up air unit located on the roof which provides air circulation to common areas within the building. (Model: LM3/C/O0)

Visual Review:

Units was functioning at the time of inspection and there are some early signs of corrosion but overall, the unit appears to be in good condition and well maintained.

Recommendations:

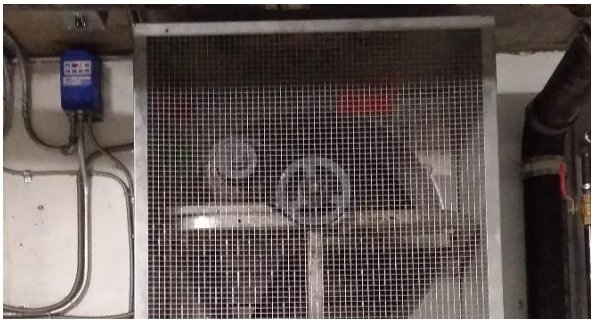
EXP recommends maintaining this equipment per the manufacturer's recommendations.

MECHANICAL SYSTEMS

MS05 - Mechanical Ventilation Fans

Quantity:	2	**Recommended Action:**	Maintenance
Year Installed:	2013	**Next Action Year:**	2033
Expected Service Life:	20	**Element Cost:**	$ 4,000
Observed Age:	7	**Approx. 2020 Cost:**	$ 8,000





Description:

The parkade is equipped with two locations of two propeller wall exhaust fans.

Visual Review:

Overall, the exhaust fans were observed in good condition. Testing was not performed therefore equipment are assumed to be in good working order.

Recommendations:

EXP recommends inspecting and maintaining the exhaust fans at least twice annually.

MECHANICAL SYSTEMS

MS06 - Storm Pump Control System

Quantity: # of sumps	2	**Recommended Action:**	Maintenance
Year Installed:	2013	**Next Action Year:**	2038
Expected Service Life:	25	**Element Cost:**	$ 2,000
Observed Age:	7	**Approx. 2020 Cost:**	$ 4,000





Description:

Duplux pump control system panel located on the West wall of the underground parking.

Visual Review:

The panel appears to be clean and functioning as intended. The right-side sump area appears to show signs of corrosion bleeding through the concrete. The actual sump pumps were not inspected but there appears to be some leaking issues throughout the concrete.

Recommendations:

EXP recommends inspecting the sump areas at least twice annually to monitor the depreciation progress of the existing corrosion. Repair as needed.

ELECTRICAL SYSTEMS

ES01 - Electrical Supply and Distribution

Quantity:	1	**Recommended Action:**	Maintenance
Year Installed:	2013	**Next Action Year:**	2068
Expected Service Life:	55	**Element Cost:**	$ 150,000
Observed Age:	7	**Approx. 2020 Cost:**	$ 150,000





Description:

The building receives power from a transformer located at northwest corner of the property. Power is fed through digital meter base complete with breakers located in electrical closets found on every floor.

Visual Review:

Electrical room and closets were reviewed, and the equipment was observed to be in good condition.

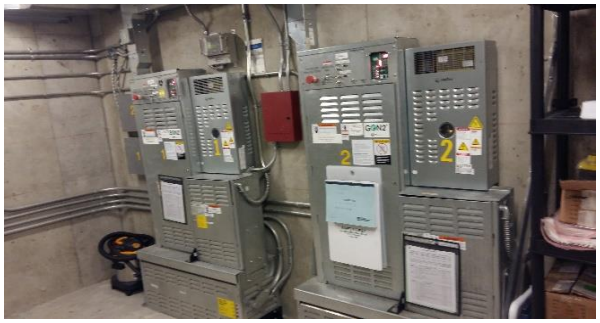
Recommendations:

Major replacement is not anticipated within the duration of this Study. Replacement for parts (i.e. switches, relays, etc.) are assumed to be done on as-needed basis under Strata's maintenance budget. We do recommend Strata have a Maintenance Allowance to perform cleaning and testing of the electrical system every 3 to 5 years. Cost is nominal thus not included in this Study.

ELECTRICAL SYSTEMS

ES02 - Elevator System

Quantity: # of Elevators	2	**Recommended Action:**	Maintenance
Year Installed:	2013	**Next Action Year:**	2053
Expected Service Life:	40	**Element Cost:**	$ 85,000
Observed Age:	7	**Approx. 2020 Cost:**	$ 170,000





Description:

The elevator system including a Controller manufactured by OTIS Elevator installed on 10-15-2013. (Model: 21305BX)
Cab lighting by SIEMENS.
Access control systems are by KEYSCAN.
Security Systems by RELIABLE.

Visual Review:

Elevator units appear to be well maintained. Elevators function as intended. Elevator electrical system appeared to be well maintained, clean and free of damage.

Recommendations:

EXP recommends continuing the current maintenance plan.

ELECTRICAL SYSTEMS

ES03 - Entryphone & Access Control

Quantity:	3	**Recommended Action:**	Maintenance
Year Installed:	2013	**Next Action Year:**	2038
Expected Service Life:	25	**Element Cost:**	$ 3,200
Observed Age:	7	**Approx. 2020 Cost:**	$ 9,600



Description:

Three Mircom entryphones are located at the front entrance, the visitor garage entrance and the visitor building access door. Each are equipped with a push-button call-panel for communicating with tenants to open the gate from their suite for guests to enter.

The DSC PowerSeries PC1832 is the security system used for providing access and the Mircom TAS-2000 is located in the electrical room and part of the actual keypad.

Visual Review:

All panels appear to be clean and well maintained. No issues were reported by the Strata.

Recommendations:

Maintenance or replacement of the system is the responsibility of the service providers.

ELECTRICAL SYSTEMS

ES04 - Entrance Gate Motors

Quantity:	2	**Recommended Action:**	Maintenance
Year Installed:	2013	**Next Action Year:**	2023
Expected Service Life:	10	**Element Cost:**	$ 2,000
Observed Age:	7	**Approx. 2020 Cost:**	$ 4,000





Description:

There are two security gate motors at 135 West 2nd Street. One provides access to the tenants underground parking garage and the other motor provides access to the visitors underground parking.

Gates are equipped with:
High Traffic Overhead Vehicle Gate Operator model: HCT 501103 (1/2 hp, 60 hz) Date: 06/17/14
Model: K55KXGZN-8484 (1/2 hp, 115 hz)

Visual Review:

Both underground garage door motors appear to be in good condition and function normally with no noticeable defects. The visitor parking motor appears to be an older model that uses a belt and wheel system which may require more frequent inspection and maintenance due to the exposed belt.

Recommendations:

Overhead garage door motors are expected to function 24-hours a day and provide security so keeping these items in good serviceable condition is recommended. Inspection frequency and maintenance should be implemented as per the manufacturer's recommendations for each motor.

ELECTRICAL SYSTEMS

ES05 - Fire Control System

Quantity:	1	**Recommended Action:**	Maintenance
Year Installed:	2013	**Next Action Year:**	2043
Expected Service Life:	30	**Element Cost:**	$ 100,000
Observed Age:	7	**Approx. 2020 Cost:**	$ 100,000





Description:

Fire detection system includes this electrical detection panel located in the lobby. See the mechanical systems section for fire prevention sprinkler system.

Visual Review:

Testing was not performed however the system inspection tag shows the next inspection in due on May 02, 2019.

Recommendations:

No major action is anticipated for the 30-year term provided routine maintenance and upkeep is performed.

ELECTRICAL SYSTEMS

ES06 - Security Monitoring

Quantity:	1	**Recommended Action:**	Maintenance
Year Installed:	2013	**Next Action Year:**	2023
Expected Service Life:	10	**Element Cost:**	$ 40,000
Observed Age:	7	**Approx. 2020 Cost:**	$ 40,000





Description:

This section includes security cameras, access monitoring systems and a PC with monitors. Security cameras are installed in common areas throughout including common area entrances and storage rooms.

Visual Review:

Overall, the security camera equipment appears to be adequately mounted and in good condition. EXP observed several security cameras however it is not known where all the cameras are located. The security monitoring is viewed using the computer located in the service room. Strata informed EXP they have replaced some components to this system.

Recommendations:

Security systems check should be observed daily with technical deficiencies repaired immediately.

ELECTRICAL SYSTEMS

ES07 - Gas Detection System (CO2)

Quantity:	6	**Recommended Action:**	Maintenance
Year Installed:	2013	**Next Action Year:**	2033
Expected Service Life:	20	**Element Cost:**	$ 1,500
Observed Age:	7	**Approx. 2020 Cost:**	$ 9,000



Description:

The parkade is equipped with a Gas Detector monitor system that can activate the parkade exhaust fans. (GEM-II CO/C3H8)

Visual Review:

EXP was not informed of any issues reported by the Strata and the underground parking fans were functioning at the time of inspection.

Last Service Date: Feb.03, 2020
Next Service Date: Feb. 2021

Recommendations:

The sensors should be calibrated annually and the monitoring device should be replaced as needed. Exp recommends following the manufacturers recommendation for all maintenance requirements.

COMMON ROOMS

CR01 - Amenity

Quantity:	1	**Recommended Action:**	Maintenance
Year Installed:	2013	**Next Action Year:**	2028
Expected Service Life:	15	**Element Cost:**	$ 25,000
Observed Age:	7	**Approx. 2020 Cost:**	$ 25,000





Description:

The amenity room is approximately 750 SQFT and appeared to be in good condition overall.

The room includes a washroom, full kitchen, bar stools, TV, couches, table and chairs, art, gas fireplace, carpet, security camera, ceiling lighting.

Visual Review:

The space was tidy and clean with all equipment stored in a designated space. The only blemish in the room is the damaged pull-up blind located on the exit door to the patio deck.

Recommendations:

EXP recommends cleaning all surfaces before and after every use. All furniture is anticipated to be replaced

COMMON ROOMS

CR02 - Lobby

Quantity:	1	**Recommended Action:**	Maintenance
Year Installed:	2013	**Next Action Year:**	2028
Expected Service Life:	15	**Element Cost:**	$ 10,000
Observed Age:	7	**Approx. 2020 Cost:**	$ 10,000





Description:

The lobby is approximately 500 SQFT and appears to be in good condition overall. The lobby includes a mailbox area, two fabric chairs, a table, gas fireplace, floor tiles, carpet and a couch.

Visual Review:

Overall the lobby appeared to be well maintained and clean.

Recommendations:

EXP recommends cleaning all surfaces daily. All furniture is anticipated to be replaced after approximately 15-years.

COMMON ROOMS

CR03 - Bicycle Storage

Quantity:	1	**Recommended Action:**	Maintenance
Year Installed:	2013	**Next Action Year:**	2038
Expected Service Life:	25	**Element Cost:**	
Observed Age:	7	**Approx. 2020 Cost:**	$ -



Description:

The bicycle storage rooms are equipped with bike racks and what appears to be a couple of tenant storage lockers in the corner. Storage rooms are mechanically ventilated.

Visual Review:

Overall, the storage rooms appear to be well maintained and clean.

Recommendations:

None.

COMMON ROOMS

CR04 - Electrical Room

Quantity:	1	**Recommended Action:**	Maintenance
Year Installed:	2013	**Next Action Year:**	2020
Expected Service Life:	7	**Element Cost:**	$ -
Observed Age:	7	**Approx. 2020 Cost:**	$ -





Description:

The purpose of the electrical room is to contain several electrical elements including the main power source, internet services, circuit breakers, elevator power and phone lines etc.

Visual Review:

There are several items in this electrical room that do not belong and items appear to be adding up including multiple cans and buckets of flammable paints, a propane tank, a few items stored on top of a metal box with high voltage supply cables directly above.

Recommendations:

EXP recommends removing all non-electrical room items and moving them to a more appropriate storage location.

INTERIOR ELEMENTS

IE01 - Carpet

Quantity: SQFT	4000	**Recommended Action:**	Maintenance
Year Installed:	2013	**Next Action Year:**	2028
Expected Service Life:	15	**Element Cost:**	$ 15
Observed Age:	7	**Approx. 2020 Cost:**	$ 60,000



Description:

Common area hallways are lined with high traffic carpet throughout.

Visual Review:

Carpet appears to be good condition relative to age.

Recommendations:

EXP recommends the strata to review the common hallway carpet in approximately 3-years.

INTERIOR ELEMENTS

IE02 - Paint (Hallway walls)

Quantity: SQFT	23400	**Recommended Action:**	Maintenance
Year Installed:	2013	**Next Action Year:**	2028
Expected Service Life:	15	**Element Cost:**	$ 2
Observed Age:	7	**Approx. 2020 Cost:**	$ 46,800





Description:

All common area hallways are painted and estimated at around 23,400 SQFT of painted wall area. The estimate does not include exit stairwell walls.

Visual Review:

All painted hallways appear to be in good condition. Interior hallway/ceiling paint should be repainted every 15-20 years.

Recommendations:

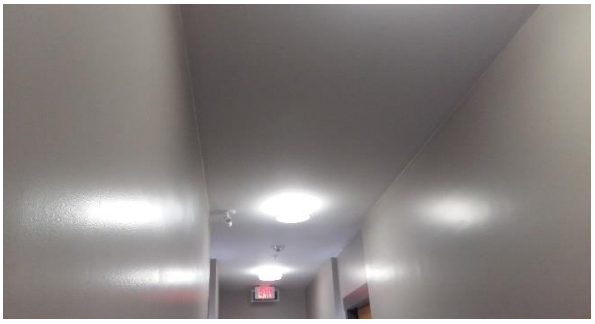
EXP recommends the strata to review the hallway ceiling paint in approximately 8-years.

INTERIOR ELEMENTS

IE03 - Paint (Ceiling)

Quantity: SQFT	4000	**Recommended Action:**	Maintenance
Year Installed:	2013	**Next Action Year:**	2028
Expected Service Life:	15	**Element Cost:**	$ 2
Observed Age:	7	**Approx. 2020 Cost:**	$ 8,000





Description:

Common area hallway ceilings are painted with a non-textured coat of paint.

Visual Review:

All painted ceilings appear to be in good condition. Interior hallway/ceiling paint should be repainted every 15-20 years.

Recommendations:

EXP recommends the strata to review the hallway ceiling paint in approximately 8-years.

Appendix C – Cost Summary

APPENDIX C - COST SUMMARY

Current Year: 2020

Assumed Rate of Inflation: 2.00%

Element - Reference App. B	Element Action	Quantity	Year Installed	Normal Life Expectancy	Age	Current Year Element Cost	Years Till Next Action	Frequency of Action	Initial Year of Action	Action Cost at Year	Action Phase	Annual Contribution
BUILDING STRUCTURE												
BS01 - Concrete Structure	None	1	2013	100	7	$ -	93	100	2113	$0.00	1	$ -
BUILDING ENVELOPE												
BE01 - Aluminum Windows & Sliding Doors	Maintenance	330	2013	40	7	$ 594,000	33	40	2053	$1,141,805.45	1	$ 34,600.17
BE02 - Liquid Balcony Membrane	Maintenance	7500	2013	10	7	$ 187,500	3	10	2023	$198,976.50	1	$ 66,325.50
BE03 - Landscape Membrane / Planters and Patios	Maintenance	7500	2013	35	7	$ 187,500	28	35	2048	$326,442.04	1	$ 11,658.64
BE04 - Exterior Paint	Renewal	5000	2013	10	7	$ 10,000	3	10	2023	$10,612.08	1	$ 3,537.36
BE05 - Sealant	Replacement	1000	2013	10	7	$ 3,000	3	10	2023	$3,183.62	1	$ 1,061.21
BE06 - Dampproofing	Repair	100	2013	50	7	$ 2,500	43	50	2063	$5,857.97	1	$ 136.23
BE07 - Spray Insulation	None	12000	2013	25	7	$ 24,000	18	25	2038	$34,277.91	1	$ 1,904.33
BE08 - Roof Deck	None	2000	2013	25	7	$ 50,000	18	25	2038	$71,412.31	1	$ 3,967.35
BE09 - Green Roof / Ballast Roof	Maintenance	13500	2013	25	7	$ 337,500	18	25	2038	$482,033.11	1	$ 26,779.62
SITE ELEMENTS												
SE01 - General Landscaping	Maintenance	8000	2013	100	7	$ -	93	100	2113	$0.00	1	$ -
SE02 - Paving Stone Entrance Walkways	None	250	2013	30	7	$ 10,000	23	30	2043	$15,768.99	1	$ 685.61
SE03 - Timber Retaining Walls	Maintenance	450	2013	15	7	$ 9,000	8	15	2028	$10,544.93	1	$ 1,318.12
SE04 - Underground Garage Doors	Maintenance	2	2013	25	7	$ 20,000	18	25	2038	$28,564.92	1	$ 1,586.94
SE05 - Balcony Railings	Maintenance	800	2013	40	7	$ 40,000	33	40	2053	$76,889.26	1	$ 2,329.98
MECHANICAL SYSTEMS												
MS01 - Irrigation System	Maintenance	16000	2013	20	7	$ 48,000	13	20	2033	$62,093.12	1	$ 4,776.39
MS02 - Sprinkler System	Maintenance	1	2013	50	7	$ 50,000	43	50	2063	$117,159.47	1	$ 2,724.64
MS03 - Hot Water Tanks	Maintenance	4	2013	10	7	$ 16,000	3	10	2023	$16,979.33	1	$ 5,659.78
MS04 - Make-up Air Units	Maintenance	1	2013	25	7	$ 15,000	18	25	2038	$21,423.69	1	$ 1,190.21
MS05 - Mechanical Ventilation Fans	Maintenance	2	2013	20	7	$ 8,000	13	20	2033	$10,348.85	1	$ 796.07
MS06 - Storm Pump Control System	Maintenance	2	2013	25	7	$ 4,000	18	25	2038	$5,712.98	1	$ 317.39
ELECTRICAL SYSTEMS												
ES01 - Electrical Supply and Distribution	Maintenance	1	2013	55	7	$ 150,000	48	55	2068	$388,060.56	1	$ 8,084.59
ES02 - Elevator System	Maintenance	2	2013	40	7	$ 170,000	33	40	2053	$326,779.34	1	$ 9,902.40
ES03 - Entryphone & Access Control	Maintenance	3	2013	25	7	$ 9,600	18	25	2038	$13,711.16	1	$ 761.73
ES04 - Entrance Gate Motors	Maintenance	2	2013	10	7	$ 4,000	3	10	2023	$4,244.83	1	$ 1,414.94
ES05 - Fire Control System	Maintenance	1	2013	30	7	$ 100,000	23	30	2043	$157,689.93	1	$ 6,856.08
ES06 - Security Monitoring	Maintenance	1	2013	10	7	$ 40,000	3	10	2023	$42,448.32	1	$ 14,149.44
ES07 - Gas Detection System (CO2)	Maintenance	6	2013	20	7	$ 9,000	13	20	2033	$11,642.46	1	$ 895.57
COMMON ROOMS												
CR01 - Amenity	Maintenance	1	2013	15	7	$ 25,000	8	15	2028	$29,291.48	1	$ 3,661.44
CR02 - Lobby	Maintenance	1	2013	15	7	$ 10,000	8	15	2028	$11,716.59	1	$ 1,464.57
CR03 - Bicycle Storage	Maintenance	1	2013	25	7	$ -	18	25	2038	$0.00	1	$ -
CR04 - Electrical Room	Maintenance	1	2013	7	7	$ -	1	7	2021	$0.00	1	$ -
INTERIOR ELEMENTS												
IE01 - Carpet	Maintenance	4000	2013	15	7	$ 60,000	8	15	2028	$70,299.56	1	$ 8,787.45
IE02 - Paint (Hallway walls)	Maintenance	23400	2013	15	7	$ 46,800	8	15	2028	$54,833.66	1	$ 6,854.21
IE03 - Paint (Ceiling)	Maintenance	4000	2013	15	7	$ 8,000	8	15	2028	$9,373.28	1	$ 1,171.66

Appendix D –
30-Year Expenses Forecast

APPENDIX D - FUNDING MODELS

Assumed Interest Rate	1.00%
Assumed Inflation Rate	2.00%
Present Reserve Fund	$ 150,000
Present Annual Contribution	$ 36,000
Starting Year	2020

Contribution Increase Rates

	Duration	Part 1	Part 2	Duration
Funding Model 1	2020-2050	3.00%		
Funding Model 2	2020-2044	4.00%	3.00%	2045-2050
Funding Model 3	2020-2044	6.00%	3.00%	2045-2050

*COSTS ROUNDED TO THE NEAREST $1,000

Reference: APPENDIX B	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
BUILDING STRUCTURE																
BS01 - Concrete Structure																
BUILDING ENVELOPE																
BE01 - Aluminum Windows & Sliding Doors																
BE02 - Liquid Balcony Membrane				$ 199,000.00										$ 243,000.00		
BE03 - Landscape Membrane / Planters and Patios																
BE04 - Exterior Paint				$ 11,000.00										$ 13,000.00		
BE05 - Sealant				$ 4,000.00										$ 4,000.00		
BE06 - Dampproofing																
BE07 - Spray Insulation																
BE08 - Roof Deck																
BE09 - Green Roof / Ballast Roof																
SITE ELEMENTS																
SE01 - General Landscaping																
SE02 - Paving Stone Entrance Walkways																
SE03 - Timber Retaining Walls									$ 11,000.00							
SE04 - Underground Garage Doors																
SE05 - Balcony Railings																
MECHANICAL SYSTEMS																
MS01 - Irrigation System														$ 63,000.00		
MS02 - Sprinkler System																
MS03 - Hot Water Tanks				$ 17,000.00										$ 21,000.00		
MS04 - Make-up Air Units																
MS05 - Mechanical Ventilation Fans														$ 11,000.00		
MS06 - Storm Pump Control System																
ELECTRICAL SYSTEMS																
ES01 - Electrical Supply and Distribution																
ES02 - Elevator System																
ES03 - Entryphone & Access Control																
ES04 - Entrance Gate Motors				$ 5,000.00										$ 6,000.00		
ES05 - Fire Control System																
ES06 - Security Monitoring				$ 43,000.00										$ 52,000.00		
ES07 - Gas Detection System (CO2)														$ 12,000.00		
COMMON ROOMS																
CR01 - Amenity									$ 30,000.00							
CR02 - Lobby									$ 12,000.00							
CR03 - Bicycle Storage																
CR04 - Electrical Room		$ -							$ -							$ -
INTERIOR ELEMENTS																
IE01 - Carpet									$ 71,000.00							
IE02 - Paint (Hallway walls)									$ 55,000.00							
IE03 - Paint (Ceiling)									$ 10,000.00							
Total Expenditures	$ -	$ -	$ -	$ 279,000.00	$ -	$ -	$ -	$ -	$ 189,000.00	$ -	$ -	$ -	$ -	$ 425,000.00	$ -	$ -
GST (5%)	$ -	$ -	$ -	$ 13,950.00	$ -	$ -	$ -	$ -	$ 9,450.00	$ -	$ -	$ -	$ -	$ 21,250.00	$ -	$ -
TOTAL (incl. taxes and rounded to nearest $1,000)	$ -	$ -	$ -	$ 293,000.00	$ -	$ -	$ -	$ -	$ 199,000.00	$ -	$ -	$ -	$ -	$ 447,000.00	$ -	$ -
Funding Model 1																
Annual Reserve Fund Opening Balance	$ 150,000.00	$ 186,000.00	$ 224,940.00	$ 265,381.80	$ 50,373.79	$ 91,395.85	$ 134,043.67	$ 178,369.99	$ 224,429.15	$ 73,277.16	$ 120,981.77	$ 170,572.58	$ 222,110.72	$ 275,659.22	$ 50,283.03	$ 105,239.09
Annual Contribution increase including 3% inflation	**$ 36,000.00**	$ 37,080.00	$ 38,192.40	$ 39,338.17	$ 40,518.32	$ 41,733.87	$ 42,985.88	$ 44,275.46	$ 45,603.72	$ 46,971.83	$ 48,380.99	$ 49,832.42	$ 51,327.39	$ 52,867.21	$ 54,453.23	$ 56,086.83
Special Assessment				**$ 36,000.00**										**$ 166,000.00**		
Interest Income	$ -	$ 1,860.00	$ 2,249.40	$ 2,653.82	$ 503.74	$ 913.96	$ 1,340.44	$ 1,783.70	$ 2,244.29	$ 732.77	$ 1,209.82	$ 1,705.73	$ 2,221.11	$ 2,756.59	$ 502.83	$ 1,052.39
Annual Reserve Fund Closing Balances	$ 186,000.00	$ 224,940.00	$ 265,381.80	$ 50,373.79	$ 91,395.85	$ 134,043.67	$ 178,369.99	$ 224,429.15	$ 73,277.16	$ 120,981.77	$ 170,572.58	$ 222,110.72	$ 275,659.22	$ 50,283.03	$ 105,239.09	$ 162,378.31
Funding Model 2																
Annual Reserve Fund Opening Balance	$ 150,000.00	$ 186,000.00	$ 225,300.00	$ 266,490.60	$ 50,650.61	$ 93,272.02	$ 138,004.25	$ 184,935.78	$ 234,158.68	$ 86,768.75	$ 138,875.66	$ 193,553.21	$ 250,909.09	$ 311,055.34	$ 50,108.54	$ 112,949.98
Annual Contribution increase including 4% inflation	**$ 36,000.00**	$ 37,440.00	$ 38,937.60	$ 40,495.10	$ 42,114.91	$ 43,799.50	$ 45,551.48	$ 47,373.54	$ 49,268.49	$ 51,239.23	$ 53,288.79	$ 55,420.35	$ 57,637.16	$ 59,942.65	$ 62,340.35	$ 64,833.97
Special Assessment	**.**			**$ 34,000.00**										**$ 123,000.00**		
Interest Income	$ -	$ 1,860.00	$ 2,253.00	$ 2,664.91	$ 506.51	$ 932.72	$ 1,380.04	$ 1,849.36	$ 2,341.59	$ 867.69	$ 1,388.76	$ 1,935.53	$ 2,509.09	$ 3,110.55	$ 501.09	$ 1,129.50
Annual Reserve Fund Closing Balances	$ 186,000.00	$ 225,300.00	$ 266,490.60	$ 50,650.61	$ 93,272.02	$ 138,004.25	$ 184,935.78	$ 234,158.68	$ 86,768.75	$ 138,875.66	$ 193,553.21	$ 250,909.09	$ 311,055.34	$ 50,108.54	$ 112,949.98	$ 178,913.45
Funding Model 3																
Annual Reserve Fund Opening Balance	$ 150,000.00	$ 186,000.00	$ 226,020.00	$ 268,729.80	$ 50,293.67	$ 96,245.78	$ 145,384.36	$ 197,904.89	$ 254,014.63	$ 114,933.31	$ 176,903.88	$ 243,143.44	$ 313,913.62	$ 389,491.83	$ 50,172.17	$ 132,066.43
Annual Contribution increase including 6% inflation	**$ 36,000.00**	$ 38,160.00	$ 40,449.60	$ 42,876.58	$ 45,449.17	$ 48,176.12	$ 51,066.69	$ 54,130.69	$ 57,378.53	$ 60,821.24	$ 64,470.52	$ 68,338.75	$ 72,439.07	$ 76,785.42	$ 81,392.54	$ 86,276.09
Special Assessment				**$ 29,000.00**										**$ 27,000.00**		
Interest Income	$ -	$ 1,860.00	$ 2,260.20	$ 2,687.30	$ 502.94	$ 962.46	$ 1,453.84	$ 1,979.05	$ 2,540.15	$ 1,149.33	$ 1,769.04	$ 2,431.43	$ 3,139.14	$ 3,894.92	$ 501.72	$ 1,320.66
Annual Reserve Fund Closing Balances	$ 186,000.00	$ 226,020.00	$ 268,729.80	$ 50,293.67	$ 96,245.78	$ 145,384.36	$ 197,904.89	$ 254,014.63	$ 114,933.31	$ 176,903.88	$ 243,143.44	$ 313,913.62	$ 389,491.83	$ 50,172.17	$ 132,066.43	$ 219,663.19

APPENDIX D - FUNDING MODELS

Assumed Interest Rate	1.00%
Assumed Inflation Rate	2.00%
Present Reserve Fund	$ 150,000 0
Present Annual Contribution	$ 36,000 0
Starting Year	2020

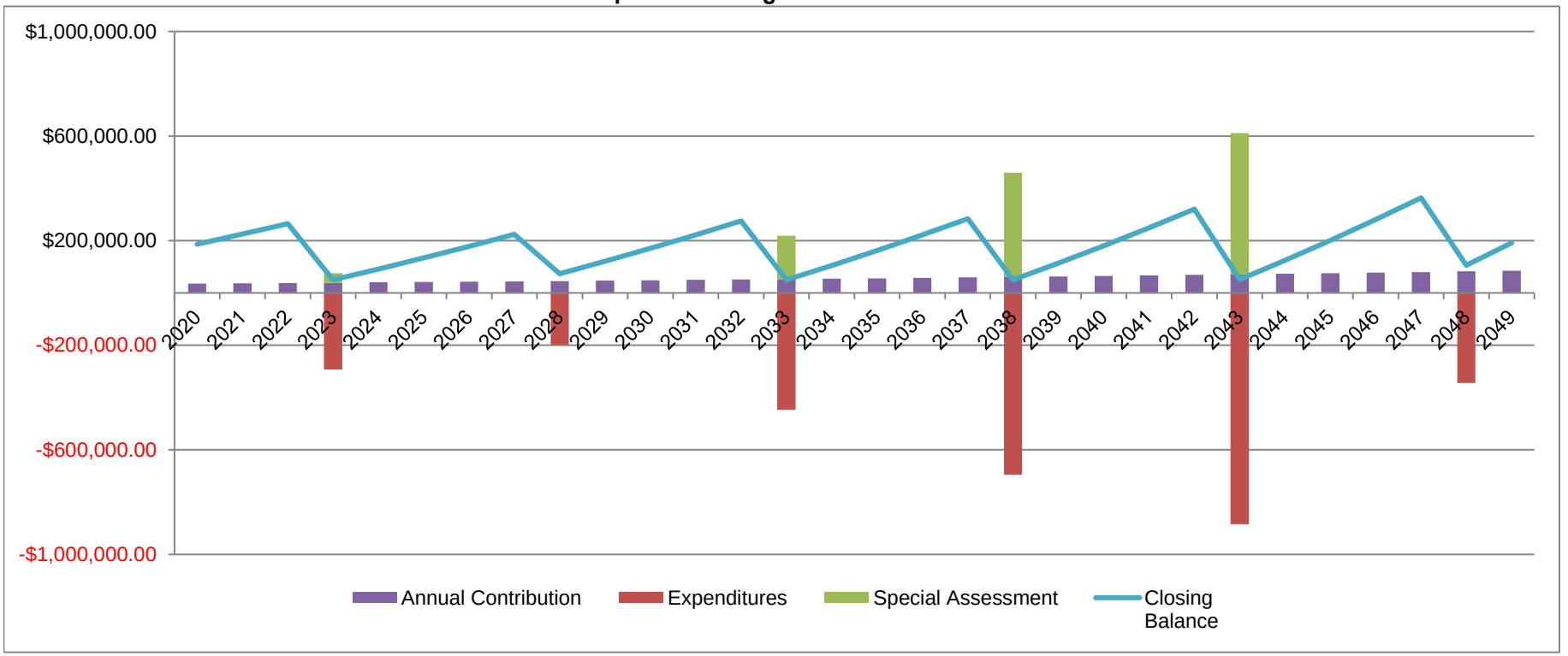
Contribution Increase Rates

	Duration	Part 1	Part 2	Duration
Funding Model 1	2020-2050	3.00%		
Funding Model 2	2020-2044	4.00%	3.00%	2045-2050
Funding Model 3	2020-2044	6.00%	3.00%	2045-2050

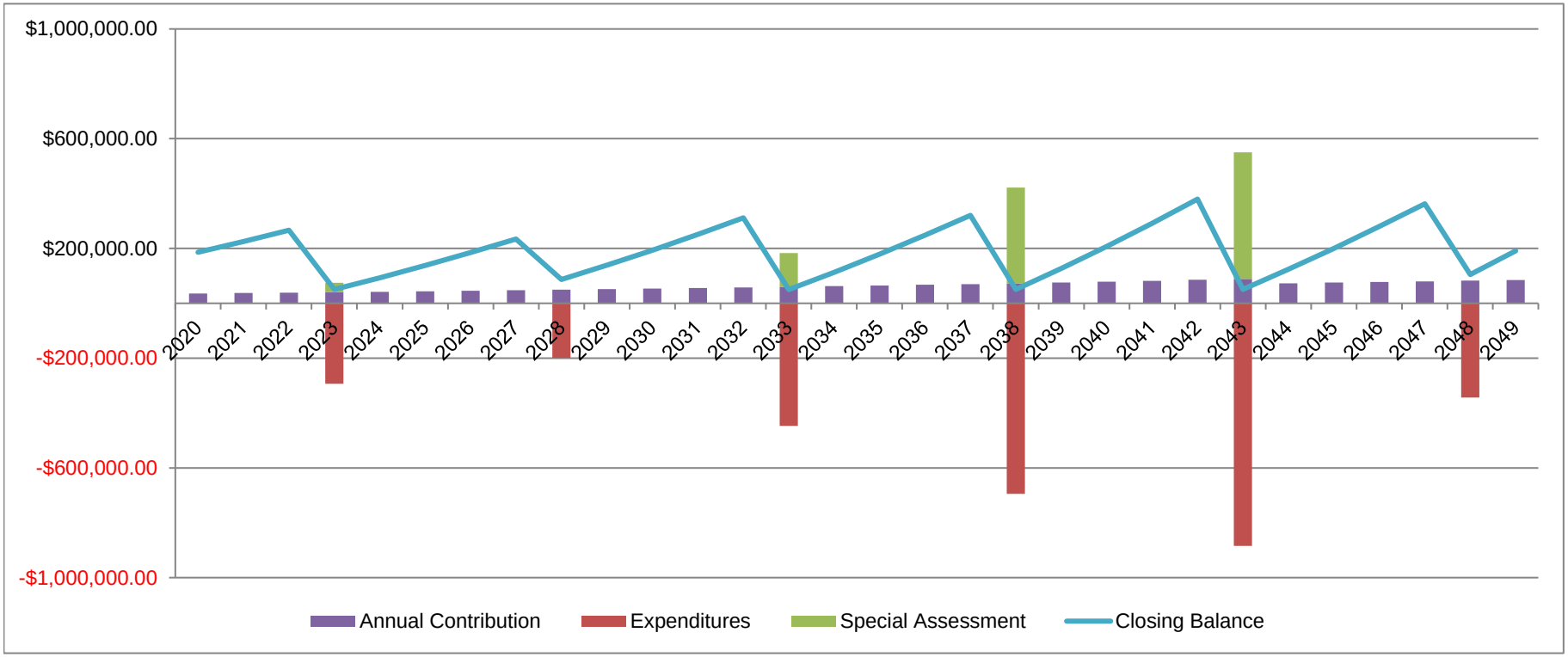
*COSTS ROUNDED TO THE NEAREST $1,000

Reference: APPENDIX B	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
BUILDING STRUCTURE															
BS01 - Concrete Structure															
BUILDING ENVELOPE															
BE01 - Aluminum Windows & Sliding Doors															
BE02 - Liquid Balcony Membrane								$ 296,000.00							
BE03 - Landscape Membrane / Planters and Patios													$ 327,000.00		
BE04 - Exterior Paint								$ 16,000.00							
BE05 - Sealant								$ 5,000.00							
BE06 - Dampproofing															
BE07 - Spray Insulation			$ 35,000.00												
BE08 - Roof Deck			$ 72,000.00												
BE09 - Green Roof / Ballast Roof			$ 483,000.00												
SITE ELEMENTS															
SE01 - General Landscaping															
SE02 - Paving Stone Entrance Walkways								$ 16,000.00							
SE03 - Timber Retaining Walls								$ 15,000.00							
SE04 - Underground Garage Doors			$ 29,000.00												
SE05 - Balcony Railings															
MECHANICAL SYSTEMS															
MS01 - Irrigation System															
MS02 - Sprinkler System															
MS03 - Hot Water Tanks								$ 26,000.00							
MS04 - Make-up Air Units			$ 22,000.00												
MS05 - Mechanical Ventilation Fans															
MS06 - Storm Pump Control System			$ 6,000.00												
ELECTRICAL SYSTEMS															
ES01 - Electrical Supply and Distribution															
ES02 - Elevator System															
ES03 - Entryphone & Access Control			$ 14,000.00												
ES04 - Entrance Gate Motors								$ 7,000.00							
ES05 - Fire Control System								$ 158,000.00							
ES06 - Security Monitoring								$ 64,000.00							
ES07 - Gas Detection System (CO2)															
COMMON ROOMS															
CR01 - Amenity								$ 40,000.00							
CR02 - Lobby								$ 16,000.00							
CR03 - Bicycle Storage			$ -												
CR04 - Electrical Room							$ -							$ -	
INTERIOR ELEMENTS															
IE01 - Carpet								$ 95,000.00							
IE02 - Paint (Hallway walls)								$ 74,000.00							
IE03 - Paint (Ceiling)								$ 13,000.00							
Total Expenditures	$ -	$ -	$ 661,000.00	$ -	$ -	$ -	$ -	$ 841,000.00	$ -	$ -	$ -	$ -	$ 327,000.00	$ -	$ -
GST (5%)	$ -	$ -	$ 33,050.00	$ -	$ -	$ -	$ -	$ 42,050.00	$ -	$ -	$ -	$ -	$ 16,350.00	$ -	$ -
TOTAL (incl. taxes and rounded to nearest $1,000)	$ -	$ -	$ 695,000.00	$ -	$ -	$ -	$ -	$ 884,000.00	$ -	$ -	$ -	$ -	$ 344,000.00	$ -	$ -
Funding Model 1															
Annual Reserve Fund Opening Balance	$ 162,378.31	$ 221,771.52	$ 283,491.75	$ 50,614.26	$ 114,246.62	$ 180,409.09	$ 249,183.78	$ 320,655.34	$ 50,911.01	$ 124,600.71	$ 201,222.72	$ 280,872.24	$ 363,647.36	$ 105,649.23	$ 191,542.08
Annual Contribution increase including 3% inflation	$ 57,769.43	$ 59,502.51	$ 61,287.59	$ 63,126.22	$ 65,020.00	$ 66,970.60	$ 68,979.72	$ 71,049.11	**$ 73,180.59**	$ 75,376.01	$ 77,637.29	$ 79,966.40	$ 82,365.40	$ 84,836.36	$ 87,381.45
Special Assessment			**$ 398,000.00**					**$ 540,000.00**							
Interest Income	$ 1,623.78	$ 2,217.72	$ 2,834.92	$ 506.14	$ 1,142.47	$ 1,804.09	$ 2,491.84	$ 3,206.55	$ 509.11	$ 1,246.01	$ 2,012.23	$ 2,808.72	$ 3,636.47	$ 1,056.49	$ 1,915.42
Annual Reserve Fund Closing Balances	$ 221,771.52	$ 283,491.75	$ 50,614.26	$ 114,246.62	$ 180,409.09	$ 249,183.78	$ 320,655.34	$ 50,911.01	$ 124,600.71	$ 201,222.72	$ 280,872.24	$ 363,647.36	$ 105,649.23	$ 191,542.08	$ 280,838.95
Funding Model 2															
Annual Reserve Fund Opening Balance	$ 178,913.45	$ 248,129.91	$ 320,735.62	$ 50,872.37	$ 127,227.67	$ 207,380.38	$ 291,489.83	$ 379,721.81	$ 50,248.78	$ 123,931.86	$ 200,547.18	$ 280,189.94	$ 362,958.24	$ 104,953.22	$ 190,839.11
Annual Contribution increase including 4% inflation	$ 67,427.32	$ 70,124.42	$ 72,929.39	$ 75,846.57	$ 78,880.43	$ 82,035.65	$ 85,317.08	$ 88,729.76	**$ 73,180.59**	$ 75,376.01	$ 77,637.29	$ 79,966.40	$ 82,365.40	$ 84,836.36	$ 87,381.45
Special Assessment			**$ 349,000.00**					**$ 462,000.00**							
Interest Income	$ 1,789.13	$ 2,481.30	$ 3,207.36	$ 508.72	$ 1,272.28	$ 2,073.80	$ 2,914.90	$ 3,797.22	$ 502.49	$ 1,239.32	$ 2,005.47	$ 2,801.90	$ 3,629.58	$ 1,049.53	$ 1,908.39
Annual Reserve Fund Closing Balances	$ 248,129.91	$ 320,735.62	$ 50,872.37	$ 127,227.67	$ 207,380.38	$ 291,489.83	$ 379,721.81	$ 50,248.78	$ 123,931.86	$ 200,547.18	$ 280,189.94	$ 362,958.24	$ 104,953.22	$ 190,839.11	$ 280,128.95
Funding Model 3															
Annual Reserve Fund Opening Balance	$ 219,663.19	$ 313,312.48	$ 413,385.43	$ 50,275.49	$ 159,699.83	$ 276,753.70	$ 401,905.53	$ 535,651.93	$ 50,519.44	$ 124,205.22	$ 200,823.28	$ 280,468.80	$ 363,239.89	$ 105,237.68	$ 191,126.42
Annual Contribution increase including 6% inflation	$ 91,452.66	$ 96,939.82	$ 102,756.21	$ 108,921.58	$ 115,456.88	$ 122,384.29	$ 129,727.35	$ 137,510.99	**$ 73,180.59**	$ 75,376.01	$ 77,637.29	$ 79,966.40	$ 82,365.40	$ 84,836.36	$ 87,381.45
Special Assessment			**$ 225,000.00**					**$ 256,000.00**							
Interest Income	$ 2,196.63	$ 3,133.12	$ 4,133.85	$ 502.75	$ 1,597.00	$ 2,767.54	$ 4,019.06	$ 5,356.52	$ 505.19	$ 1,242.05	$ 2,008.23	$ 2,804.69	$ 3,632.40	$ 1,052.38	$ 1,911.26
Annual Reserve Fund Closing Balances	$ 313,312.48	$ 413,385.43	$ 50,275.49	$ 159,699.83	$ 276,753.70	$ 401,905.53	$ 535,651.93	$ 50,519.44	$ 124,205.22	$ 200,823.28	$ 280,468.80	$ 363,239.89	$ 105,237.68	$ 191,126.42	$ 280,419.13

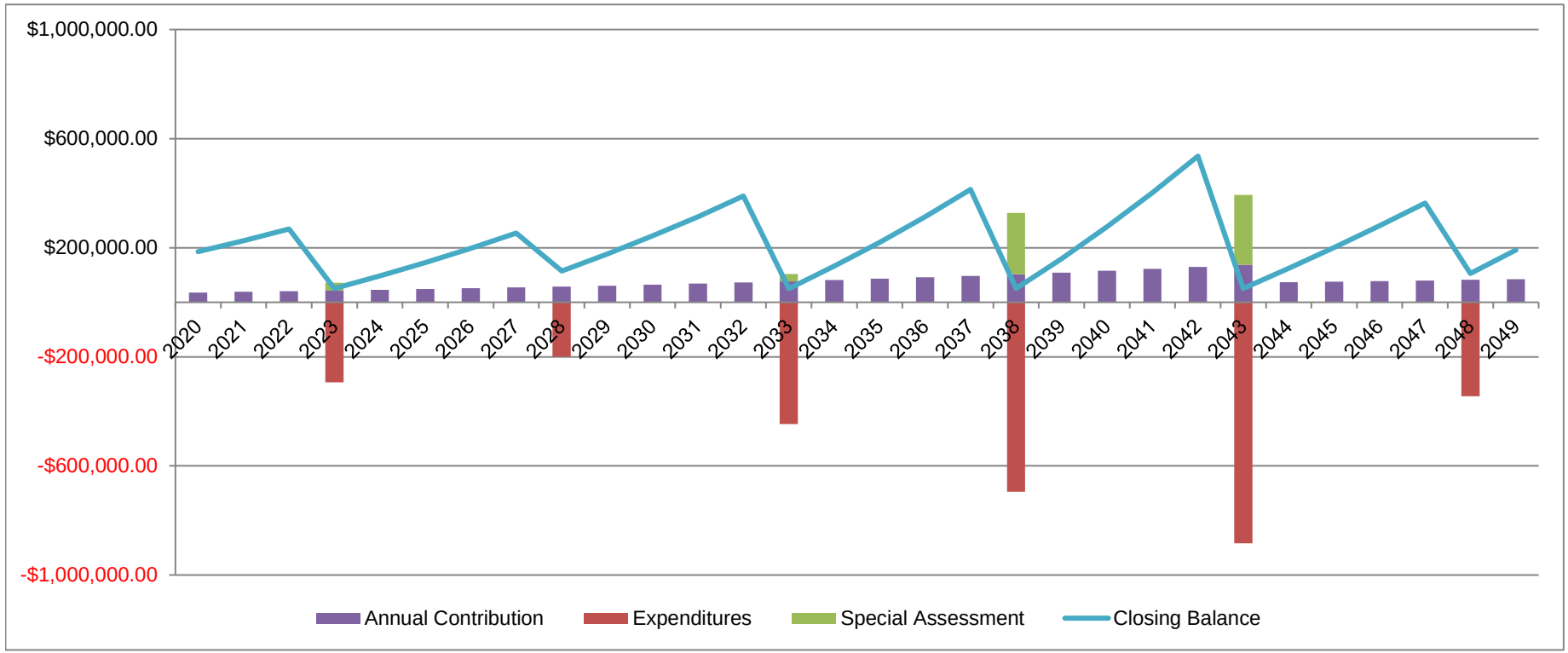
Graph 1 – Funding Model 1 – Cash Flow

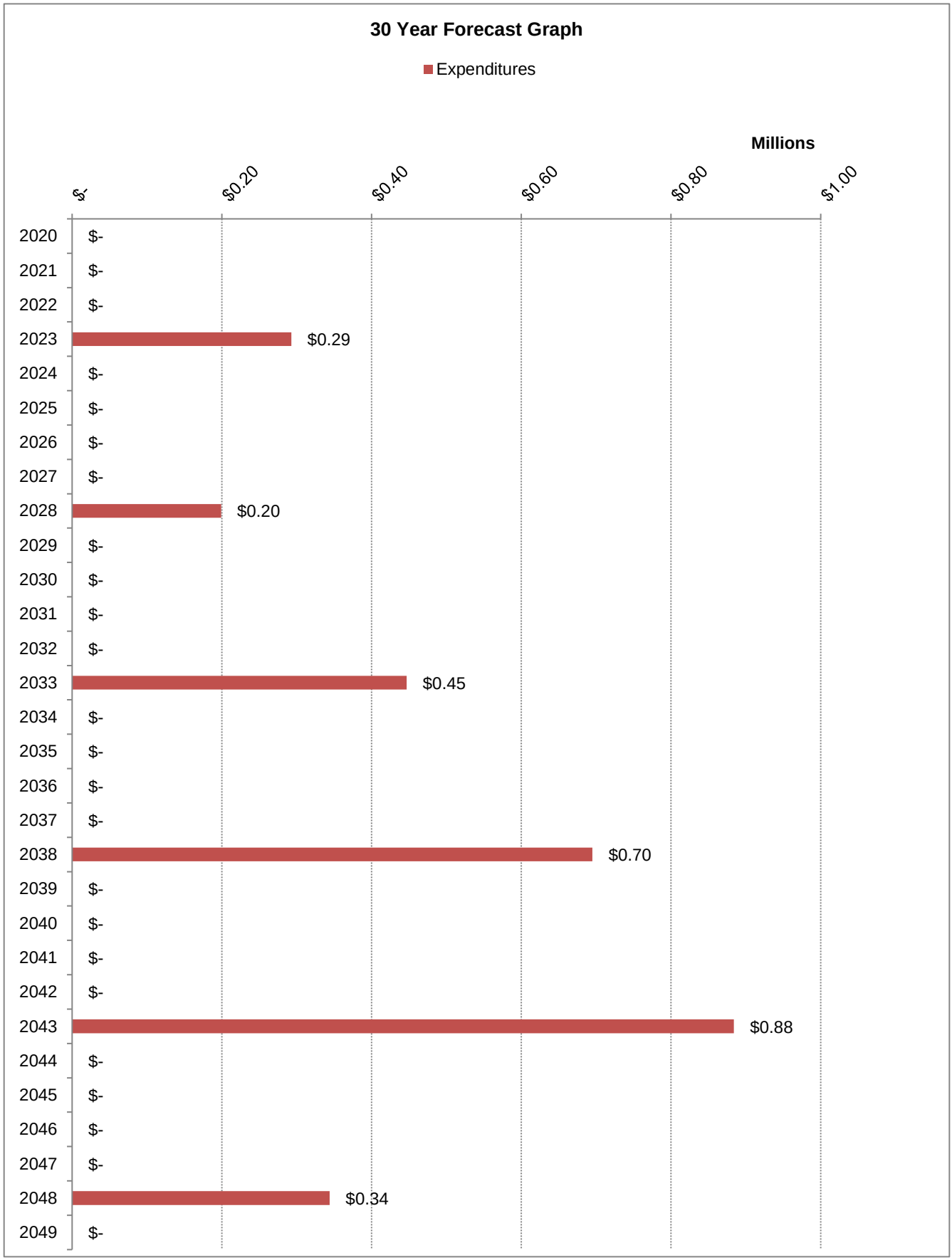


Graph 2 – Funding Model 2 – Cash Flow



Graph 3 – Funding Model 3 – Cash Flow




30 Year Forecast Graph
Expenditures
Millions
$-
$0.20
$0.40
$0.60
$0.80
$1.00
2020 $-
2021 $-
2022 $-
2023 $0.29
2024 $-
2025 $-
2026 $-
2027 $-
2028 $0.20
2029 $-
2030 $-
2031 $-
2032 $-
2033 $0.45
2034 $-
2035 $-
2036 $-
2037 $-
2038 $0.70
2039 $-
2040 $-
2041 $-
2042 $-
2043 $0.88
2044 $-
2045 $-
2046 $-
2047 $-
2048 $0.34
2049 $-

Appendix E – Insurance Certificate

Willis Canada Inc., A Willis Towers Watson Company
First Canadian Place
100 King Street West, Suite 4700
P.O. Box 470
Toronto, Ontario M5X 1E4

Willis Towers Watson

Tel: 416.368.9641 Fax: 416.869.1649
Email copies to: expcertstoronto@willis.com

CERTIFICATE OF INSURANCE

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES **EXP REFERENCE NUMBER:** 2020_34

RE: VAN-00259754-A0 RE: Depreciation Report, Capstone

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

CERTIFICATE HOLDER

The Owners, Strata Plan EPS 2247
c/o AWS Real Estate Group Ltd.
10605 Delsom Crescent
Delta, (British Columbia) V4C 0A4

INSURED

EXP Services Inc.
275 - 3001 Wayburne Drive
Burnaby, (British Columbia) V5G 4W3

Attention:

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES, LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

	TYPE OF INSURANCE	INSURER/POLICY NUMBER/POLICY TERM	LIMITS	
☐	**GENERAL LIABILITY – OCCURRENCE FORM** ☐ BROAD FORM PROPERTY DAMAGE ☐ OWNER'S & CONTRACTOR'S PROTECTIVE LIABILITY ☐ BLANKET CONTRACTUAL LIABILITY ☐ CROSS LIABILITY & SEVERABILITY OF INTEREST CLAUSE ☐ BLANKET WAIVER OF SUBROGATION	CA00002681LI20A	EACH OCCURRENCE & AGGREGATE	
			PRODUCTS-COMP/OP AGG	
			PERSONAL & ADV INJURY	
			EMPLOYER'S LIABILITY	
			TENANT'S LEGAL LIABILITY	
			NON OWNED AUTOMOBILE	
☐	**AUTOMOBILE LIABILITY** ALL AUTOS OWNED AND/OR LEASED BY THE NAMED INSURED		THIRD PARTY LIABILITY (Bodily Injury & Property Damage)	
	☐ OPCF 5 – PERMISSION TO RENT OR LEASE ☐ OPCF 21B – BLANKET FLEET ☐ PHYSICAL DAMAGE		ALL PERILS DEDUCTIBLE	
☐	**EXCESS LIABILITY** (COVERAGE IS EXCESS OF AUTOMOBILE AND GENERAL LIABILITY INSURANCE POLICIES.)	CA00002682LI20A April 30, 2020 to March 31, 2021	EACH OCCURRENCE	
			AGGREGATE	
☑	**PROFESSIONAL LIABILITY**	**Insurer:** AIG Insurance Company of Canada **Policy No.:** 06-112-70-95 **Policy Term:** March 31, 2020 to March 31, 2021	EACH CLAIM	$1,000,000
			AGGREGATE	$1,000,000
☐	**PROPERTY** ☐ BUSINESS INTERRUPTION COVERAGE ☐ WAIVER OF SUBROGATION IN FAVOUR OF CERTIFICATE HOLDER ☐ SEWER BACK UP COVERAGE ☐ FLOOD COVERAGE ☐ EARTHQUAKE COVERAGE ☐ BOILER & MACHINERY COVERAGE	March 31, 2020 to March 31, 2021	ALL RISKS, REPLACEMENT COST INCLUDING CONTRACTORS EQUIPMENT	

SPECIAL PROVISIONS
WITH REGARDS TO THE COMMERCIAL GENERAL LIABILITY AND EXCESS LIABILITY POLICIES, IT IS UNDERSTOOD AND AGREED THAT THE FOLLOWING ARE ADDED AS ADDITIONAL INSUREDS BUT ONLY WITH RESPECT TO LIABILITY ARISING OUT OF THE OPERATIONS OF THE NAMED INSURED:

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL **30** DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED ABOVE, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

ISSUE DATE: September 4, 2020

AUTHORIZED REPRESENTATIVE

