

Project No. 5150336.00  
**FINAL REVISED** Report

## 551/555 Chatham Street Depreciation Report

Prepared for:

The Owners, Strata Corp. VIS 5035  
551/555 Chatham Street, Victoria, BC

June 27, 2016



**DEPRECIATION REPORT**



**MORRISON HERSHFIELD**  
PEOPLE • CULTURE • CAPABILITIES

## EXECUTIVE SUMMARY

Morrison Hershfield Limited (MH) was retained to prepare a Depreciation Report for the Owners of Strata Corporation VIS 5035 located at 551/555 Chatham Street in Victoria, BC. Authorization to proceed with the assessment was provided by the property managers signed consent, dated April 8, 2015

The purpose of a Depreciation Report is to provide building owners with guidance regarding future potential costs associated with ongoing renewal or replacement of significant building elements. This report is intended to satisfy the provisions of the Strata Property Act 1999 with Amendments July 1, 2000 and December 13, 2011.

The subject site has a total site area of approximately 7,250 square feet. There is a single four-storey building constructed on the site that extends to the property lines on all but the east elevation. Drawings obtained to assist with this report indicate that the building was constructed in approximately 2000. The structure appears to be a combination of cast-in-place concrete (below grade), structural steel (commercial portion of the ground and second floors), and wood framing (remainder of the building).

The building is clad primarily with concrete brick units installed in a running bond pattern at the ground and second floors, and vertically oriented metal cladding above. Roofing is primarily low slope and covered by a 2-ply SBS membrane assembly. Windows are aluminum framed.

As part of this report, MH performed a site review on February 10, 2016. The general condition of individual building elements as noted in this report are based on observations made on that day.

Based on our site review and apparent level of maintenance of the building, elements listed in this report have been assigned a condition rating of "Good".

We have also included for elevator repairs and upgrades as identified by the elevator service consultant/contractor (refer to Appendix E).

The following table is a summary of the **total projected costs** anticipated for each building element over the next ten year period. For brevity only elements with a **ten year total** in excess of \$10,000 are represented here. A more inclusive list is found in Section 2.7 of this report.

Building Component	Year to Replace /Renew	Est. Cost Incl. taxes
1. Joint Sealant - Replacement	2018	\$14,000
2. Lighting Equipment - Corridor, Common areas	2019	\$11,000
3. Corridors and Stairs Finishes-Repaint	2023	\$13,000
4. Passenger Elevator - Upgrade	2025	\$45,000

The total of all predicted capital expenditures over the next 10 years amounts to approximately \$172,000.00

Three funding scenarios are provided in this report for the Owners' consideration to accommodate the predicted expenditures (as follows).

**Scenario 1**

Minimum Balance \$5,848.28  
in year 2039

	2016	2017	2018	2019
Annual Reserve Contribution	\$9,000.00	\$9,900.00	\$10,890.00	\$11,979.00
% Increase to Contingency Only		10.0%	10.0%	10.0%
Average Increase per Unit per Month		\$40.91	\$45.00	\$49.50
Average Annual Contribution per Unit per Year	\$409.09	\$450.00	\$495.00	\$544.50
Average Monthly Contribution per Unit	\$34.09	\$37.50	\$41.25	\$45.38
Total Special Levies for the Report Timeline		\$510,000.00		

**Scenario 1:** This scenario outlines a strata directed alternate funding scenario with 10% increases to the contingency contributions for the years 2017 to 2019. From 2020 until the end of the thirty year financial forecast 2% increases per year occur to the contingency contributions to match estimated inflation. Special assessments are scheduled to throughout the report timeline to cover predicted expenditures from the contingency fund.

**Scenario 2**

Minimum Balance \$32,278.38  
in year 2040

	2016	2017	2018	2019
Annual Reserve Contribution	\$9,000.00	\$11,250.00	\$14,062.50	\$17,578.13
% Increase to Contingency Only		25.0%	25.0%	25.0%
Average Increase per Unit per Year		\$102.27	\$127.84	\$159.80
Average Annual Contribution per Unit per Year	\$409.09	\$511.36	\$639.20	\$799.01
Average Monthly Contribution per Unit	\$34.09	\$42.61	\$53.27	\$66.58
Total Special Levies for the Report Timeline		\$50,000.00		

**Scenario 2:** Proposes moderate increases to the contingency contribution of 25% a year from 2017 until 2021 and a further 15% increase to contributions in 2022. Increases after this year hold at 2% to cover estimated inflation. In this scenario, one special assessment is predicted to occur during the first decade of the report timeline. The second and third decade shows the fund to be self-supporting with monthly assessments only.

**Scenario 3**

Minimum Balance \$50,654.00  
in year 2016

	2016	2017	2018	2019
Annual Reserve Contribution	\$9,000.00	\$13,500.00	\$20,250.00	\$30,375.00
% Increase to Contingency Only		50.0%	50.0%	50.0%
Average Increase per Unit per Year		\$204.55	\$306.82	\$460.23
Average Annual Contribution per Unit per Year	\$409.09	\$613.64	\$920.45	\$1,380.68
Average Monthly Contribution per Unit	\$34.09	\$51.14	\$76.70	\$115.06
Total Special Levies for the Report Timeline		\$0.00		

**Scenario 3:** This scenario presents heavier increases to the contingency fund monthly contributions and presents a fully funded scenario. 50% increases are schedule in this scenario for years 2017 to 2020. No further increases to the contingency fund contributions occurs throughout the 30 year report timeline, however a 25% decrease is proposed in 2032 to avoid large contingency balances at the end of the report timeline.

**Scenario 4**

Minimum Balance \$34,286.79  
in year 2040

	2016	2017	2018	2019
Annual Reserve Contribution	\$9,000.00	\$11,250.00	\$14,062.50	\$17,578.13
% Increase to Contingency Only		25.0%	25.0%	25.0%
Average Increase per Unit per Month		\$102.27	\$127.84	\$159.80
Average Annual Contribution per Unit per Year	\$409.09	\$511.36	\$639.20	\$799.01
Average Monthly Contribution per Unit	\$34.09	\$42.61	\$53.27	\$66.58
Total Special Levies for the Report Timeline		\$48,000.00		

Scenario 4: Is based on scenario 2 with a split special assessment in 2017 and 2019. This scenario was requested by strata.

**These scenarios are intended to demonstrate a range of funding options. The actual scenario adopted by the Owners may be one of these scenarios or a new scenario that incorporates elements from those presented. The Owners' own risk and financial profiles will govern what funding scenario best meets their needs.**

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# 1. INTRODUCTION

Morrison Hershfield Limited (MH) was retained to prepare a Depreciation Report for the Owners of Strata Corporation VIS 5035 located at 551/555 Chatham Street in Victoria, BC. Authorization to proceed with the assessment was provided by the property managers signed consent, dated April 8, 2015

## 1.1 Report Format

The main report body includes an executive summary plus background, terms of reference, methodology, and definitions applicable to the facility.

Appendix A includes the Condition Assessment (including the information as identified in Section 2) and Capital Plan identifying anticipated future capital costs. In the Strata questionnaire returned to MH, a capital expenditure threshold value of \$3,500.00 was given; therefore have assumed that small capital expenditures below the \$3,500.00 capital threshold will be paid for out of the operating budget.

Capital expenditures below the threshold may still appear in the Condition Assessment table for future reference, but will not be calculated into the funding scenarios.

Appendix B contains the Cash Flow Tables showing possible funding strategies based on assumptions and calculations as described in Section 3, and a summary of the Scenarios provided.

Appendix C is a glossary of commonly used building terminology used in the report.

Appendix D is a photo sheet with images referenced in the Condition Assessment table. Photos depict issues or defects noted in the "Description and History" column of the Condition Assessment table.

Appendix E includes the elevator report provided by the elevator service contractor.

Appendix F is the strata questionnaire as completed by the property manager

Appendix G is a summary of the changes made from draft to final issue.

## 1.2 Objectives

The objective of this Depreciation Report is to provide the Strata with sufficient information to enable them to:

- a) Provide a schedule for the anticipated repair and replacement of common element items.
- b) Identify a special account for major repair items and replacement of common elements and assets of the Corporation.
- c) To determine the annual financial contributions necessary to maintain an adequate contingency reserve fund balance for the 30 year period of this report.

- d) Satisfy the legislation regarding the *Strata Property Act 1999 with Amendments July 1, 2000 and December 13, 2011* that requires a depreciation report be completed.

### 1.3 Terms of Reference

This Depreciation Report was subject to the limitations of Section 1.5 and addressed the scope of service as outlined in our proposal dated January 7, 2015.

### 1.4 Project Team and Qualifications

As per section 6.2 of the Act, clause 1d, the report must provide the name of the person from whom the depreciation report was obtained and a description of:

- (i) their qualifications
- (ii) the error and omission insurance, if any, carried by that person, and
- (iii) the relationship between that person and the strata corporation

(i) Morrison Hershfield Limited (MH) prepared this report. MH is a prominent, privately held, multi-disciplinary engineering and management firm. Our mandate is to provide services and solutions that will assist our clients in achieving their objectives in a cost effective, efficient, professional and friendly manner. The firm was established in 1946 and has a broad range of engineering, architectural and specialist skills that are used to serve clients in the public and private sectors.

Depreciation Report projects at MH are carried out by the Building Specialty Services division. This group encompasses a staff of approximately 400 people across North America. We have worked on many types of buildings and structures for a diverse array of clients and have helped owners retrofit their buildings/structures and plan funds for future maintenance/capital works, since our inception in 1946. The team at Morrison Hershfield has the expertise to complete assessments on mechanical, electrical, life safety, building envelope and structural systems. Interrelationships between different building systems are understood and technically integrated solutions are provided to clients. We ensure consistency in assessments across large and diverse portfolios and across disciplines to assist our clients in making well-informed decisions.

This Depreciation Report has been prepared and/or reviewed by various personnel. The visual review of the building, mechanical and electrical systems, and site was conducted during our review on February 10, 2016. The following are the reviewers, their qualifications and the respective disciplines for which each was responsible:

- Byron McElgunn, Dip. Tech, is a Building Science Technologist with five years of experience in the building science field. Byron performed the architectural quantity take-offs from the drawings provided to MH.
- Paula Knapp-Fisher, B.Sc., is a Building Science Consultant with nine years of experience in the building science field and construction industry. Paula performed the site assessment and furnished the body of the report.



- Dan Walters, B. Tech., ASCT, LEED AP, is a Senior Building Science Consultant with over twenty five years of experience in the building science field. Dan supervised the overall scope of work and reviewed the draft report and tables.

(ii) We confirm that we carry professional liability insurance in the amount of \$2,000,000 per claim.

(iii) Morrison Hershfield is not associated with Strata Corp VIS 5035 beyond being retained to perform professional services. We are not aware of any conflicts of interest.

## 1.5 Limitations and Assumptions

This report is intended for the sole use of Strata Corp. VIS 5035 and must not be distributed or used by others without our knowledge. It is based on the documents and information provided to us and the findings at the time of our on-site investigation.

It is a basic assumption that any correspondence, material, data, evaluations and reports furnished by others are free of latent deficiencies or inaccuracies except for apparent variances discovered during the completion of this report.

Unless specifically noted in this report, no testing, verification of operation of systems, review of concealed elements, intrusive openings, opening of system components for internal inspection, detailed analysis or design calculations were conducted, nor were they within the scope of this review. If repairs are identified, further investigation should be conducted as the Depreciation Report is not intended to provide an in-depth assessment and/or design of the repair items.

Some of the findings herein are based on a random sampling visual review of the surface conditions, discussions with the Strata and/or their designated representatives, and review of relevant documents. Observations were made only of those areas that were readily accessible during our review. Deficiencies existing but not recorded in this report were not apparent given the level of study undertaken. Components not included have not been reviewed, and if their conditions need to be known, further study will be required. Finally, we have not undertaken a physical review of subsurface conditions or concealed structural systems.

It is possible that unexpected conditions may be encountered at the building/facility that have not been explored within the scope of this report. Should such an event occur, MH should be notified in order that we may determine if modifications to our conclusions are necessary.

In issuing this report, MH does not assume any of the duties or liabilities of the designers, builders or owners of the subject property. Owners, prospective purchasers, tenants or others who use or rely on the contents of this report do so with the understanding as to the limitations of the documents reviewed and the general visual inspection undertaken, and understand that MH cannot be held liable for damages they may suffer in respect to the purchase, ownership, or use of the subject property.

Professional judgment was exercised in gathering and analyzing the information obtained and in the formulation of the conclusions. Like all professional persons rendering advice, we do not act as insurers of the conclusions we reach, but we commit ourselves to care and competence in reaching those conclusions. No other warranties, either expressed or implied, are made.

## 2. PHYSICAL ASSESSMENT

### 2.1 General Facility Description

The building located at 551/555 Chatham Street in Victoria, BC consists of a single 4-storey commercial and residential building constructed over a single level below grade parkade. The building structure consists of a combination of cast-in-place concrete at the basement level, and steel and wood framing above.

Cladding consists primarily of a combination of brickwork and metal cladding installed in a rain screen configuration. Windows and doors are metal framed. Roofing is low-sloped and waterproofed by a 2-ply SBS waterproofing membrane.

Safety rails are aluminum picket railings installed at roof deck over living space and balconies.

Corridors that provide access to the units have been finished with carpet. Walls and ceilings are finished with painted gypsum board.

Common mechanical and electrical equipment is limited, and includes power and water distribution, common lighting, parkade fire sprinklers, irrigation sprinklers, and sanitary and storm drainage. One hydraulic elevator is present.

Soft landscaping is limited at this site due to proximity of adjacent buildings and street frontage. Hard landscaping is primarily limited to the east, south and west elevations and consist of interlocking unit pavers, concrete paving and concrete retaining walls and chain link fencing.

#### 2.1.1 Component Inventory

The first step in preparing this report is identifying the component inventory for your complex. A component inventory is a list of each item of the common elements and assets of the corporation that requires, or is expected to require within at least 30 years of the date of the report, major repair or replacement. The Strata Property Act differentiates between operating fund expenses and reserve fund expenses as follows:

*Operating fund: common expenses that usually occur either once a year or more often than once a year.*

*Contingency reserve fund: common expenses that usually occur less often than once a year or that do not usually occur.*

It has been our experience that most Strata choose to cover small capital expenditures out of the operating budget. The minimum threshold value for operating expenses of \$3,500.00 was outlined in the strata questionnaire, therefore we have assumed that capital expenses less than \$3,500.00 will be covered out of the operating budget, and expenses greater than that amount be budgeted for in the Reserve Fund.

### 2.1.2 Common Elements

We understand that the following building components are common elements at 551/555 Chatham Street:

- Structural Systems including parkade slab-on-grade
- Exterior Walls, all components up to the back-side of the interior gypsum wall board
- Windows, Doors and Skylights
- Roofing and associated Flashings, Soffits, Gutters and Downspouts
- Balconies, Railings and Soffits
- Common Corridor Finishes
- Mechanical Systems (components that serve more than one unit)
- Electrical Systems (components that serve more than one unit)
- Fire Suppression and Alarm Systems
- Common Area Hard Landscaping
- Parkade Entrance Ramp and Site Features
- Elevator

### 2.1.3 Shared Facilities

We understand that VIS 5035 has no facilities that are shared with another Strata or property owners.

## 2.2 Visual Review

A visual review of the subject complex was conducted on February 10, 2016. The reviewers and the respective disciplines are listed above in section 1.4.

Ms. Sandra Polichek accompanied us during our review of the building and provided access to all areas of the facility including representative suites. These suites included units 103, 404, and 409. We also toured the parking garage, main roof and service rooms.

Our evaluation of the building, and the building systems and components was based on a random sampling visual review of areas that were readily accessible at the time of our visit, and components that were exposed. No destructive openings, testing, or design reviews were conducted in completing our report.

Our site visit consisted of a visual review of a sampling of readily accessible, exposed structural components in an attempt to identify the symptoms of structural distress (i.e., excessive cracks, movement or displacement, and/or cracked finishes and glazing). Given that our review has been made on a random sampling basis and that structural members were generally not subjected to their full design live loads (including wind and seismic effects), this type of review is very limited in identifying hidden or latent structural defects.

## 2.3 Documents Review

The following documentation was provided for our review to assist with the creation of this report:

- Architectural Drawings prepared by Citta Construction Ltd. Sheets A1-A9, dated September 1999
- Electrical Drawings prepared by Falcon Engineering Ltd., sheets E1-E4, dated November 1999
- Sprinkler Drawings prepared by Protection Engineering Inc., dated November 1999
- Depreciation Report Questionnaire as completed and returned by the Strata.
- Warranty Packages from initial construction completion, dated year 2000
- Building Envelope Section Details 11"x17" Booklet – dated December 2000 – Author unknown
- Mechanical Maintenance Manuals, Base Building, Flotech Mechanical Systems Specialists, dated January 2001
- Mechanical Maintenance Manuals, Canadian College of Acupuncture and Oriental Medicine, Flotech Mechanical Systems Specialists, dated January 2001

## 2.4 Fiscal Year

The fiscal year of the corporation is July 1, 2015 to June 30, 2016. Following accounting standards, in this report we identify the fiscal year by the year in which it ends. For example, the 2015/2016 fiscal year is referred to throughout as 2016.

## 2.5 Reporting

The Condition Assessment is included in Appendix A. A detailed description of the table contents and our approach to assigning ratings is described below:

**TABLE 2.1 – CONDITION ASSESSMENT SPREADSHEET**

The Building Condition Assessment/Capital Plan table is provided in Appendix A and shows our opinion of the probable cost to carry out the recommendations (in current fiscal year dollars) during the planning horizon. The repairs and replacements we have forecasted do not represent a fixed schedule for replacements; repairs or replacements may be required sooner or later than we have anticipated, or may not be required at all during the term of the report.

## 2.6 Condition Assessment Table – Column Description

COLUMN	DESCRIPTION
Photo Reference	Provides numerical reference to representative photographs included in Appendix D.
Component ID	The component number, as per the ASTM Uniformat II Classification for Building Elements (E1557-09)
Location / Type	Location or other modifier as needed to assist in identifying the specific component.

COLUMN	DESCRIPTION
Description & History	A brief description of the component, deficiencies observed by MH (if any), and problems or previous repairs reported by site staff.
Condition Rating	<p>Good Functioning as intended; limited (if any) deterioration observed.</p> <p>Fair Function and operation exhibiting wear or minor deterioration, normal maintenance frequency.</p> <p>Poor Function and operation failing; significant deterioration and distress observed; increased maintenance attention has been required.</p>
Year of Acquisition	This is assigned based on available data from drawings or reports, readily accessible nameplate information on equipment, or interviews with site staff. Where the year is not known, MH provides an estimate based on observed condition. This may also be the year when a particular building element was replaced or renewed (i.e. roof).
Recommendation	Based on MH's assessment. If there are no anticipated repairs, replacements, studies over the planning horizon, there will be no recommendation. A single component can have multiple recommendations.
Type	<p>Replacement: Replace like with like, allowing for changing contemporary standards.</p> <p>Repair Allowance: Preliminary allowance for repairs where the scope is not yet defined.</p> <p>Contingency: For repairs likely to be required where the timing and scope cannot be assessed without additional study; or where failure is unpredictable</p> <p>Study: Further study is required to assign more accurate repair/replacement costs or timing for a Contingency item</p> <p>Upgrade: Replace to a higher standard (more efficient, higher quality, etc.)</p>

COLUMN	DESCRIPTION
Priority	<ol style="list-style-type: none"> <li>1 Immediate: items that require immediate repair or replacement because of either a code deficiency or a safety concern</li> <li>2 Deferred Maintenance: items that currently require repair or replacement to restore functionality (where repair or replacement has been deferred).</li> <li>3 Renewal: items that will require future repair or replacement to maintain functionality (life cycle replacement).</li> <li>4 Discretionary Renewal: items where the timing and scope of work is at the owner's discretion.</li> </ol>
Age in Current Fiscal Year	The age at the time of the assessment. Where the exact age is unknown, MH provides an estimate based on observed condition.
Typical Lifecycle	<p>Standard lifespan, assuming normal maintenance, based on our experience and manufacturer's recommendations. A piece of equipment may have a typical lifespan for complete replacement, as well as a typical lifespan for a recommended repair with a much shorter frequency.</p> <p>A lifecycle of 99 shows a one-time project.</p>
Remaining Life Expectancy (Est. Life Rem)	<p>Remaining life of component and/or time to the next major repairs. Based on Age subtracted from Typical Lifespan, but confirmed and adjusted as needed depending on observed condition.</p> <p>A negative value is used to show phased projects already partially complete.</p>
Years Over Which Project is Phased (Proj. Dur. (yrs.))	Normally projects are completed in one year. Larger projects may be phased over several consecutive years.
Opinion of Probable Cost	Identifies approximate quantities for capital budgeting purposes only, and applies unit rates, contingencies, and consulting fees, as appropriate.

COLUMN	DESCRIPTION
Percent Allocated	Our estimate of the extent requiring repair or replacement. Typically 100%, however; some items such as structural systems are constructed to last the life of the building and do not need to be replaced in their entirety. However, it is reasonable to assume that some repairs to these components may be required within the terms of the report. For these items an allowance based on a percentage of replacement cost has been allocated. This column is also used to accommodate items that may be shared with an adjacent property (i.e. fences, driveways, parking lots).
Included, Yes or No	Occasionally, the dollar value of a capital expenditure item is below the threshold value that Strata has chosen as the minimum cost eligible to be paid from the contingency (reserve) fund. Below this threshold, lower cost expenditures may be funded directly from the operating budget. All appropriate capital cost items are presented in the Condition and Capital Plan Table for the benefit of Strata planning but only those with a total dollar value above the threshold are included in the Capital Plan and funding scenarios (as denoted with a “Y”).
Estimated Budget	In current fiscal year dollars including consulting, contingencies and taxes where we feel it is appropriate. See the following discussion regarding Opinions of Probable Cost.

**Opinions of Probable Cost (OPCs)** are provided only as an indication of possible cost of remedial work. The repair or replacement costs are based on published construction cost data, recent bid prices on similar work, and information provided by the owner. More precise opinions of probable cost would require more detailed investigation to define the scope of work.

The major repair or replacement of building components is based on using components that are equivalent in quality and cost. Therefore, the allowance for the major repair or replacement is typically based on a “like-for-like” component. In some instances, the component may have become obsolete and in no longer available at reasonable cost. Hence, the replacement would involve an item that is equivalent or greater in performance and function. Unless circumstances dictate, no additional allowance is made for “upgrading” building components.

The OPC we have presented can vary due to a number of reasons including changing market conditions, updated Codes and Standards, availability of newer materials and systems, and increased or decreased scope of work than we have identified.

We recommend that costs for consulting services, including design, tendering and construction review, be included in the reserve fund plan. The cost for these services can vary significantly depending on the size, scope and degree of complexity of the project. We have included a variable allowance for consulting fees and contingencies where we believe it is appropriate, and the 5 percent GST. All costs in the Condition Assessment and Capital Plan tables are identified in current fiscal year Canadian dollars.

Review of the Tables reveals several contingencies that occur in a single year of the report period. Though these repairs and replacements will not all take place in one year, and may not be required at all, it is prudent to budget for such repairs since failure of some components is unpredictable.

All OPCs assume that regular annual maintenance and repairs will be performed to all elements at the facility.

## 2.7 Significant Capital Expense Forecasts

551/555 Chatham Street is approximately 16 years old and, although in good condition, there are items of repair and renewal that are predicted to occur over the next 10 years given the age of the building and predicted lifespan of some of the components.

The following items are forecast to have some impact on the reserve (contingency) fund over the next ten years (listed in order of likely occurrence):

1. Access Control/Entry System – Upgrade
2. Combined Roof, Balcony and Roof Deck Condition Survey - Study
3. Fencing and Gates - Wood - Replacement
4. Joint Sealant – Replacement
5. Exterior Coatings- Structural Steel – Replacement
6. Lighting Equipment - Corridor, Common areas -Upgrade
7. Lighting Equipment – Parkade – Upgrade
8. Lighting Equipment - Outdoor – Replacement
9. Wall Foundations – Repairs
10. Standard Slab on Grade - Repairs
11. Floors Decks and Slabs – Repair
12. Steel Gate - Replacement
13. Passenger Elevator - Controller - Replacement
14. Air Handling Units - Makeup Air Unit – Replacement
15. Balcony Railing - Wood Railing Replacement - Unit 307, 308 and 309
16. Corridors and Stairs Finishes-Repaint
17. Exterior Enclosure Brick – Repair
18. Roofing, Balcony - Vinyl - Replacement
19. Passenger Elevator - Upgrade

The total of all expenditures for the first 10 years of the report is forecast to be \$172,000.00.



### 3. FINANCIAL FORECASTING

The Cash Flow Tables are included in Appendix B. A detailed description of our assumptions and our analysis approach is described below:

#### 3.1 Interest

The assumed interest rate used in the Cash Flow Tables is 2%, as no alternate interest rate was indicated in the questionnaire provided to Strata VIS 5035.

The interest earned on the Reserve Fund for each year is based on a Mid-Year Interest Calculation. It is our understanding from previous discussions with clients involved in long-term financial planning that this interest calculation is accepted for long-term financial planning. Over the 30-year period, the calculated interest is lower than calculating Simple Interest; therefore it is a more conservative method for calculating interest.

With the Mid-Year Interest Calculation, the interest earned on the Reserve Fund is calculated at the middle of the fiscal year assuming that half the expenses have been taken out of the Reserve Fund and half the annual contribution has been deposited into the Reserve Fund. Therefore, Interest is calculated as follows:

$$\text{Interest} = \text{Interest Rate} \times \left( \text{Starting Balance} - \frac{\text{RFS Expenses}}{2} + \frac{\text{Annual Contribution}}{2} \right)$$

#### 3.2 Inflation

The Government of Canada and the Bank of Canada inflation-control policy is aimed at keeping inflations at agreed to target values. At present the target range is 1 to 3 per cent, with the Bank's monetary policy aimed at keeping inflation at the 2 per cent target midpoint. This policy has continued to be renewed since implementation in 1991, and currently extends to December 31, 2016.

The assumed inflation rate used in the Cash flow Tables is 2%, as no alternate interest rate was indicated in the questionnaire provided to Strata VIS 5035.

The total annual estimated expenditures are shown in the Capital Plan in current fiscal year dollars. The expenditures shown in the Cash Flow Table are inflated annually by the inflation percentage show.

#### 3.3 Starting Balance

The Reserve Fund balance at the start of the current fiscal year was provided by the Strata Council (Current balance = \$45,700.00).

#### 3.4 Contributions

The present annual contribution to the Reserve Fund was provided by the Strata Council. (Current total annual contribution = \$9000.00 per year).

Future annual contributions are calculated based on the estimates of life expectancy and opinions of probable cost, Minimum Reserve Fund Balance, and the assumptions for inflation and interest. Sample annual contributions that would result in an adequate Reserve Fund are indicated in the Cash Flow Scenarios in Appendix B.

When large expenses are anticipated in the near future and the existing Reserve Fund Balance is relatively low, increases to the annual contribution may not be sufficient. Increasing the annual contribution to an amount that can accommodate the major expenses is typically not considered a suitable funding plan since the Reserve Fund Balance often becomes relatively high for the remainder of the report period. This is not recommended as the Strata Property Act limits expenditures from the reserve fund to those:

- (a) *consistent with the purposes of the fund as set out in Section 92 (b), and*
- (b) *first approved by a resolution passed by a majority vote at an annual or special general meeting, or authorized under section 98.*

In such cases, Other Contributions are considered in the Cash-Flow Plan. These contributions can be in the form of special levies or surplus funds that the Strata have indicated will be available from other sources (i.e. transferred from operating budgets or contingency funds).

We note that there is a risk of relying on Special Levies as they must be approved by a resolution passed by a majority vote for those items noted in the depreciation report.

### 3.5 Minimum Reserve Fund Balance

The Act (as described in 3.6 below) sets out guidelines for maintaining a minimum balance based on the annual budget, however such a minimum balance may not be sufficient to meet projected and unexpected expenditures for a given year. Capital expenditures tend to be more proportional to the size and type of development than just the annual operating budget, therefore there will be instances when the recommended minimum balance will be substantially higher than what is set forth under the Act.

From the questionnaire we provided to the Strata, the Strata has indicated the following preferences for a minimum reserve fund balance:

Depreciation Report Period	Target Minimum Reserve Fund Balance
Years 1 to 10	\$135,700
Years 11 to 20	\$225,700
Years 21 to 30	\$315,700

Where practical, we attempt to maintain these minimum balances in each scenario, however meeting the minimum balances throughout the 30 timeline requires additional special assessments to maintain the balances. This item is open for discussion during the draft review process.

### 3.6 Requirements Under the Act

The Annual Reserve Contribution for the first year of this report is indicated in Section 3.4 above. Future annual contributions are calculated based on the estimates of life expectancy and opinions of probable cost, Minimum Reserve Fund Balance, and the assumptions for inflation and interest. Sample annual contributions are indicated in the Scenarios shown in Appendix B.

Contributions may be limited by the Strata Act as provided by Section 6.1, which indicates that the amount of the annual contribution to the contingency reserve fund must be determined as follows:

- (a) if the amount of money in the contingency reserve fund at the end of any fiscal year after the first annual general meeting is less than 25% of the total annual budgeted for the contribution to the operating fund for the fiscal year that has just ended, the annual contribution to the contingency reserve fund for the current fiscal year must be at least the lesser of:
  - i. 10% of the total amount budgeted for the contribution to the operating fund for the current fiscal year; and
  - ii. The amount required to bring the contingency reserve fund to at least 25% of the total amount budgeted for the contribution to the operating fund for the current fiscal year.
- (b) if the amount of money in the contingency reserve fund at the end of any fiscal year after the first annual general meeting is equal to or greater than 25% of the total annual budgeted for the contribution to the operating fund for the fiscal year that has just ended, additional contributions to the contingency reserve fund may be made as part of the annual budget approval process after consideration of the depreciation report, if any, obtained under section 94 of the Act.

Currently, the Strata are contributing approximately 11% of the proposed 2015-2016 Budget of \$82,208.00 to the contingency reserve fund.

## 4. SUMMARY

Morrison Hershfield Limited has reviewed and assessed the reserve fund requirements of Strata Corp. VIS 5035 in accordance with the Scope of Services and Limitations outlined in Section 1 of this report.

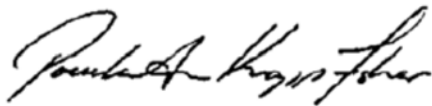
This Depreciation Report presents possible funding strategies that will provide adequate funding to cover anticipated major repairs and renewals expected in the next 30 years. It has been developed based on the information provided to us by the Strata and our review of the site.

The Depreciation Report is a dynamic document that will change over time as repairs/renewals are carried out on the common elements and interest/inflation rates change. The repairs and renewals we have forecasted do not represent a fixed schedule for renewals; repairs or renewals may be required sooner or later than we have anticipated. Similarly, the opinions of probable cost we have presented can vary due to a number of reasons including changing market conditions, availability of newer materials and systems, and increased or decreased scope of work than we have identified. As such, regular updates to this Depreciation Report are necessary to re-assess the needs of your building.

The Strata is required to conduct an update within three years of the date of this report. Consideration should be given to an inspection at an earlier date (prior to the three-year anniversary of this report) if there are any significant changes to the cash flow due to unforeseen conditions.

If you have any questions regarding the information contained herein, please contact the undersigned.

### MORRISON HERSHFIELD LIMITED



**Paula Knapp-Fisher B.Sc.**  
*Building Science Consultant*



**Dan Walters, B.Tech, ASCT, LEED AP**  
*Principal / Sr. Building Science Consultant*

## Appendix A

### Condition Assessment and Capital Plan



COMPONENT			CONDITION ASSESSMENT			RECOMMENDATION			LIFECYCLE DATA				OPINION OF PROBABLE COST		
Item # (*Photo Ref.)	ID	Location / Type	Description & History	Condition	Act. or Est. Year New	Recommendation	Type	Priority	Age in 2016	Typ Life Cycle	Est Life Rem	5% Tax	% Allo- cation	Incl. Yes/ No	Est. Budget in 2016 Dollars
1	A101001	Wall Foundations - Repairs	The below grade parkade wall foundations are a cast in place concrete system.	Good	2000	Budget for every 10 years to repair isolated areas (crack injection).	Repair Allowance	4 - Discretionary	16	10	5	5%	100%	Y	\$6,000
2	A103001	Standard Slab on Grade - Repairs	The slab on grade installed at the parkade is also a cast in place non-structural item.	Good	2000	Budget for repairs at isolated locations on a periodic basis as required.	Repair Allowance	4 - Discretionary	16	10	5	5%	100%	Y	\$6,000
3	A103006	Foundation Drainage - Study	The perimeter drainage system is typically a two tiered system, directing run off from the roof and balconies to the storm water system. It also allows the uptake of ground water into the perforated system to prevent hydrostatic pressure against the foundation walls. These types of systems can become blocked with tree roots or debris. The east side of the building was completed in 2016 - no issues were found.	Not Applicable	2016	Periodic camera inspection of the perimeter drainage system to determine need for required repairs.	Study	4 - Discretionary	0	5	5	5%	100%	N	\$1,000
4	A103006	Foundation Drainage - Repair	The perimeter drainage system is typically a two tiered system, directing run off from the roof and balconies to the storm water system. It also allows the uptake of ground water into the perforated system to prevent hydrostatic pressure against the foundation walls. These types of systems can become blocked with tree roots or debris.	Not Applicable	2000	Contingency to remove and replace damaged or failed perimeter weeping tile as required.	Contingency	4 - Discretionary	16	20	4	5%	100%	N	\$19,000
5	B101003	Floors Decks and Slabs - Repair	The roof of the parkade, is a poured in place suspended concrete slab which forms the floor of the first floor commercial unit and exterior walkways. It also extends beyond the outer wall of the building foot print and is waterproofed to the top side of slab. The exterior walkway overhang above the parkade entrance is also a suspended slab. Drain and water leader penetrations through this slab (at the stairs) are currently leaking onto the exterior light fixture at the parkade entrance.	Good	2000	Garage roof structure is expected to last the life of the building with some isolated repairs. This contingency allows for concrete repairs to isolated areas of the slab as found necessary.	Repair Allowance	4 - Discretionary	16	5	10	5%	100%	Y	\$4,000
6	B201001	Exterior Enclosure Brick - Repair	The first storey of this building is a brick veneer cladding finish. Areas of efflorescence at the brick joints was noted during the site review. Higher water run off was noted at brick areas under water leaders. Water leaders may need to be revised for maintenance. No other brick issues other than efflorescence was noted during the review. An exposed area of wall was noted at the ground floor door jamb on the west elevation walkway.	Good	2000	Clean, repair and repoint brick as required to ensure this system remains in a functional state.	Replacement	3 - Renewal	16	30	8	5%	20%	Y	\$8,000
7	B201001	Exterior Cladding - Corrugated Metal Panels, Vertical -Replacement	Vertical corrugated metal panels are installed at the second, third and fourth floor, as a cladding for this structure.	Good	2000	Replace metal cladding as required.	Replacement	3 - Renewal	16	40	24	5%	100%	Y	\$45,000
8	B201007	Balcony Railing - Metal Repainting - First, Third and Fourth Floor - Repainting	Metal railings provide safety barriers to the third and fourth floor sliding doors and balconies. Railings are also present at first floor patios.	Good	2000	Repaint metal handrail and metal flashing. Remove surface rust, clean and paint. This work assumed to be completed at time of sealant replacement and window repainting. Cost of suspended access is not included here.	Replacement	3 - Renewal	16	20	3	5%	100%	Y	\$8,000
9	B201007	Balcony Railing - Metal - First, Third and Fourth Floor - Replacement	Metal railings provide safety barriers to the third and fourth floor sliding doors and balconies. Railings are also present at first floor patios.	Good	2000	Replace the safety railings installed at the second, third and fourth floors as necessary.	Replacement	3 - Renewal	16	35	19	5%	100%	Y	\$8,000
10	B201007	Balcony Railing - Wood Railing Replacement - Unit 307, 308 and 309	Wood railings provide safety barriers to the units indicated.	Good	2000	Wood Cedar railings Replacement. Cost of suspended access is not included here.	Replacement	3 - Renewal	16	20	7	5%	100%	Y	\$3,000
11	B201008	Exterior Soffits - Metal - Replacement	Metal perforated soffits are installed at the ground floor commercial walkway areas.	Good	2000	Install new perforated metal soffit at end of service life.	Replacement	3 - Renewal	16	55	39	5%	100%	Y	\$4,000

COMPONENT			CONDITION ASSESSMENT			RECOMMENDATION			LIFECYCLE DATA				OPINION OF PROBABLE COST		
Item # (*Photo Ref.)	ID	Location / Type	Description & History	Condition	Act. or Est. Year New	Recommendation	Type	Priority	Age in 2016	Typ Life Cycle	Est Life Rem	5% Tax	% Allo- cation	Incl. Yes/ No	Est. Budget in 2016 Dollars
12	B201010	Exterior Coatings Structural Steel - Replacement	Various structural steel elements at the first floor of the building are exposed to the elements. These items should be treated as required to avoid corrosion to the structural beams.	Good	2000	Remove rust and re-coat painted structural steel elements as required.	Replacement	3 - Renewal	16	20	3	5%	100%	Y	\$6,000
13	B201011	Joint Sealant - Replacement	Joint sealant was noted to require replacement around the complex in the Due Diligence report in 2013. This still holds true, as areas of joint sealant was still noted to be required throughout the complex. Areas of bleed out of the underlying self adhered membrane were noted in the sealant joints. The second floor windows on the north elevation were noted to be missing a return flashing or joint sealant at the brick cladding interface.	Good	2000	Replace sealant between dissimilar materials, around windows and doors.	Replacement	3 - Renewal	16	12	2	5%	100%	Y	\$14,000
14	B202001	Windows - Aluminum Frame - Replacement	Windows in this complex are aluminum framed thermally broken frames, with awning style window operators.	Good	2000	Replace aluminum framed windows with new thermally-broken, insulated glass units (IGUs) c/w Low E coatings and argon fill.	Replacement	3 - Renewal	16	27	13	5%	100%	Y	\$169,000
15	B202002	Storefront Assembly - Replacement	Single glazed 'storefront' style glazing in aluminum frames is present along the north elevation at the ground floor. Single glazed wired glass units installed in painted metal frames are present along the north half of the west elevation at the ground floor.	Good	2000	Replace storefront system at end of service life.	Replacement	3 - Renewal	16	30	14	5%	100%	Y	\$26,000
16	B203001	Exterior Steel Doors with Lites - Replacement	Steel framed doors are positioned at the roof level and exit levels of the building. There are also a number of service doors at storage rooms, electrical rooms, and elevator rooms.	Good	2000	Replace doors at end of service life. Replace weatherstripping and complete minor repairs and adjustment as part of maintenance.	Replacement	3 - Renewal	16	25	9	5%	100%	N	\$5,000
17	B203001	Single Exterior Glazed Solid Wood Doors - Replacement	Exterior wood doors are set into a steel frame and service the exterior of the building. It was noted the lower floor exterior wood door is experiencing heavier weather exposure than would be desirable for the door to achieve a full lifespan. These doors require refinishing to allow the doors to achieve a longer lifespan. The patio door of unit 103 appears to be allowing air ingress at the threshold.	Good	2000	Replace doors at end of service life. Refinishing and replacement of weatherstripping and complete minor repairs and adjustment as part of maintenance.	Replacement	3 - Renewal	16	26	10	5%	100%	Y	\$15,000
18	B203001	Glazed Solid Wood Doors - Repaint	Exterior wood doors are set into a steel frame and service the exterior of the building. It was noted the lower floor exterior wood door is experiencing heavier weather exposure than would be desirable for the door to achieve a full lifespan. These doors require refinishing to allow the doors to achieve a longer lifespan. The patio door of unit 103 appears to be allowing air ingress at the threshold.	Fair	2000	Repaint and repair doors at end of service life.	Replacement	3 - Renewal	16	15	0	5%	100%	N	\$2,000
19	B203002	Glazed Doors - Sliding Patio Doors - Replacement	Aluminum sliding patio door provide balcony access and those units without a balcony, sliders open up to a safety railing with no exterior access area. Doors appeared to be in good working order.	Good	2000	Replace sliding glass doors at the end of their service life.	Replacement	3 - Renewal	16	30	14	5%	100%	Y	\$16,000
20	B203002	Glazed Doors - Sliding Door Hardware -	The ease of slider door operation can be extended through the replacement of rollers, latches and handles. Although no immediate concerns were noted a contingency for replacement of these types of items can extend the service life of such items.	Good	2000	Replace sliding glass door wheels and lock hardware as required.	Replacement	3 - Renewal	16	15	3	5%	100%	N	\$4,000
21	B203004	Overhead Garage Doors - Replacement	The main parkade area is security controlled via an overhead automatic gate. This gate has been replaced this year due to impact damage.	Good	2015	Replace overhead garage doors as required.	Replacement	3 - Renewal	1	15	14	5%	100%	Y	\$4,000
22	B203007	Steel Gate - Replacement	Steel painted gate provide security to the building at the street level.	Good	2000	Contingency to replace steel gate as required at end of service life. Painting and repairs are assumed to be covered under maintenance.	Replacement	3 - Renewal	16	20	4	5%	100%	Y	\$5,000
23	B301002	Suspended Slab Podium Membrane - Replace	As the footprint of the building is smaller than the parkade area below the street level, the corresponding area outside of the footprint has a waterproofing membrane applied to prevent water penetration into the below parkade through the roof slab.	Good	2000	Replace podium membrane. The membrane replacement will also require the removal and replacement of the concrete pathways around the building and any overburden that may be present. An additional line item has been provided and timed with a podium replacement for the replacement of pathways, (line 57, G20300).	Replacement	3 - Renewal	16	35	19	5%	100%	N	\$119,000

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24	B301002	Patio Roof Deck Membrane- Replacement	Roof deck terraces are present at the third floor and occur over living space. This area is waterproofed with an SBS membrane, with pressure treated decking installed over the SBS membrane. Extensive ponding water was noted at the south third floor roof decks due to a lack of roof drainage. A scupper is present at the east side of the roof, but the height of this scupper prevents the drainage of water below its position in the parapet wall. This membrane should be treated as outlined in line item #25 in regards to organic matter, algal growth, cleaning, regranulation and general yearly maintenance.	Good	2000	Replace patio roof deck SBS membrane at end of service life. Consideration should be given to installing a roof drain at the south elevation roof decks to avoid ponding water on this membrane. Ponding water not only represents a hazard to interior finishes if a leak develops in this area, but also reduces the lifespan of the membrane. Wood deck area also appear to be undergoing continual wetting, this ponding may be contributing to potential early decay of the deck structures. The predicted lifespan of this item assumes yearly maintenance and cleaning.	Replacement	3 - Renewal	16	26	10	5%	100%	Y	\$27,000
25	B301002	Roofing - Low Sloped Membrane System - SBS - Replacement	The main roof is waterproofed with a low slope SBS membrane. This style of membrane typically has a service life of 25 years. Items noted during the site review included the build up of organic matter at corners and intersections, growth of algae and moss at low light areas. Loss of granulation was also noted at bird dropping areas and areas of foot traffic at the exterior make up air unit.	Fair	2000	Replace roofing system including flashings, sealants, etc. as required. Maintenance items that help achieve of full service life of such an installation include, yearly review and cleaning of organic material such as algae and moss. Yearly re-granulation of the areas of the top sheet that have degranulated due to seagull droppings, wind scouring or traffic wear. Perform yearly repairs of splits, and delaminations in the membrane to ensure water ingress does not cause further damage to interior areas or finishes. Remove loose objects from the roof area to avoid wind uplift of unsecured objects and potential falling object hazards. This item does not include the delivery of items to the roof via crane, however, removal of old membrane would be handled via chute from the roof level. The cost of crane would be minor in light of the entire contract.	Replacement	3 - Renewal	16	26	11	5%	100%	Y	\$69,000
26	B301002	Roofing, Balcony - Vinyl - Replacement	Vinyl membranes provide the waterproofing membranes on the fourth floor south and west balconies located on the elevations and third floor balconies on the west elevation only.	Good	2000	Remove PVC membrane and replace at end of service life.	Replacement	3 - Renewal	16	20	9	5%	100%	Y	\$8,000
27	B301005	Gutters and Downspouts - Low Rise Res.	Aluminum gutters and downspouts service the roof, roof deck and balcony areas at this complex.	Good	2000	Replace gutters and downspouts at the end of service life.	Replacement	3 - Renewal	16	30	14	5%	100%	Y	\$4,000
28	B301006	Roof Openings - Skylights - Replacement	Acrylic dome and flat acrylic skylight are installed throughout the roof level. Strata notes there has been one skylight replaced to date. To ensure all items in this particular system are represented, all skylights are included in this line item.	Good	2000	Replace skylights at end or service life (4x4 insulated units).	Replacement	3 - Renewal	16	17	1	5%	100%	N	\$2,000
29	C102001	Standard Interior Doors - Replacement	Interior doors provide unit access.	Good	2000	Doors are expected to last the life of the building. However, a 20% budget of the full replacement cost is provided for some door replacement at heavily used areas and localized repairs as necessary.	Repair Allowance	4 - Discretionary	16	25	19	5%	20%	Y	\$6,000
30	C302001	Tile Floor Finishes - Lobby - Replacement	Slate tile floor finishes are installed at the elevator lobby area, at the front entrance of the commercial unit from the city walkway.	Good	2000	Replace patio, lobby and exterior main entrance tile floors as required.	Replacement	3 - Renewal	16	30	14	5%	100%	N	\$1,000
31	C302005	Removable Hallway Carpet Replacement	Removable carpet floor finishes have been installed over the polished concrete floors of the common corridor areas of the residential floors was replaced in 2007.	Good	2007	Replace carpeting as required. This could be seen as an discretionary upgrade, but potentially carpeting could deteriorate with wear to the point that it may become a safety hazard due to tripping.	Replacement	3 - Renewal	9	20	11	5%	100%	Y	\$3,000
32	C302005	Flooring Stairwell Carpet Replacement	Carpet floor finishes have been installed in the common stairwell areas between the residential floors. This carpet is original.	Good	2000	Replace carpeting as required. This could be seen as an discretionary upgrade, but potentially carpeting could deteriorate with wear to the point that it may become a safety hazard due to tripping.	Replacement	3 - Renewal	16	20	10	5%	100%	Y	\$3,000
33	C303003	Corridors and Stairs Finishes- Repaint	Interior corridors and stairwell walls and ceilings are a painted gypsum board finish.	Good	2000	Repaint walls and ceilings as required.	Replacement	3 - Renewal	16	8	6	5%	100%	Y	\$26,000
34	D101002	Passenger Elevator - Upgrade	One elevator services this building.	Not Applicable	2000	Renew existing hydraulic controller. This work is recommended by the service provider, Thyssen Krupp, (TKE). Please see the appendices for the full report from TKE. There is an increased cost to this line item compared to the appended report is based on additional consulting and contingency costs."	Upgrade	3 - Renewal	16	25	9	5%	100%	Y	\$45,000
35	D101002	Passenger Elevator - Controller - Replacement	One elevator services this building.	Not Applicable	2000	Upgrade existing hydraulic controller with a "soft start" feature. This work is recommended by the service provider, Thyssen Krupp, (TKE). Please see the appendices for the full report from TKE. There is an increased cost to this line item compared to the appended report is based on additional consulting and contingency costs."	Upgrade	3 - Renewal	16	25	4	5%	100%	Y	\$7,000



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36	D101002	Passenger Elevator - Door Sensor - Upgrade	One elevator services this building.	Not Applicable	2000	Upgrade the door sensor to a multi beam infrared sensor. This work is recommended by the service provider, Thyssen Krupp, (TKE). Please see the appendices for the full report from TKE. There is an increased cost to this line item compared to the appended report based on consulting and contingency costs.	Upgrade	3 - Renewal	16	50	4	5%	100%	N	\$5,000
37	D101002	Passenger Elevator - Cabinet Autodialler - Upgrade	One elevator services this building.	Not Applicable	2000	Upgrade cab to include an emergency dialer. This work is recommended by the service provider, Thyssen Krupp, (TKE). Please see the appendices for the full report from TKE. There is an increased cost to this line item compared to the appended report is based on additional consulting and contingency costs."	Upgrade	3 - Renewal	16	50	1	5%	100%	N	\$5,000
38	D202099	Other Domestic Water Supply - Backflow Preventer - Replacement	Domestic backflow preventers are required by the CRD as standard installations in any building. This prevents the siphoning of contaminated water back into the municipal supply. This item is required to be tested monthly.	Good	2000	Replace or install new backflow preventer in existing water entry room.	Replacement	3 - Renewal	16	20	4	5%	100%	N	\$6,000
39	D203001	Potable and Waste Pipe and Fittings - Repair	Waste piping throughout the complex is a PVC style piping as is the potable water supply.	Good	2000	Maintain a contingency for capital repairs and partial replacement of pipe as required.	Repair Allowance	4 - Discretionary	16	25	9	5%	100%	N	\$8,000
40	D304008	Air Handling Units - Makeup Air Unit - Replacement	A make up air unit is installed at the roof level. This system supplies air to the fan coil units and is distributed to the corridor areas.	Good	2000	Replace electric plenum heater make up air unit at end of service life. This includes contingency for upgrade to more efficient unit.	Replacement	3 - Renewal	16	20	5	5%	100%	Y	\$6,000
41	D305002	Unit Heaters - Replacement	Baseboard unit heaters are installed at various common areas throughout the complex.	Good	2000	Replace at end of service life.	Replacement	3 - Renewal	16	25	9	5%	100%	N	\$3,000
42	D306001	HVAC Controls - Parkade Exhaust -Replacement	Parkade areas has 1 axial fan that allows the removal of excess fumes from exhausts when the CO and propane detector attached to the fan detects minimum levels of CO.	Good	2000	Install new detection system with tie in to one fan. This fan runs intermittently due to the sensor of the attached detector. This may help to increase the service life of the fans motor.	Replacement	3 - Renewal	16	15	0	5%	100%	N	\$3,000
43	D401002	Dry Sprinkler Supply and Piping - Repair	A dry fire sprinkler system serves the parkade level.	Good	2000	Maintain a contingency for capital repairs or partial replacement of equipment or piping.	Repair Allowance	3 - Renewal	16	10	0	5%	100%	N	\$6,000
44	D401002	Wet Sprinkler Water Supply and Piping - Repair	The remainder of the building is protected by a wet sprinkler system. Sprinkler heads were observed throughout the commercial levels, as well as at the tops of the stairwells. A valve, flow switch and pressure gauge is located in the stairwell on each floor.	Good	2000	Maintain a contingency for capital repairs or partial replacement of equipment or piping.	Repair Allowance	3 - Renewal	16	10	0	5%	100%	N	\$6,000
45	D401003	Main Switchgear - IR Scanning - Study	The equipment in the electrical room appears to be in good condition and is manufactured by Cutler-Hammer.	Good	2000	Conduct Infra-red (IR) scan on major switchgear. Perform any maintenance and cleaning as required.	Study	3 - Renewal	16	5	0	5%	100%	N	\$3,000
46	D502002	Lighting Equipment - Corridor, Common areas	Common area lighting is a combination of wall mounted and ceiling mounted fixtures.	Good	2000	Upgrade for LED or replace at end of service life.	Upgrade	4 - Discretionary	16	25	3	5%	100%	Y	\$11,000
47	D502002	Lighting Equipment - Parkade	Parkade area lighting is provide by fluorescent style ballasts.	Good	2000	Upgrade for LED or replace at end of service life.	Upgrade	4 - Discretionary	16	25	3	5%	100%	Y	\$6,000
48	D502002	Lighting Equipment - Outdoor - Replacement	Common area exterior lighting is a combination of wall mounted and ceiling mounted fixtures.	Good	2000	Replace at end of service life.	Replacement	3 - Renewal	16	25	3	5%	100%	Y	\$8,000
49	D503001	Fire Alarm Systems - > 12 Zones - Replacement	There is a Mircom fire alarm system with the main panel located in the electrical room. An annunciator panel located in the front vestibule located on the east elevation.	Good	2008	Budget for replacement of the fire alarm system control panel, remote annunciator, and devices such heat and smoke detectors (excluding new wiring and raceways, if required).	Replacement	3 - Renewal	8	30	22	5%	100%	Y	\$5,000
50	D503008	Access Control/Entry System - Upgrade	Controlled entry to the residential section of the building is provided at the lobby entrance. This unit is scheduled to be upgraded this year.	Good	2000	Upgrade access control system at main entrance.	Replacement	3 - Renewal	16	15	0	5%	100%	Y	\$5,000
51	D509002	Emergency Lighting Signage and Power - Replacement	The building is equipped with a self-contained battery operated emergency lighting system. The system is serviced annually by Western Canada Fire Protection.	Good	2000	Replace at end of service life.	Upgrade	4 - Discretionary	16	25	9	5%	100%	N	\$1,000

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52	G201005	Guardrails and Barriers - Replacement	Steel railings are installed on the east, west and at the south end of the building at elevation changes. On the west side of the building, the steel railings acts as a safety railing at the parkade access ramp.	Good	2000	Replace steel guardrails at end of service life.	Replacement	4 - Discretionary	16	30	11	5%	100%	Y	\$8,000
53	G203000	Pedestrian Paving - Concrete - Repair	Exterior pathways on the street level of the complex are displaying a certain extent of "scaling". This is a condition where the top surface of the concrete spalls away. The California grate on the east lane access requires replacement.	Good	2000	Repair concrete floor of the exterior walkways by resurfacing the top 1/2" of the slab. Although more of an aesthetic item, there can be a safety aspect to this when water pools in the scaled areas and freezes, during cold months, this may potentially cause a slipping hazard.	Repair Allowance	3 - Renewal	16	25	9	5%	20%	N	\$2,000
54	G203000	Pedestrian Paving - Concrete - Replacement	This line item covers the complete replacement of the concrete pathways which occur above the parkade. In the event of a podium membrane renewal, these pathways will have to be replaced.	Good	2000	Removal and replacement of existing exposed aggregate concrete pathways (100mm thick). This would be required during the replacement of the podium membrane.	Replacement	3 - Renewal	16	26	10	5%	100%	N	\$20,000
55	G204001	Fencing and Gates - Chain Link - Replacement	Chain link fencing provides security at the street level on the west elevation of the building and acts as a safety railing/fence at the ramp access to the parkade at the property boundary.	Good	2000	Replace outdoor vinyl coated, chain link fences at the end of service life.	Replacement	3 - Renewal	16	35	19	5%	100%	N	\$1,000
56	G204001	Fencing and Gates - Wood - Replacement	A wood picket style railing prevents access from the common roof top deck to other areas of the roof, as well as access from individual per unit area roof decks.	Good	2000	Replace outdoor fences and gates at the end of service life. Periodic staining or painting assumed to be part of general maintenance.	Replacement	3 - Renewal	16	18	2	5%	100%	Y	\$4,000
57	G204003	Exterior Furnishings - Main Roof Wood Deck - Replacement	A roof top deck is installed towards the north end of the roof. This area is a common access and use area, created from pressure treated wood. Pressure treated roof decks are also located on the south second floor of the building, servicing individual units. The patio areas of first floor units also feature wood decking over the waterproofing membrane. The safety railing is also wood and is represented in line item G204001 - Fencing and Gates - Wood - Replacement	Fair	2000	Repair or renewal of all elevated pressure-treated decks at the roof level. Some boards at the upper roof deck were noted to require replacement or repair. This repair has been assumed to be a part of maintenance.	Replacement	3 - Renewal	16	26	10	5%	100%	N	\$3,000
58	G204003	Exterior Furnishings - Third Floor and Fourth Floor Wood Decks - Replacement	Pressure treated roof decks are also located on the south third floor of the building, servicing individual units. The safety railing is also wood and is represented in line item G204001 - Fencing and Gates - Wood - Replacement	Fair	2000	Repair or renewal of all elevated pressure-treated decks at the third floor and the fourth floor. This repair has been assumed to be a part of maintenance.	Replacement	3 - Renewal	16	26	10	5%	100%	Y	\$10,000
59	G303003	Water & Sewer - Sanitary and Storm water Pumps - Replacement	The sump pump control is located in the parkade and consists of a duplex pump control system complete with alarm manufactured by Northwest Tech-con systems. Each of the pumps is a 1/2 horsepower unit. Although no service history was provided, this system appeared to be operating appropriately and no concerns from the Strata representative were received.	Good	2000	Replace sanitary and storm water lift pumps and controls (under 1/3 Hp).	Replacement	3 - Renewal	16	20	4	5%	100%	N	\$2,000
60	P100004	Combined Roof, Balcony and Roof Deck Condition Survey - Study	Perform a combined review.	Not Applicable	2000	Perform a combined review of all items covered in the above two line items.	Study	Not Applicable	16	20	1	5%	100%	Y	\$8,000
61	P100005	Professional Services for Depreciation Report update, with Site Visit - Study	Update the depreciation report.	Not Applicable	2015	Depreciation Report update with site inspection. The strata act requires the depreciation report be updated every 3 years.	Study	Not Applicable	1	3	2	5%	100%	N	\$4,000

COMPONENT			UNION OF PROBABLE CO Est. Budget in 2016 Dollars	CAPITAL PLAN												Yr. 20												Yr. 30					
Item # (*Photo Ref.)	ID	Location / Type		2016	2017	2018	2019	2020	2021	2022	2023	2024	Yr. 10 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Yr. 20 2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	Yr. 30 2045
				\$5,000	\$8,000	\$18,000	\$16,500	\$14,500	\$10,900	\$11,400	\$14,400	\$6,233	\$59,233	\$61,333	\$85,333	\$10,333	\$24,733	\$66,500	\$29,900	\$20,900	\$20,900	\$20,900	\$29,500	\$27,100	\$27,100	\$30,600	\$22,700	\$50,600	\$13,000	\$17,000	\$6,000	\$12,000	\$30,400
1	A101001	Wall Foundations - Repairs	\$6,000						\$1,200	\$1,200	\$1,200	\$1,200	\$1,200						\$1,200	\$1,200	\$1,200	\$1,200	\$1,200						\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
2	A103001	Standard Slab on Grade - Repairs	\$6,000						\$1,200	\$1,200	\$1,200	\$1,200	\$1,200						\$1,200	\$1,200	\$1,200	\$1,200	\$1,200						\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
3	A103006	Foundation Drainage - Study	\$1,000																														
4	A103006	Foundation Drainage - Repair	\$19,000																														
5	B101003	Floors Decks and Slabs - Repair	\$4,000											\$4,000					\$4,000					\$4,000									
6	B201001	Exterior Enclosure Brick - Repair	\$8,000								\$1,333	\$1,333	\$1,333	\$1,333	\$1,333	\$1,333																	
7	B201001	Exterior Cladding - Corrugated Metal Panels, Vertical -Replacement	\$45,000																									\$45,000					
8	B201007	Balcony Railing - Metal Repainting - First, Third and Fourth Floor - Repainting	\$8,000			\$8,000																				\$8,000							
9	B201007	Balcony Railing - Metal - First, Third and Fourth Floor - Replacement	\$8,000																				\$8,000										
10	B201007	Balcony Railing - Wood Railing Replacement - Unit 307, 308 and 309	\$3,000								\$3,000																			\$3,000			
11	B201008	Exterior Soffits - Metal - Replacement	\$4,000																														
12	B201010	Exterior Coatings Structural Steel - Replacement	\$6,000			\$6,000																				\$6,000							
13	B201011	Joint Sealant - Replacement	\$14,000			\$14,000											\$14,000												\$14,000				
14	B202001	Windows - Aluminum Frame - Replacement	\$169,000													\$16,900	\$16,900	\$16,900	\$16,900	\$16,900	\$16,900	\$16,900	\$16,900	\$16,900	\$16,900	\$16,900	\$16,900						

COMPONENT			UNION OF PROBABLE CO Est. Budget in 2016 Dollars	CAPITAL PLAN												Yr. 20												Yr. 30							
Item # (*Photo Ref.)	ID	Location / Type		2016	2017	2018	2019	2020	2021	2022	2023	2024	Yr. 10 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Yr. 20 2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	Yr. 30 2045		
				\$5,000	\$8,000	\$18,000	\$16,500	\$14,500	\$10,900	\$11,400	\$14,400	\$6,233	\$59,233	\$61,333	\$85,333	\$10,333	\$24,733	\$66,500	\$29,900	\$20,900	\$20,900	\$20,900	\$29,500	\$27,100	\$27,100	\$30,600	\$22,700	\$50,600	\$13,000	\$17,000	\$6,000	\$12,000	\$30,400		
15	B202002	Storefront Assembly - Replacement	\$26,000														\$26,000																		
16	B203001	Exterior Steel Doors with Lites - Replacement	\$5,000																																
17	B203001	Single Exterior Glazed Solid Wood Doors - Replacement	\$15,000										\$15,000																						
18	B203001	Glazed Solid Wood Doors - Repaint	\$2,000																																
19	B203002	Glazed Doors - Sliding Patio Doors - Replacement	\$16,000														\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	
20	B203002	Glazed Doors - Sliding Door Hardware -	\$4,000																																
21	B203004	Overhead Garage Doors- Replacement	\$4,000														\$4,000																		\$4,000
22	B203007	Steel Gate - Replacement	\$5,000				\$5,000																				\$5,000								
23	B301002	Suspended Slab Podium Membrane - Replace	\$119,000																																
24	B301002	Patio Roof Deck Membrane- Replacement	\$27,000											\$27,000																					
25	B301002	Roofing - Low Sloped Membrane System - SBS - Replacement	\$69,000												\$69,000																				
26	B301002	Roofing, Balcony - Vinyl - Replacement	\$8,000										\$8,000																						\$8,000
27	B301005	Gutters and Downspouts - Low Rise Res.	\$4,000														\$4,000																		

COMPONENT			ESTIMATED PROBABLE COST CAPITAL PLAN Est. Budget in 2016 Dollars	Yr. 10												Yr. 20												Yr. 30									
Item # (*Photo Ref.)	ID	Location / Type		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045				
				\$5,000	\$8,000	\$18,000	\$16,500	\$14,500	\$10,900	\$11,400	\$14,400	\$6,233	\$59,233	\$61,333	\$85,333	\$10,333	\$24,733	\$66,500	\$29,900	\$20,900	\$20,900	\$20,900	\$29,500	\$27,100	\$27,100	\$30,600	\$22,700	\$50,600	\$13,000	\$17,000	\$6,000	\$12,000	\$30,400				
28	B301006	Roof Openings - Skylights - Replacement	\$2,000																																		
29	C102001	Standard Interior Doors - Replacement	\$6,000																				\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600				
30	C302001	Tile Floor Finishes - Lobby - Replacement	\$1,000																																		
31	C302005	Removable Hallway Carpet Replacement	\$3,000												\$3,000																						
32	C302005	Flooring Stairwell Carpet Replacement	\$3,000											\$1,500	\$1,500																						
33	C303003	Corridors and Stairs Finishes-Repaint	\$26,000						\$6,500	\$6,500						\$6,500	\$6,500									\$6,500	\$6,500					\$6,500	\$6,500				
34	D101002	Passenger Elevator - Upgrade	\$45,000										\$45,000																								
35	D101002	Passenger Elevator - Controller - Replacement	\$7,000				\$7,000																												\$7,000		
36	D101002	Passenger Elevator - Door Sensor - Upgrade	\$5,000																																		
37	D101002	Passenger Elevator - Cabinet Autodialler - Upgrade	\$5,000																																		
38	D202099	Other Domestic Water Supply - Backflow Preventer - Replacement	\$6,000																																		
39	D203001	Potable and Waste Pipe and Fittings - Repair	\$8,000																																		
40	D304008	Air Handling Units - Makeup Air Unit - Replacement	\$6,000					\$6,000																											\$6,000		
41	D305002	Unit Heaters - Replacement	\$3,000																																		
42	D306001	HVAC Controls - Parkade Exhaust -Replacement	\$3,000																																		
43	D401002	Dry Sprinkler Supply and Piping - Repair	\$6,000																																		
44	D401002	Wet Sprinkler Water Supply and Piping - Repair	\$6,000																																		
45	D401003	Main Switchgear - IR Scanning - Study	\$3,000																																		
46	D502002	Lighting Equipment - Corridor, Common areas	\$11,000				\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100																			\$1,100	\$1,100

COMPONENT			ESTIMATED PROBABLE COST CAPITAL PLAN Est. Budget in 2016 Dollars	Yr. 10												Yr. 20												Yr. 30					
Item # (*Photo Ref.)	ID	Location / Type		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
				\$5,000	\$8,000	\$18,000	\$16,500	\$14,500	\$10,900	\$11,400	\$14,400	\$6,233	\$59,233	\$61,333	\$85,333	\$10,333	\$24,733	\$66,500	\$29,900	\$20,900	\$20,900	\$20,900	\$29,500	\$27,100	\$27,100	\$30,600	\$22,700	\$50,600	\$13,000	\$17,000	\$6,000	\$12,000	\$30,400
47	D502002	Lighting Equipment - Parkade	\$6,000			\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600																	\$600	\$600
48	D502002	Lighting Equipment - Outdoor - Replacement	\$8,000			\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800																	\$800	\$800
49	D503001	Fire Alarm Systems - > 12 Zones - Replacement	\$5,000																							\$5,000							
50	D503008	Access Control/Entry System - Upgrade	\$5,000	\$5,000														\$5,000															
51	D509002	Emergency Lighting Signage and Power - Replacement	\$1,000																														
52	G201005	Guardrails and Barriers - Replacement	\$8,000												\$8,000																		
53	G203000	Pedestrian Paving - Concrete - Repair	\$2,000																														
54	G203000	Pedestrian Paving - Concrete - Replacement	\$20,000																														
55	G204001	Fencing and Gates - Chain Link - Replacement	\$1,000																														
56	G204001	Fencing and Gates - Wood - Replacement	\$4,000		\$4,000																					\$4,000							
57	G204003	Exterior Furnishings - Main Roof Wood Deck - Replacement	\$3,000																														
58	G204003	Exterior Furnishings - Third Floor and Fourth Floor Wood Decks - Replacement	\$10,000											\$10,000																			
59	G303003	Water & Sewer - Sanitary and Storm water Pumps- Replacement	\$2,000																														
60	P100004	Combined Roof, Balcony and Roof Deck Condition Survey - Study	\$8,000	\$8,000																													
61	P100005	Professional Services for Depreciation Report update, with Site Visit - Study	\$4,000																														

**Appendix B**  
Cash Flow Tables

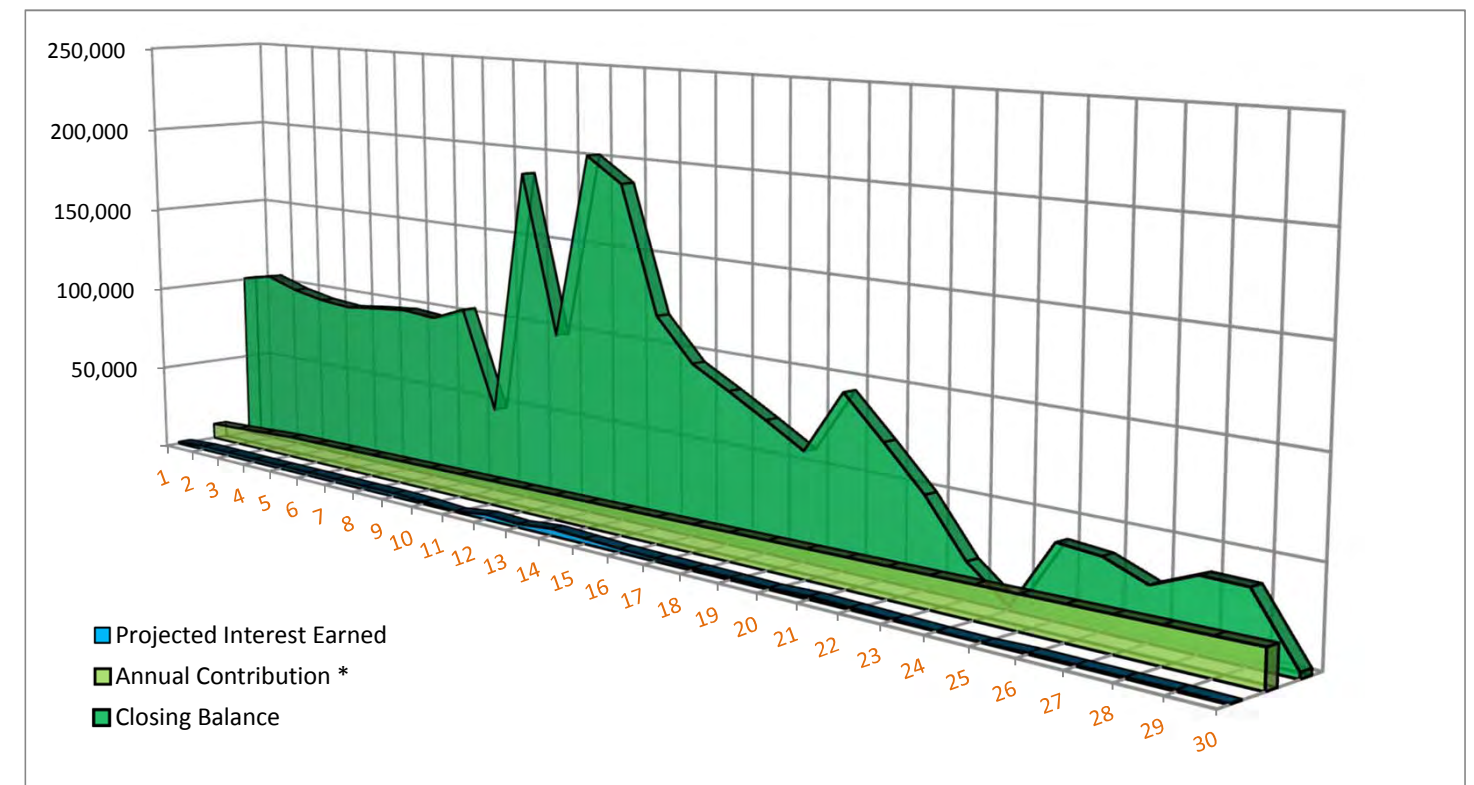
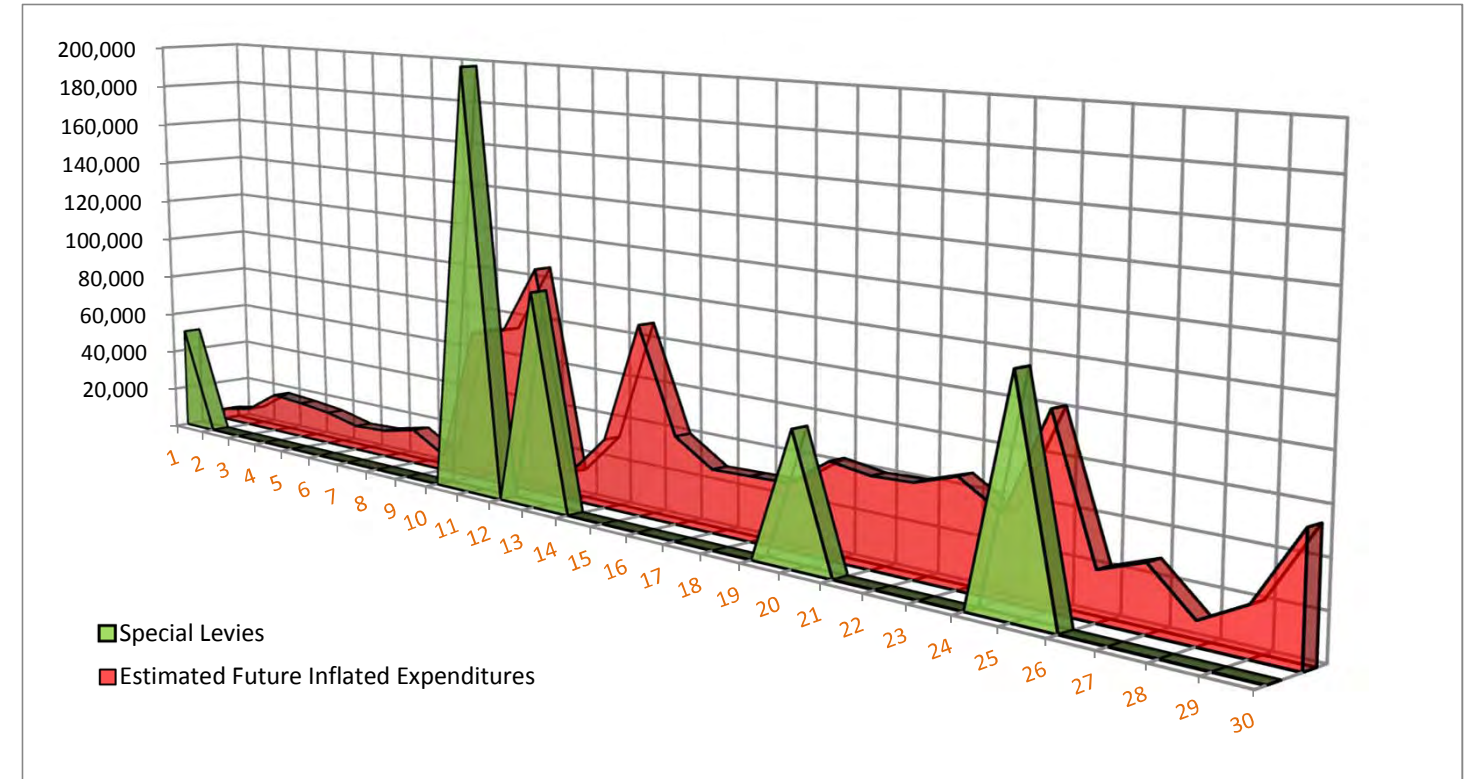


**30 Year Reserve Fund Cash Flow Table**  
**Scenario 1 - FINAL - June 27, 2016**

Assumed Interest Rate 2.0%  
 Assumed Inflation Rate 2.0%  
 Reserve Fund Balance at Start of 2016 Fiscal Year \$45,700.00  
 Present Annual Contribution to the Reserve Fund \$9,000.00  
 Minimum Reserve Fund Balance \$1,866.61

Year Ending In	Report Year	Opening Balance	Annual Contribution *	Percent Increase over Previous Year	Special Levies	Estimated Future Inflated Expenditures	Projected Interest Earned	Closing Balance
2016	1	45,700	9,000		50,000	5,000	954	100,654
2017	2	100,654	9,900	10.0%		8,160	2,030	104,424
2018	3	104,424	10,890	10.0%		18,727	2,010	98,597
2019	4	98,597	11,979	10.0%		17,510	1,917	94,983
2020	5	94,983	12,219	2.0%		15,695	1,865	93,371
2021	6	93,371	12,463	2.0%		12,034	1,872	95,671
2022	7	95,671	12,712	2.0%		12,838	1,912	97,458
2023	8	97,458	12,966	2.0%		16,541	1,913	95,796
2024	9	95,796	13,226	2.0%		7,303	1,975	103,694
2025	10	103,694	13,490	2.0%		70,789	1,501	47,896
2026	11	47,896	13,760	2.0%	200,000	74,765	348	187,239
2027	12	187,239	14,035	2.0%		106,101	2,824	97,997
2028	13	97,997	14,316	2.0%	100,000	13,105	1,972	201,180
2029	14	201,180	14,602	2.0%		31,995	3,850	187,637
2030	15	187,637	14,894	2.0%		87,745	3,024	117,810
2031	16	117,810	15,192	2.0%		40,241	2,106	94,866
2032	17	94,866	15,496	2.0%		28,691	1,765	83,437
2033	18	83,437	15,806	2.0%		29,265	1,534	71,512
2034	19	71,512	16,122	2.0%		29,850	1,293	59,077
2035	20	59,077	16,445	2.0%	60,000	42,976	916	93,462
2036	21	93,462	16,773	2.0%		40,269	1,634	71,600
2037	22	71,600	17,109	2.0%		41,075	1,192	48,827
2038	23	48,827	17,451	2.0%		47,307	678	19,649
2039	24	19,649	17,800	2.0%		35,796	213	1,867
2040	25	1,867	18,156	2.0%	100,000	81,387		38,636
2041	26	38,636	18,519	2.0%		21,328	745	36,572
2042	27	36,572	18,890	2.0%		28,448	636	27,649
2043	28	27,649	19,267	2.0%		10,241	643	37,319
2044	29	37,319	19,653	2.0%		20,892	734	36,813
2045	30	36,813	20,046	2.0%		53,986	397	3,270

\* The term "Annual Contribution" refers to the amount contributed each year to the reserve fund from the monthly expenses.



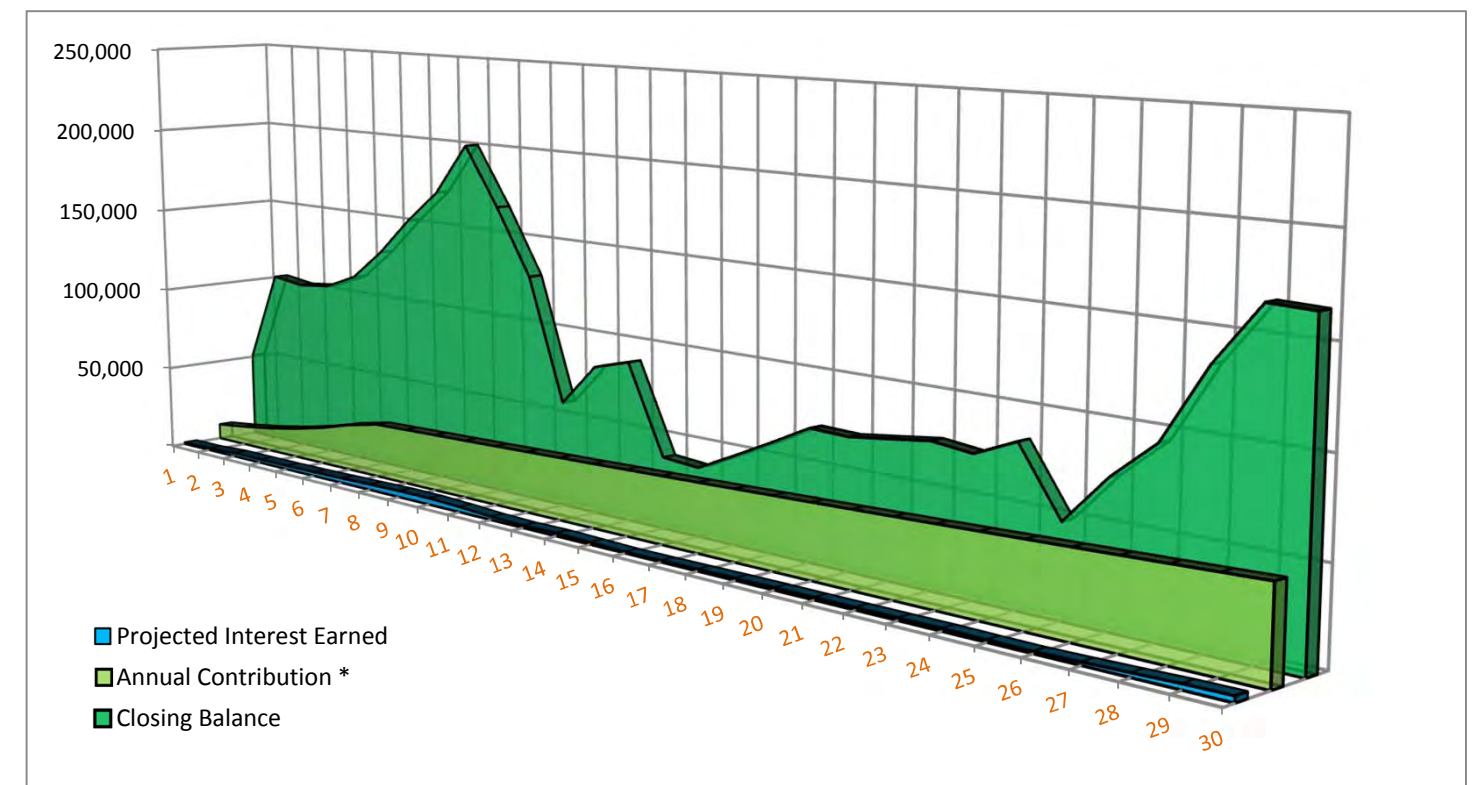
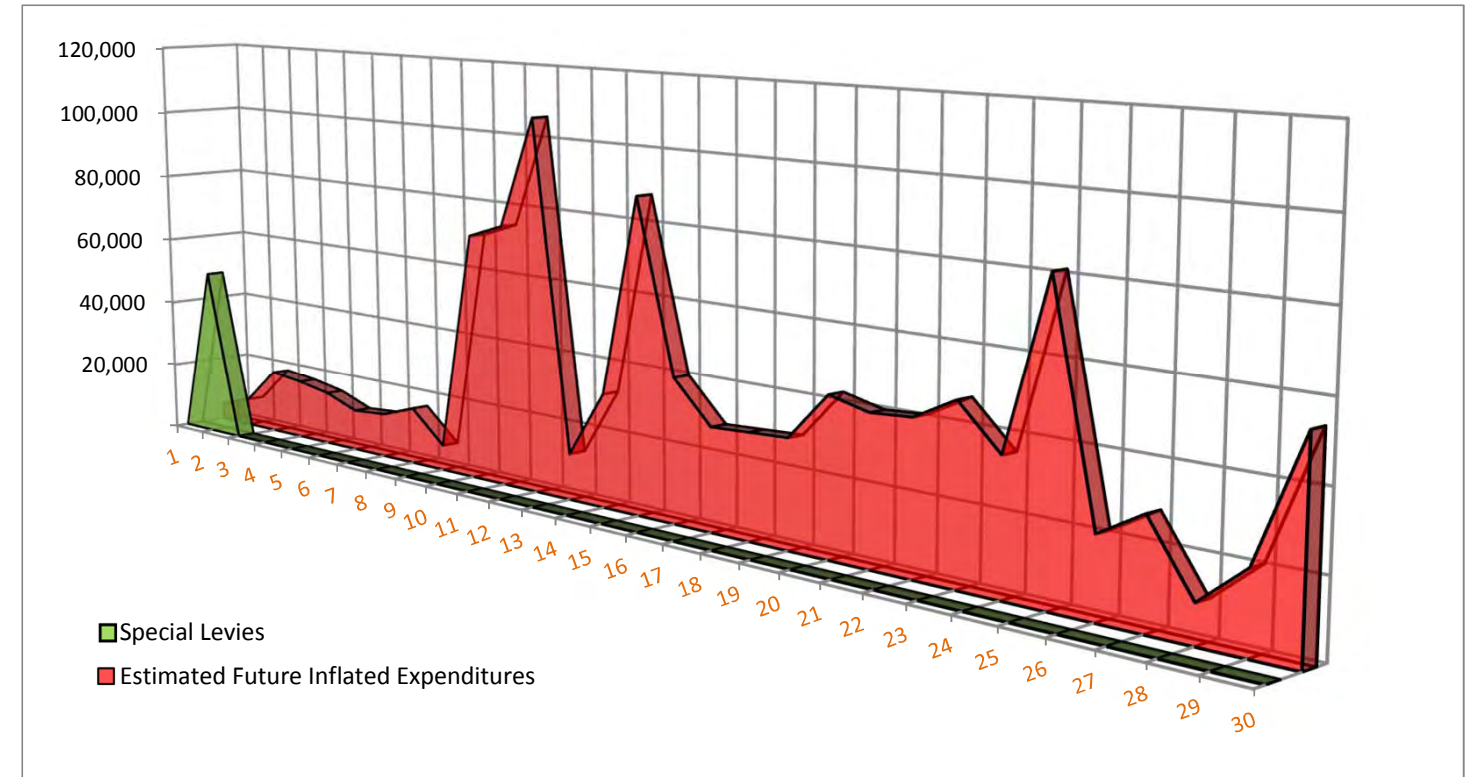


**30 Year Reserve Fund Cash Flow Table**  
**Scenario 2 - FINAL - June 27, 2016**

Assumed Interest Rate 2.0%  
 Assumed Inflation Rate 2.0%  
 Reserve Fund Balance at Start of 2016 Fiscal Year \$45,700.00  
 Present Annual Contribution to the Reserve Fund \$9,000.00  
 Minimum Reserve Fund Balance \$38,257.91

Year Ending In	Report Year	Opening Balance	Annual Contribution *	Percent Increase over Previous Year	Special Levies	Estimated Future Inflated Expenditures	Projected Interest Earned	Closing Balance
2016	1	45,700	9,000			5,000	954	50,654
2017	2	50,654	11,250	25.0%	50,000	8,160	1,044	104,788
2018	3	104,788	14,063	25.0%		18,727	2,049	102,172
2019	4	102,172	17,578	25.0%		17,510	2,044	104,285
2020	5	104,285	21,973	25.0%		15,695	2,148	112,711
2021	6	112,711	27,466	25.0%		12,034	2,409	130,550
2022	7	130,550	31,586	15.0%		12,838	2,798	152,096
2023	8	152,096	32,217	2.0%		16,541	3,199	170,971
2024	9	170,971	32,862	2.0%		7,303	3,675	200,205
2025	10	200,205	33,519	2.0%		70,789	3,631	166,566
2026	11	166,566	34,189	2.0%		74,765	2,926	128,916
2027	12	128,916	34,873	2.0%		106,101	1,866	59,554
2028	13	59,554	35,571	2.0%		13,105	1,416	83,435
2029	14	83,435	36,282	2.0%		31,995	1,712	89,433
2030	15	89,433	37,008	2.0%		87,745	1,281	39,977
2031	16	39,977	37,748	2.0%		40,241	775	38,258
2032	17	38,258	38,503	2.0%		28,691	863	48,933
2033	18	48,933	39,273	2.0%		29,265	1,079	60,019
2034	19	60,019	40,058	2.0%		29,850	1,302	71,530
2035	20	71,530	40,859	2.0%		42,976	1,409	70,823
2036	21	70,823	41,677	2.0%		40,269	1,431	73,661
2037	22	73,661	42,510	2.0%		41,075	1,488	76,584
2038	23	76,584	43,360	2.0%		47,307	1,492	74,129
2039	24	74,129	44,228	2.0%		35,796	1,567	84,128
2040	25	84,128	45,112	2.0%		81,387	1,320	49,173
2041	26	49,173	46,014	2.0%		21,328	1,230	75,090
2042	27	75,090	46,935	2.0%		28,448	1,687	95,263
2043	28	95,263	47,873	2.0%		10,241	2,282	135,177
2044	29	135,177	48,831	2.0%		20,892	2,983	166,099
2045	30	166,099	49,807	2.0%		53,986	3,280	165,201

\* The term "Annual Contribution" refers to the amount contributed each year to the reserve fund from the monthly expenses.

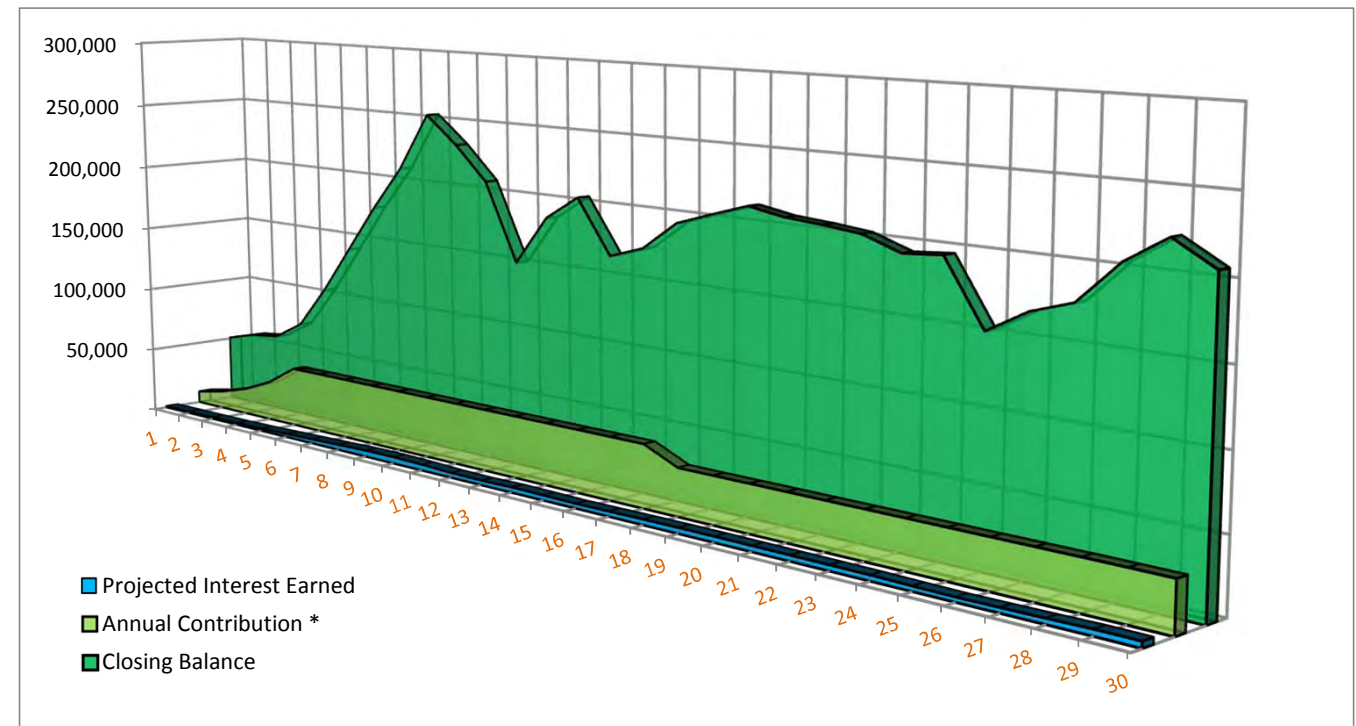
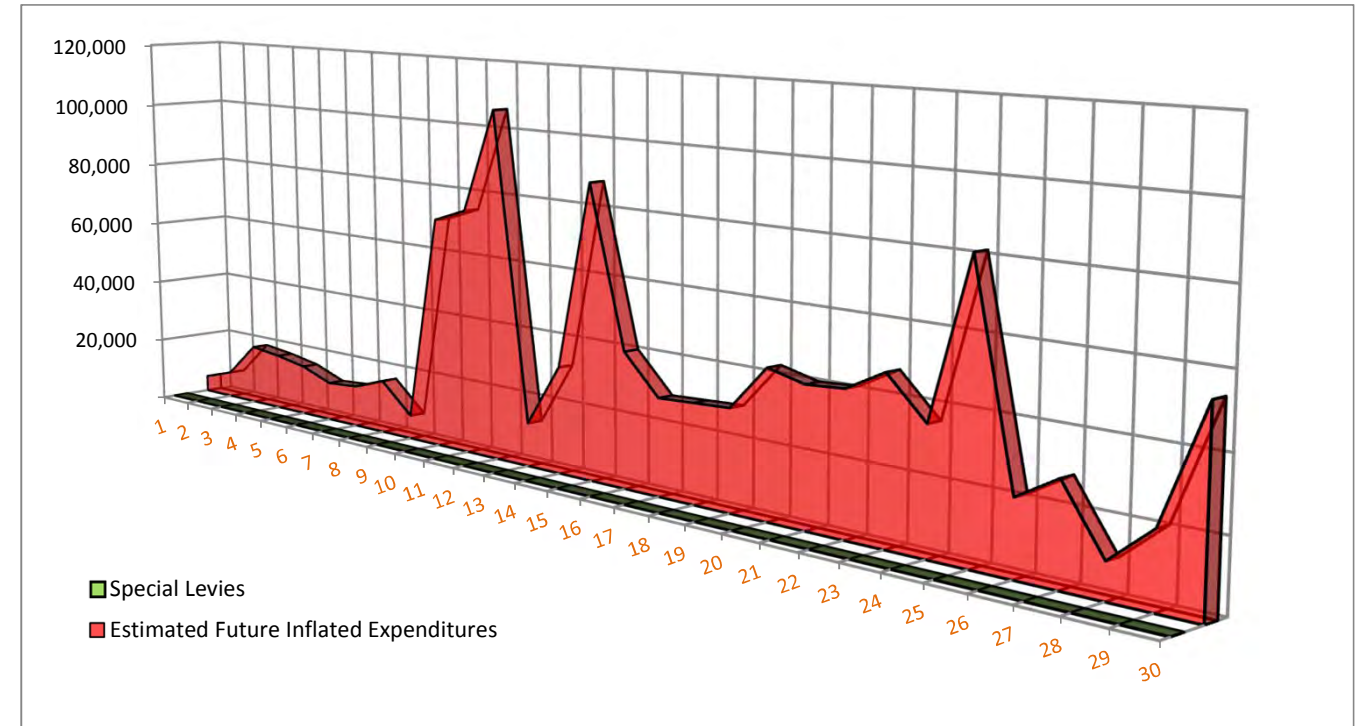


**30 Year Reserve Fund Cash Flow Table  
Scenario 3 - FINAL - June 27, 2016**

Assumed Interest Rate 2.0%  
 Assumed Inflation Rate 2.0%  
 Reserve Fund Balance at Start of 2016 Fiscal Year \$45,700.00  
 Present Annual Contribution to the Reserve Fund \$9,000.00  
 Minimum Reserve Fund Balance \$50,654.00

Year Ending In	Report Year	Opening Balance	Annual Contribution *	Percent Increase over Previous Year	Special Levies	Estimated Future Inflated Expenditures	Projected Interest Earned	Closing Balance
2016	1	45,700	9,000			5,000	954	50,654
2017	2	50,654	13,500	50.0%		8,160	1,066	57,060
2018	3	57,060	20,250	50.0%		18,727	1,156	59,740
2019	4	59,740	30,375	50.0%		17,510	1,323	73,928
2020	5	73,928	45,563	50.0%		15,695	1,777	105,573
2021	6	105,573	45,563	0.0%		12,034	2,447	141,547
2022	7	141,547	45,563	0.0%		12,838	3,158	177,430
2023	8	177,430	45,563	0.0%		16,541	3,839	210,290
2024	9	210,290	45,563	0.0%		7,303	4,588	253,138
2025	10	253,138	45,563	0.0%		70,789	4,810	232,721
2026	11	232,721	45,563	0.0%		74,765	4,362	207,881
2027	12	207,881	45,563	0.0%		106,101	3,552	150,895
2028	13	150,895	45,563	0.0%		13,105	3,342	186,695
2029	14	186,695	45,563	0.0%		31,995	3,870	204,131
2030	15	204,131	45,563	0.0%		87,745	3,661	165,609
2031	16	165,609	45,563	0.0%		40,241	3,365	174,296
2032	17	174,296	45,563	0.0%		28,691	3,655	194,822
2033	18	194,822	34,172	-25.0%		29,265	3,946	203,674
2034	19	203,674	34,172	0.0%		29,850	4,117	212,112
2035	20	212,112	34,172	0.0%		42,976	4,154	207,462
2036	21	207,462	34,172	0.0%		40,269	4,088	205,453
2037	22	205,453	34,172	0.0%		41,075	4,040	202,591
2038	23	202,591	34,172	0.0%		47,307	3,920	193,376
2039	24	193,376	34,172	0.0%		35,796	3,851	195,604
2040	25	195,604	34,172	0.0%		81,387	3,440	151,829
2041	26	151,829	34,172	0.0%		21,328	3,165	167,838
2042	27	167,838	34,172	0.0%		28,448	3,414	176,975
2043	28	176,975	34,172	0.0%		10,241	3,779	204,685
2044	29	204,685	34,172	0.0%		20,892	4,226	222,191
2045	30	222,191	34,172	0.0%		53,986	4,246	206,623

\* The term "Annual Contribution" refers to the amount contributed each year to the reserve fund from the monthly expenses.

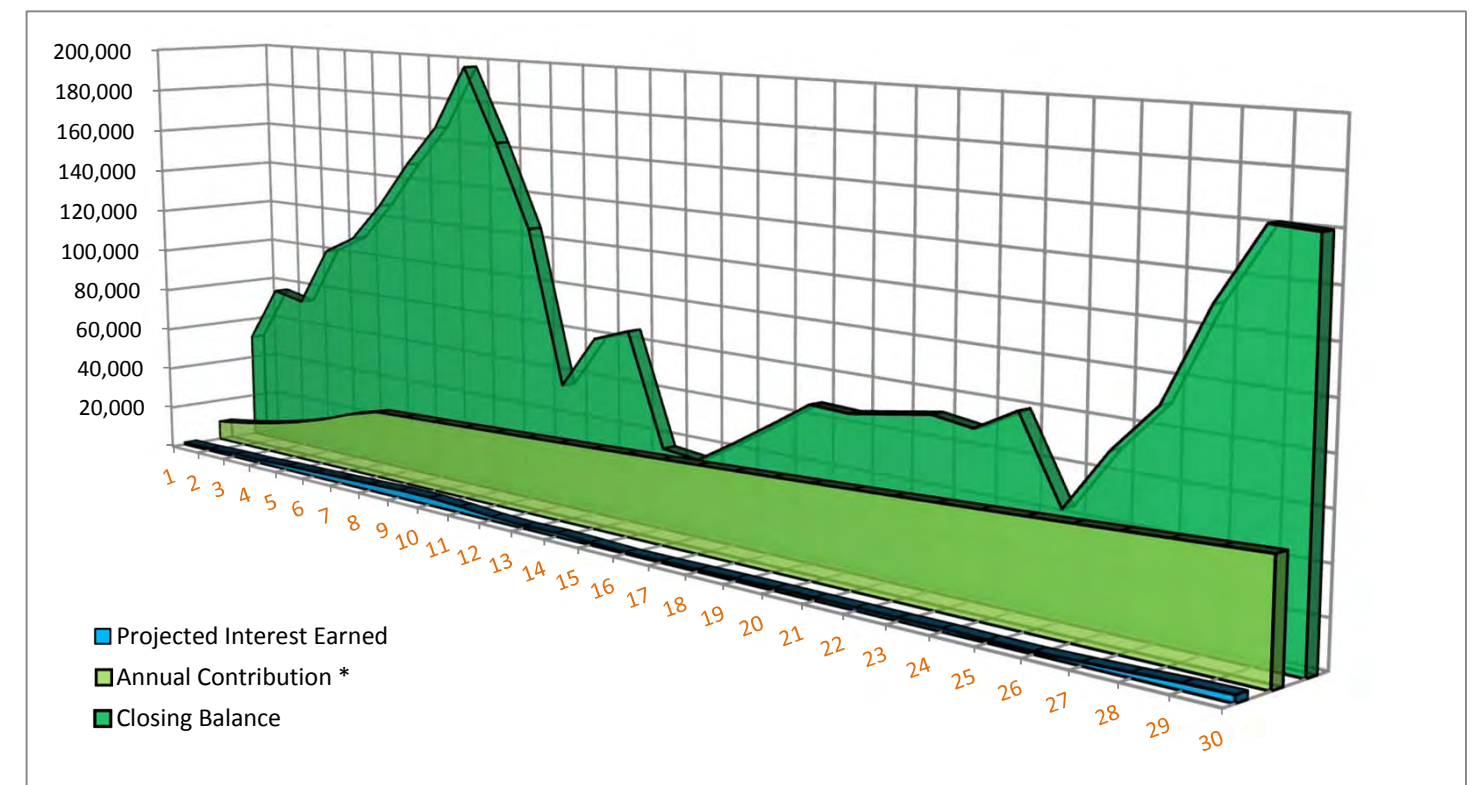
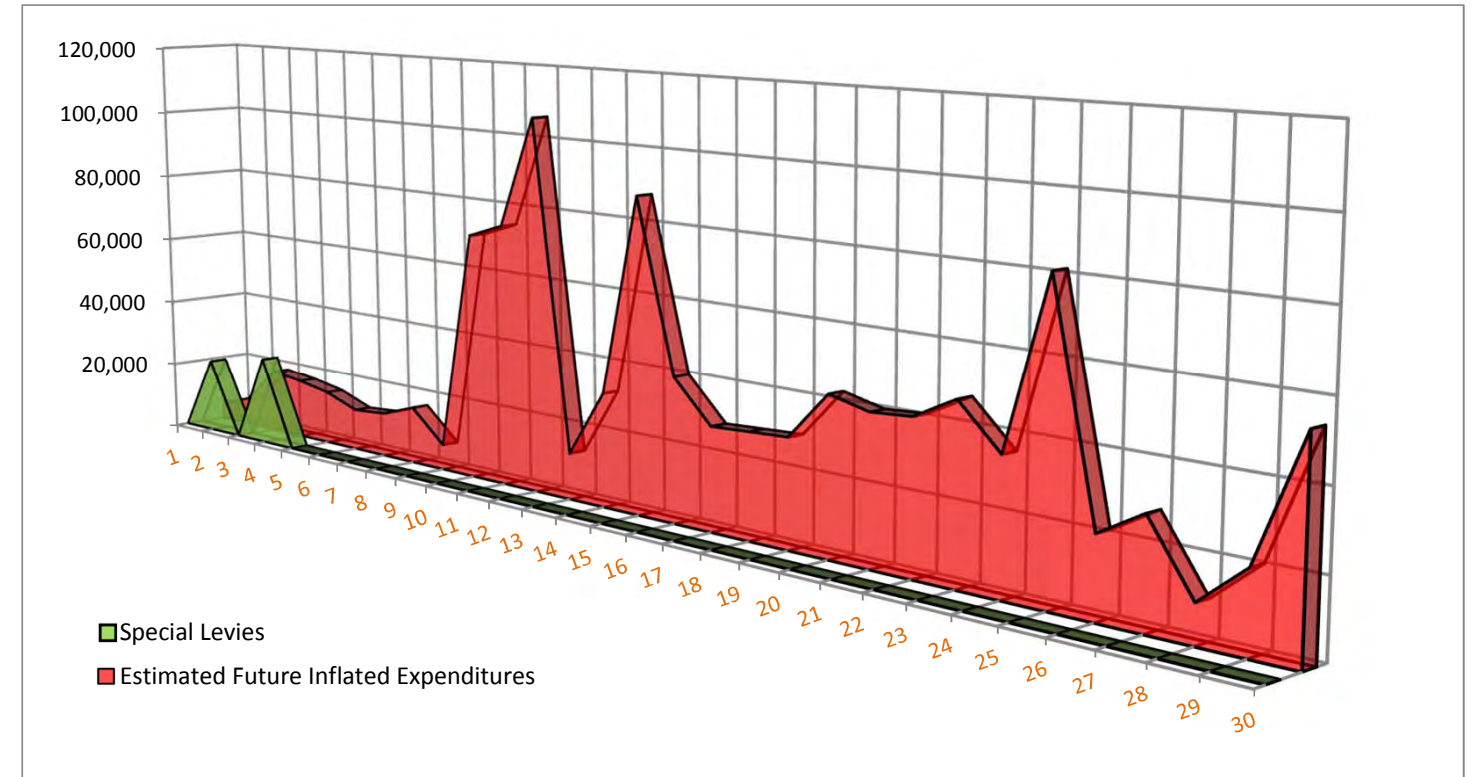


**30 Year Reserve Fund Cash Flow Table  
Scenario 4 - FINAL - June 27, 2016**

Assumed Interest Rate 2.0%  
 Assumed Inflation Rate 2.0%  
 Reserve Fund Balance at Start of 2016 Fiscal Year \$45,700.00  
 Present Annual Contribution to the Reserve Fund \$9,000.00  
 Minimum Reserve Fund Balance \$34,286.79

Year Ending In	Report Year	Opening Balance	Annual Contribution *	Percent Increase over Previous Year	Special Levies	Estimated Future Inflated Expenditures	Projected Interest Earned	Closing Balance
2016	1	45,700	9,000			5,000	954	50,654
2017	2	50,654	11,250	25.0%	22,000	8,160	1,044	76,788
2018	3	76,788	14,063	25.0%		18,727	1,489	73,612
2019	4	73,612	17,578	25.0%	26,000	17,510	1,473	101,154
2020	5	101,154	21,973	25.0%		15,695	2,086	109,517
2021	6	109,517	27,466	25.0%		12,034	2,345	127,293
2022	7	127,293	31,586	15.0%		12,838	2,733	148,774
2023	8	148,774	32,217	2.0%		16,541	3,132	167,582
2024	9	167,582	32,862	2.0%		7,303	3,607	196,748
2025	10	196,748	33,519	2.0%		70,789	3,562	163,040
2026	11	163,040	34,189	2.0%		74,765	2,855	125,319
2027	12	125,319	34,873	2.0%		106,101	1,794	55,885
2028	13	55,885	35,571	2.0%		13,105	1,342	79,693
2029	14	79,693	36,282	2.0%		31,995	1,637	85,616
2030	15	85,616	37,008	2.0%		87,745	1,205	36,084
2031	16	36,084	37,748	2.0%		40,241	697	34,287
2032	17	34,287	38,503	2.0%		28,691	784	44,882
2033	18	44,882	39,273	2.0%		29,265	998	55,888
2034	19	55,888	40,058	2.0%		29,850	1,220	67,316
2035	20	67,316	40,859	2.0%		42,976	1,325	66,524
2036	21	66,524	41,677	2.0%		40,269	1,345	69,276
2037	22	69,276	42,510	2.0%		41,075	1,400	72,112
2038	23	72,112	43,360	2.0%		47,307	1,403	69,568
2039	24	69,568	44,228	2.0%		35,796	1,476	79,476
2040	25	79,476	45,112	2.0%		81,387	1,227	44,428
2041	26	44,428	46,014	2.0%		21,328	1,135	70,249
2042	27	70,249	46,935	2.0%		28,448	1,590	90,326
2043	28	90,326	47,873	2.0%		10,241	2,183	130,141
2044	29	130,141	48,831	2.0%		20,892	2,882	160,962
2045	30	160,962	49,807	2.0%		53,986	3,177	159,961

\* The term "Annual Contribution" refers to the amount contributed each year to the reserve fund from the monthly expenses.



**Summary of Funding Scenarios  
FINAL - June 27, 2016**

Current Fiscal Year 2016  
from July 1, 2015 to June 30, 2016

Number of Units  
22

**Scenario 1**

Minimum Balance \$1,866.61  
in year 2039

	2016	2017	2018	2019
Annual Reserve Contribution	\$9,000.00	\$9,900.00	\$10,890.00	\$11,979.00
% Increase to Contingency Only		10.0%	10.0%	10.0%
Average Increase per Unit per Month		\$40.91	\$45.00	\$49.50
Average Annual Contribution per Unit per Year	\$409.09	\$450.00	\$495.00	\$544.50
Average Monthly Contribution per Unit	\$34.09	\$37.50	\$41.25	\$45.38
Total Special Levies for the Report Timeline		\$510,000.00		

**Scenario 2**

Minimum Balance \$38,257.91  
in year 2031

	2016	2017	2018	2019
Annual Reserve Contribution	\$9,000.00	\$11,250.00	\$14,062.50	\$17,578.13
% Increase to Contingency Only		25.0%	25.0%	25.0%
Average Increase per Unit per Year		\$102.27	\$127.84	\$159.80
Average Annual Contribution per Unit per Year	\$409.09	\$511.36	\$639.20	\$799.01
Average Monthly Contribution per Unit	\$34.09	\$42.61	\$53.27	\$66.58
Total Special Levies for the Report Timeline		\$50,000.00		

**Scenario 3**

Minimum Balance \$50,654.00  
in year 2016

	2016	2017	2018	2019
Annual Reserve Contribution	\$9,000.00	\$13,500.00	\$20,250.00	\$30,375.00
% Increase to Contingency Only		50.0%	50.0%	50.0%
Average Increase per Unit per Year		\$204.55	\$306.82	\$460.23
Average Annual Contribution per Unit per Year	\$409.09	\$613.64	\$920.45	\$1,380.68
Average Monthly Contribution per Unit	\$34.09	\$51.14	\$76.70	\$115.06
Total Special Levies for the Report Timeline		\$0.00		



**Summary of Funding Scenarios  
 FINAL - June 27, 2016**

Current Fiscal Year 2016  
 from July 1, 2015 to June 30, 2016

Number of Units  
 22

**Scenario 4**

Minimum Balance \$34,286.79  
 in year 2040

	2016	2017	2018	2019
Annual Reserve Contribution	\$9,000.00	\$11,250.00	\$14,062.50	\$17,578.13
% Increase to Contingency Only		25.0%	25.0%	25.0%
Average Increase per Unit per Month		\$102.27	\$127.84	\$159.80
Average Annual Contribution per Unit per Year	\$409.09	\$511.36	\$639.20	\$799.01
Average Monthly Contribution per Unit	\$34.09	\$42.61	\$53.27	\$66.58
Total Special Levies for the Report Timeline		\$48,000.00		



## Appendix C Glossary of Terms



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## Appendix C: Glossary of Terms

The following is a list of terms and abbreviations which may have been used in the report produced for the noted project. All of the terms and abbreviations used are standard within the industry, but the glossary may be of some aid for those not familiar with construction terms.

Air Barrier:	An assembly of one or more materials, including joints, that prevents the continuous passage of air, and whatever it contains, between different environments under a difference of pressure.
Ampere (A):	The unit of measurement of electric current. The greater the amperage, the larger the size of the conductor required to carry the current.
Annunciator Panel:	A lighted panel that provides information about the location of an activated fire alarm in a building, typically located near the main entrance of a building.
Backflow Preventer:	A device used in plumbing systems to prevent potentially contaminated water from moving back into the clean water supply.
Bitumen:	The term covering numerous mixtures of hydrocarbons such as those found in asphalt and mineral pitch.
Built-Up Roof:	Waterproof membrane constructed of multiple felt layers mopped down with bitumen.
Caulking:	Material with widely different chemical compositions used to make a seam or joint air-tight or watertight.
CCTV:	Closed Circuit Television, a video camera system that transmits video images to specific monitors as opposed to broadcasting the signal over air waves. Typically used in security applications.
CFM	Cubic feet per minute, the common unit of air flow measurement.
Cladding:	Any material that covers an interior or exterior wall.
Control Joint:	Also Movement Joint, a continuous joint in a structure or element, used to regulate the amount of cracking and separation resulting from relative movement.
Condenser:	A device used to remove heat from refrigerating equipment by circulating hot refrigerant gas through coils in the unit and blowing outdoor air across the coils with a fan. Cooling the gas causes it to condense back into a liquid.
Cooling Tower:	A device used to cool condenser water in a chiller by evaporation. Condenser water is sprayed into the top of the cooling tower. The droplets fall through the tower as air is blown upward through the tower, partly evaporating the droplets, which cools the remaining water. Water leaving the cooling tower is typically 10 degrees cooler than when it entered.
Delamination:	A separation along a plane parallel to a surface.
Direct expansion:	A refrigeration method in which an air cooling coil contains refrigerant rather than a secondary coolant glycol or brine.
Drip Edge:	A projection detailed to direct water run-off away from the wall or window face below.

Efflorescence:	Deposits of salt, usually white, due to the migration of salt-laden (in solution) water through concrete or masonry units.
EPDM:	Synthetic rubber membrane usually applied in single-ply applications.
Exhaust Air:	Air mechanically removed from a building to reduce the concentration of moisture, cooking odours and other contaminants from the building.
Fan Coil Unit:	A device consisting of a fan and water coil that can heat an area by circulating hot water through the coil and cool by circulating chilled water through the coil.
Fire Detector:	A fire alarm system component which senses the presence of a possible fire through the presence of smoke particles or heat (i.e. smoke detector, heat detector).
Flashing:	A thin waterproof sheet material, flexible or rigid, used to direct water out of, or away from, the structure.
Glazing:	A generic term for the transparent, or sometimes translucent, material in a window or door. Often, but not always, glass.
Glazing Bead:	A molding or stop around the inside of a frame to hold the glass in place.
Glazing Unit:	That part of a window which includes more than one glazing layer sealed around the outside edge to prevent air or moisture from entering the airspace and eliminating dirt and condensation between glazings. Also called insulated glazing unit or IGU.
Hard Landscaping:	A broad definition for exterior landscaping items that could include but is not necessarily limited to; pavements; pavers; patio pavers; privacy fencing and perimeter fencing; retaining walls; trellises; front entry or rear area structures; traffic bollards; or gated community feature entrances.
Heat Exchanger:	A device used to heat a fluid or gas with another fluid or gas without the two streams coming in direct contact with each other and mixing. For example a radiator heats air using hot water. The air and water circulate through the heat exchanger (the radiator) but are prevented from coming in contact with each other by the radiator.
Heat Pump:	A mechanical device designed to provide both winter heating and summer cooling.
HID:	High Intensity Discharge, a generic term for mercury, vapour, metal halide and high pressure sodium light fixtures. Light in these fixtures is produced by an electric arc between two electrodes.
House Panelboard:	A panelboard which supplies power to common area loads
Hydronic Heating:	A means of heating a space through the use of hot water circulated through heating coils or a radiator in the space
Initiating Device:	A fire alarm system component which initiates a fire alarm (i.e. pull station).
Inverted Roof:	Where the roof membrane is located below the insulation and ballast (also Protected Membrane Roof).



Joist:	One of several parallel, horizontal and relatively closely spaced concrete, wood or steel members directly supporting a floor or roof slab or deck.
kVA:	Kilo-Volt-Ampere, the unit used to measure apparent power. This is what is charged by the utility.
kW:	Kilowatt, the unit used to measure real power. This is power that is actually used by the customer.
Lintel:	A horizontal structural support above an opening in a wall.
Makeup Air:	Fresh, outdoor air that is mechanically introduced to a building to make up for the air removed from buildings by exhaust systems.
Mechanical Systems:	Refers to any type of mechanical system that services more than one unit. This could possibly include, but is not necessarily limited to; waste water plumbing; potable water supply systems; storm water drainage systems; perimeter water drainage systems; gas supply services; sprinkler irrigation supply services; fire sprinkler supply services. This list of items is dependent on the types of services each complex features.
Panelboard:	A component of an electrical distribution system which divides an electrical power feed into subsidiary circuits, while providing a protective fuse or circuit breaker for each circuit all contained in a common enclosure.
Refractory:	A ceramic insulating material used in boilers and similar equipment because it can withstand very high temperatures.
Retaining Wall:	A wall constructed to hold back earth, water or other backfill.
Riser:	Pipes or ductwork used to transport water, effluent, air or service cables vertically through a multi-storey building for distribution of services.
Roof Structural Deck:	An elevated platform consisting of a variety of materials such as wood planks or metal pans, often supported by structural joists, beams and columns made of steel or wood, all structurally designed to support loads such as a roofing system.
Scaling:	A degradation of the surface of a concrete element, consisting of local flaking or peeling away of the near-to-surface sand and cement portion of hardened concrete or mortar.
Sealant:	A flexible material used on the inside (or outside) of a building to seal gaps in the building envelope in order to prevent uncontrolled air infiltration and exfiltration.
Sealed Units:	Two pieces (lites) of glass sealed around the perimeter, increasing the thermal resistance of the window.
Shear Wall:	A wall that resists horizontal forces applied in the plane of the wall, usually due to wind or seismic effects (also Flexural Wall).
Signaling Device:	A fire alarm system component which visually or audibly alarms (i.e. bell, strobe).
Slab-on-Grade:	A concrete floor slab placed directly on compacted fill and deriving its support from this fill (also Slab-on-Ground).

Spall:	A fragment of concrete or masonry detached from a larger mass by a blow, weather action, internal pressure, or efflorescence within the mass (sub flourescence).
Stucco:	A finish consisting of cement plaster, used for coating exterior building surfaces.
Switchgear:	A major electrical panel equipped with apparatus for turning on or off significant portions of power distribution to the complex or site.
Terminal Board:	An insulating base on which terminals for wires or cables have been mounted
Thermographic Scanning:	Also known as infra-red scanning. A photograph that detects hot spots of electrical equipment or temperature differences at building surfaces.
Tuckpointing:	Also Repointing, the process of removing deteriorated mortar from the joints of masonry and replacing it with new mortar.
Uninterruptible Power Supply (UPS):	A power electronic device primarily used as a back-up power source for computers and computer networks to ensure on-going operation in the event of a power failure. Sophisticated units also have power conditioning and power monitoring features.
Vapour Barrier:	A material or combination of materials having a high resistance to water vapour diffusion, used to separate a high water vapour pressure environment from a low water vapour pressure environment.
Vent:	An opening placed in a facing wall or window assembly to promote circulation of air within a cavity behind the facing, usually to encourage drying of the cavity and/or to moderate the pressure across the facing.
Volt (V):	A unit of potential energy equal to the potential difference between two points on a conductor carrying a current of 1 ampere.
VRLA:	Valve Regulated Lead-Acid, low maintenance batteries which use much less battery acid than traditional lead-acid batteries typically used in UPS applications.
Weather-strip:	A strip of material placed around an operating window or door to reduce air leaks.
Weephole:	An opening placed in a wall or window assembly to permit the escape of liquid water from within the assembly. Weepholes can also act as vents.
Weeping Tiles:	Drainage pipes placed at the base of foundation walls.

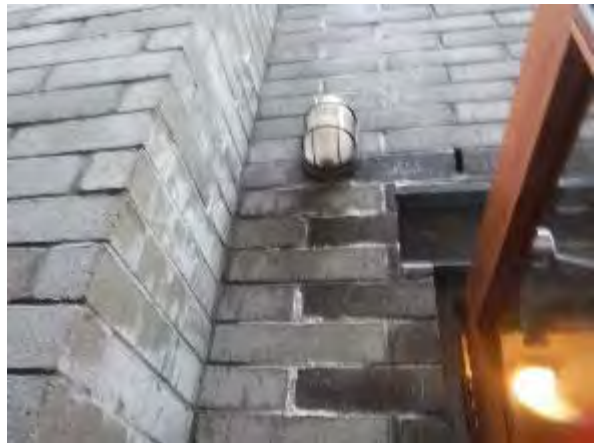
**Appendix D**  
Photosheet



## Appendix D – Photo Sheet



5 – Water leaking over light fixture



6 – Brick Cladding - Efflorescence



6 – Brick Cladding – Water saturation from water leaders



6 – Brick Cladding – Cladding missing at base of wall.



8– Railing repainting- rust noted on rails.



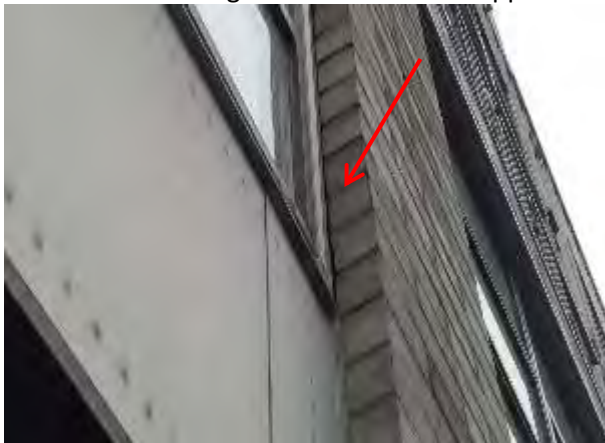
12–Exterior Coatings- metal structural supports



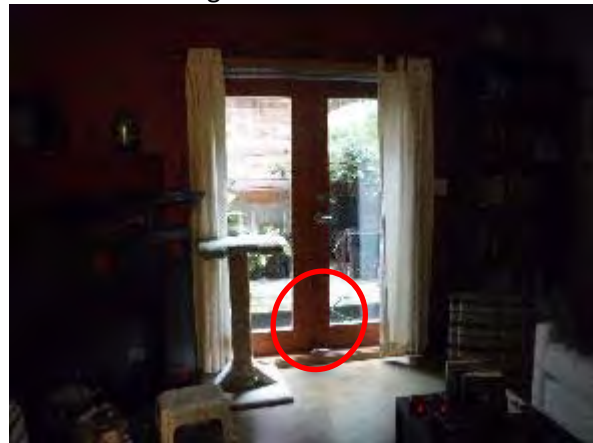
12-Exterior Coatings- metal structural supports



13 - Bleed through at sealant.



13-Second floor window jamb transition exposed.



17-Gap noted under door from interior of unit 103



18- Wood finishes on double swing doors



18- Wood finishes on single swing doors



25 – Second floor roof deck area pooling water.



25-Areas of moss growth on SBS membrane at roof. Loose objects on roof.



25-Areas of moss and lichen growth on SBS membrane at roof. Loose objects on roof.



25- Pooling on roof due to blocked drain.



25-Degranelation of roof membrane



33 – Corridor repainting.



53 – Concrete scaling at pavement surface.



53 – California grate requiring repair



57 – Exterior wood decks -repair

## Appendix E Elevator Report







# ThyssenKrupp Elevator

## Elevator Evaluation and Capital Budget:

Chatham Street Studios  
555 Chatham Street, Victoria, BC



Prepared by: Scott Teuber  
Date: November 2015

ThyssenKrupp Elevator (Canada) Limited  
1055 Henry Eng Place, Victoria, BC V9B 6B2  
Phone: 250-474-1150 ext.1201 Fax: 250-474-6150  
Email: [scott.teuber@thyssenkrupp.com](mailto:scott.teuber@thyssenkrupp.com)

On Behalf of ThyssenKrupp Elevator Canada Ltd. (TKE), I am pleased to provide for the owners and your administration this detailed vertical transportation analysis for the existing hydraulic elevator.

The purpose of the report is to provide an assessment of the equipment's condition and to assist in your strategic capital asset planning by providing a recommended schedule of Capital Expenditures Upgrades. We will provide you with a description of equipment, assessment of the original equipment's condition, a review on the equipment's reliability and a list of proposed upgrades.

**SITE SUMMARY**

The elevator located at Chatham Street Studios was installed by General Elevator in 2000 and the major components have not been upgraded in any way.

The building contains only one elevator to serve five floors and as such measures should be taken to ensure the reliability of this equipment over the long term. This report will outline some recommendations to that effect.

It may be possible to continue maintaining the elevator for years to come, however it is prudent to begin to budget for future upgrades. As your elevator ages, their vintage components will wear and may eventually become obsolete. Performance and reliability will be affected and service interruptions will result. By planning and budgeting in advance, you will be able to ensure the efficient operation of the elevator and limit surprise expenditures and lengthy down times.

**APPENDIX A: INVENTORY OF ELEVATOR EQUIPMENT**

OEM Manufacturer	General Elevator / RAM
Model	Solid state, job #EE9253
BC ID No.	19265
Type	Passenger, In-Ground Hydraulic
Capacity/speed	3500lbs/125fpm
Floors Served	5 (in line front entrances only)
Door Operator	GAL MOVFR
Door Protection	Mechanical Safety Edge
Communication	None, existing phone cabinet
Controller	GE Fanuc Series 9030 Processor
Power Unit	40HP 200V submersible

**EVALUTATION OF EQUIPMENT:**

<b>Machine Room Equipment:</b>	<b>Condition</b>	<b>Notes</b>
• Controller	Fair	GE Fanuc Series 90 30 processor A soft start upgrade should be considered
• Power Unit	Good	Hydraulic submersible

<b>Door Equipment:</b>	<b>Condition</b>	<b>Notes</b>
• Door Operator	Good	GAL equipment throughout
• Safety Edge	Poor	Mechanical safety shoe Should be replaced with a new Multi-beam infrared door detector ASAP

Cab & Pushbutton Fixtures	Condition	Notes
• Fixtures	Good	Dupar US89 push buttons
• Elevator telephone	Poor	An auto dialer should be added into the cabinet

**RECOMMENDATIONS / PERFORMANCE IMPROVEMENTS**

**Controller** – The existing GE Fanuc processor is highly proprietary and is now considered obsolete. Consideration should be given to replacing the controller proactively when budgeting allows to avoid the risk of long term shut down should the processor fail.

**Solid State Starter** - A reduced voltage starter (or soft start) should be added to protect the existing components. This device will provide several benefits to the owners and could be installed prior to a controller modernization. It is highly recommended that this upgrade be completed when budgeting allows, especially in single elevator building with a large hydraulic motor. This upgrade would be retained in the event of a controller upgrade.

**Infrared Door Detector** – Multi-beam door detectors offer the best possible protection for passengers from closing elevator doors.. This not only reduces the potential for injury, but also improves the reliability of the elevator and greatly reduces the owner's liability exposure by eliminating needless injuries. This is the most cost-effective upgrade building owners can undertake in the immediate short term.

**SUMMARY**

It is recommended that the owners consider the proposed upgrades as soon as budgeting allows in an effort to meet current safety and performance expectations. This, in conjunction with your current maintenance service will ensure longevity and long term cost assurances for the owners.

On behalf of **ThyssenKrupp Elevator**, I thank you for your business opportunity to provide this technical assessment on your vertical transportation. Elevators are often the most forgotten capital asset in a building, and it is our professional obligation to all of our service customers to advise you on the status of your equipment and the options available to you in the years to come. Please refer to the budget schedule for the owners review and consideration.

This report should be reviewed in person with our elevator experts so the information is communicated as clearly and concise as possible.

If you require any further information, or if you have any questions or concerns, please contact me directly at 250-474-1150, ext 1201.

Sincerely,

\_\_\_\_\_  
 Scott Teuber  
 ThyssenKrupp Elevator Canada Ltd.



# ThyssenKrupp Elevator

## CHATHAM STREET STUDIOS BUDGET / PLAN

Scope of Work	Short Term (1-2 years) Recommendations	Long Term (2 plus years) Recommendations	Optional
Solid State Starter (Soft Start)	\$5,400		
Door detector	\$3,700		
Auto dialer (Phone)	\$1,200		
Controller		\$35,000	

- Prices listed are in current (2015) value
- All applicable taxes are extra
- Please note that the above prices are estimates only
- Prices include submissions and inspections by BC Safety Authority (as required)

**ThyssenKrupp Elevator (Canada) Limited.**  
1055 Henry Eng Place, Victoria BC V9B 6B2, Canada  
Phone: 1 (250) 474-1150 Ext: 1203 Fax: 1 (250) 474-6150

**Appendix F**  
Strata Questionnaire





DEPRECIATION REPORT - PROJECT START-UP QUESTIONNAIRE

551/555 Chatham St.

Please complete the following questionnaire at your earliest convenience so that we may commence preparation of the Depreciation Report. We will conduct our site visits once we receive a completed questionnaire and the requested information.

General Information

Current Fiscal Year	<u>July 1, 2015 -&gt; June 30, 2016</u>
Current Fiscal Year Start Date (year/month/date)	<u>2015 / JULY / 1<sup>st</sup></u>
Present Contribution to Reserve Fund	<u>9,000 /year</u>
Reserve Fund Balance at Current Fiscal Year Start Date	<u>45,700.</u>

Minimum Expense Cost for Reserve Fund

It has been our experience that most Strata Corporations choose to cover small capital expenditures out of the operating budget. Please indicate a threshold dollar value for items to be covered by the operating budget – it will be assumed by MH that expenses greater than this amount will be budgeted for in the Reserve Fund.

Threshold value of expense for operating budget \$ 3,500

Minimum Balance

Any of the sample funding scenarios that will be presented to the client will consider a Reserve Fund to be adequate where the closing balance in every year of the study is positive.

We request that the Board direct us regarding a minimum balance to be maintained during the study period.

Minimum Balance Year 1-10	<u>(depositing 9,000 per year)</u>	\$ <u>135,700</u>
Minimum Balance Year 11-20	" "	\$ <u>225,700</u>
Minimum Balance Year 21-30	" "	\$ <u>315,700</u>

We assume that the above values shall not be adjusted for future value. Example, if you indicate \$250,000 as the minimum balance throughout the study period, we will not inflate this value to future dollars.

## DEPRECIATION REPORT PROJECT START-UP QUESTIONNAIRE

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### Interest and Inflation Rates

For the preparation of this Reserve Fund Study, we propose to use an **Inflation Rate of 2.0 percent** and an **Interest rate of 2.0 %**. Please advise if the strata would like us to use different rates.

Interest Rate \_\_\_\_\_ %  
Inflation Rate \_\_\_\_\_ %

### Repair History

Please provide details of any reserve fund elements replaced or repaired since the last Reserve Fund Study (or since original construction):

Roof Replacement  $\phi$  \_\_\_\_\_

Roof Repairs  $\phi$  \_\_\_\_\_

Complete Window Replacement *one skylight replaced twice* \_\_\_\_\_

Window Repairs  $\phi$  \_\_\_\_\_

Recaulking  $\phi$  \_\_\_\_\_

Exterior Wall Repairs *brick vandalism damage at front door* \_\_\_\_\_

Thermopane replacement (avg. per year) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**DEPRECIATION REPORT  
PROJECT START-UP QUESTIONNAIRE**

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**Current Year Reserve Fund Expenses**

List estimated expenditures that have been, or will be, charged to the Reserve Fund in the Current Fiscal Year, and estimated date of expense:

- No expenditures forecast for this fiscal year  
from the reserve funds

- \_\_\_\_\_

- \_\_\_\_\_

- \_\_\_\_\_

- \_\_\_\_\_

- \_\_\_\_\_



**DEPRECIATION REPORT  
PROJECT START-UP QUESTIONNAIRE**

To enable us to proceed with this project, we require copies of the following information, where applicable, at your earliest convenience. Please identify the documents that are available, and if you are providing copies or originals. Copies will be kept for our files, whereas originals will be returned to you upon submission with the final report:

Documents Requested by MH	Description of Document (Drawing Numbers, Report Titles, Date of Financial Statements, etc.) or Not applicable/ Not provided	Copy or Original
If any, the current by-laws or proposed by-laws of the corporation establishing what constitutes a standard unit. If there is no by-law, a copy of the schedule that the declarant intends to deliver or has delivered to the board will be required.	<i>Bylaws attached</i>	
The most recent audited financial statements of the corporation or, the most recent financial statements of the corporation.	<i>Attached</i>	
All reciprocal cost sharing agreements, if any, of the corporation.		
The most recent reserve fund study, if any, of the corporation.	<i>none</i>	
The most recent notice, if any, of future funding of the reserve fund sent to the owners.	<i>proposed budget attached</i>	
All existing warranties, guarantees and service contracts for any of the common elements.	<i>Attached</i>	
The as-built drawings and specifications for the buildings that are in the custody or under the control of the corporation.	<i>✓</i>	
The repair and maintenance records and schedules in the custody or under the control of the corporation.		
Reports/Excerpts of Reports .....		



**DEPRECIATION REPORT  
PROJECT START-UP QUESTIONNAIRE**

<b>Documents Requested by MH</b>	<b>Description of Document (Drawing Numbers, Report Titles, Date of Financial Statements, etc.) or Not applicable/ Not provided</b>	<b>Copy or Original</b>
Other relevant information	-	



**Appendix G**  
Draft Changes



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## Appendix G: Draft Changes

Further to our meeting of May 25, 2016, please find below a list of draft changes made:

- The date of construction has been updated to reflect the occupancy of the building (2000) as opposed to the date as listed on the construction drawings (1999)
1. **A101001 - Wall Foundations.** This line item has been placed over a 4 year project duration.
  2. **A103001 - Standard Slab on Grade.** This line item has been placed over a 4 year project duration.
  3. **A103006 - Foundation Drainage – Study –** This line item has been adjusted to Year New of 2016 to reflect worked performed on the east side of the building in 2016. The cost has also been reduced to reflect the cost of the most recent work performed. As this cost is below the stated threshold, this item has now been excluded from the contingency plan.
  4. **A103006 - Foundation Drainage – Repair -** This line item has been omitted from the contingency funding plan. Strata has opted to manage this item from the maintenance budget. **This item is to be managed out of the maintenance budget and are denoted throughout the capital plan as a blue colour coded N.**
  5. **B101003 - Floors Decks and Slabs – Repair -** Line item 5 – no change.
  6. **B201001 - Exterior Enclosure - Brick – Repair** This line item has been reduced from a total square foot repair area of the brick façade to 20% repair area of the total façade to reflect isolated potential repairs as opposed to a complete repair of all areas. This line item has also been placed over a project duration of 6 years.
  7. **B201001 - Exterior Cladding - Corrugated Metal Panels, Vertical – Replacement -** Strata requested this item be placed further into the funding horizon. This item can be revised as the depreciation report is updated and as the building ages as necessary. The expected lifespan of this item has been changed from 30 years to 40 years.
  8. **B201007 - Balcony Railing - Metal Repainting -** First, Third and Fourth Floor – Repainting – The identifier for these railings has been corrected.
  9. **B201007 - Balcony Railing - Metal -** First, Third and Fourth Floor – Replacement - The identifier for these railings has been corrected. The expected remaining lifespan of this item has been placed at 19 years.
  10. **B201007 - Balcony Railing - Wood Railing Replacement -** Unit 307, 308 and 309. This is a new line item covering the wood railings at the above mentioned units. This cost is a reflection of recent replacements performed on these railings.

11. **B201008 - Exterior Soffits - Metal** – Replacement - The expected service life of this item has been changed to 55 years. This item can be revised with updates of the report as necessary.
12. **B201010 - Exterior Coatings** – Replacement – No change.
13. **B201011 - Joint Sealant** – Replacement – No change.
14. **B202001 - Windows - Aluminum Frame** – Replacement – This line item has been split into a duration of 10 project years to reflect incremental replacements.
15. **B202002 - Storefront Assembly** – Replacement – No change.
16. **B203001 - Exterior Steel Doors with Lites** - Replacement- Replacement – The Location /Type of this line item has been corrected to Steel doors as opposed to wood doors. This line item has been omitted from the contingency funding plan. Strata has opted to manage this item from the maintenance budget.
17. **B203001 - Single Exterior Glazed Solid Wood Doors** – Replacement – No change.
18. **B203001 - Glazed Solid Wood Doors** – Repaint - No change.
19. **B203002 - Glazed Doors - Sliding Patio Doors** – Replacement - This item has been split into 10 project years to reflect incremental replacements.
20. **B203002 - Glazed Doors - Sliding Door Hardware** - This line item has been omitted from the contingency funding plan. Strata has opted to manage this item from the maintenance budget.
21. **B203004 - Overhead Garage Doors** – Replacement - This line items cost has been changed to reflect the recent cost of replacement this year.
22. **B203007 - Steel Gate** – Replacement - The cost of this item has been reduced to reflect the replacement of the main gates at the street access, west side of the building.
23. **B301002 - Suspended Slab Podium Membrane** – Replace - This item has been removed from the funding scenarios. Due to the unpredictable nature of the lifespan of this buried membrane, strata feels this item could be handled under a special assessment, if required.
24. **B301002 - Patio Roof Deck Membrane** – Replacement - The history and recommendation columns of this line item have been updated to reflect the description of the main roof in line item #26.
25. **B301002 - Roofing - Low Sloped Membrane System - SBS** – Replacement – No change.
26. **B301002 - Roofing, Balcony - Vinyl** – Replacement - The estimated remaining lifespan of this line item has been extended to 9 years. This item should be reviewed yearly as part

of the roofing review. The orientation of the balconies has been corrected, the square footage of the vinyl balconies has been corrected as according the strata edits.

27. **B301005 -Gutters and Downspouts - Low Rise Res.** – No change.
28. **B301006 - Roof Openings - Skylights – Replacement** – No change.
29. **C102001 - Standard Interior Doors** – Replacement - This line item has been placed over 10 project duration for incremental replacements. The estimated remaining lifespan has been increased to 19 years.
30. **C302001 - Tile Floor Finishes - Lobby** – Replacement - The condition and history column has been updated to reflect recent repairs to the lobby areas. The photo pages have also been updated.
31. **C302005 - Removable Hallway Carpet Replacement** – This line item has been update to reflect recent replacements. It has also been separate from the stairwell carpets, the square foot area of this item has been updated.
32. **C302005 - Flooring Stairwell Carpet Replacement** – This line item has been denoted as original and updated for square footage to omit the corridor carpeting.
33. **C303003 - Corridors and Stairs Finishes** – Repaint - This line item has been omitted from the contingency funding plan. Strata has opted to manage this item from the maintenance budget. The project duration of this work has been split into two years.
34. **39 - Passenger Elevator** - These line items have been corrected to remove plural references to “elevators”. The Recommendation column has a line added as following “There is an increased cost to this line item compared to the appended report is based on additional consulting and contingency costs.”
36. **D101002 -Passenger Elevator - Door Sensor** – Upgrade - This item has been removed from the contingency funding plan at the request of strata.
38. **D202099 -Other Domestic Water Supply - Backflow Preventer** – Replacement - This item has been removed from the contingency funding plan at the request of strata. This item is tested yearly and at the advice of the technician testing strata has removed this item.  
  
**D302004 -Fuel-Fired Unit Heaters** – Replacement - Originally item 38 in the draft report this line item has been removed from the report as strata have removed this item due to lack of code compliance.
39. **D203001 -Potable and Waste Pipe and Fittings** – Repair - This line item has been omitted from the contingency funding plan. Strata has opted to manage this item from the maintenance budget.
40. **D304008 - Air Handling Units - Makeup Air Unit** – Replacement - No change.

41. **D305002 -Unit Heaters** – Replacement - No change.
42. **D306001 - HVAC Controls - Parkade Exhaust** –Replacement – No change.
43. **D401002 - Dry Sprinkler Supply and Piping** – Repair - This line item has been omitted from the contingency funding plan. Strata has opted to manage this item from the maintenance budget.
44. **D401002- Wet Sprinkler Water Supply and Piping** – Repair - his line item has been omitted from the contingency funding plan. Strata has opted to manage this item from the maintenance budget.
45. **D401003-Main Switchgear - IR Scanning** – Study - No change.
46. **D502002 -Lighting Equipment - Corridor, Common areas** - This line item has been omitted from the contingency funding plan. Strata has opted to manage this item from the maintenance budget.
47. **D502002-Lighting Equipment – Parkade** - This line item has been omitted from the contingency funding plan. Strata has opted to manage this item from the maintenance budget.
48. **D502002 - Lighting Equipment - Outdoor** – Replacement - This line item has been omitted from the contingency funding plan. Strata has opted to manage this item from the maintenance budget.
49. **D503001 - Fire Alarm Systems - > 12 Zones** – Replacement - The cost of this item has been update to reflect recent costs for the panel replacement. The year established has also been updated.
50. **D503008 - Access Control/Entry System** – Upgrade. No change.
51. **D509002 - Emergency Lighting Signage and Power** – Replacement - No change.
52. **G201005 - Guardrails and Barriers** – Replacement - This item has been change to occur at the same time as replacement of the steel fences.
53. **G203000 - Pedestrian Paving - Concrete** – Repair - No change.
54. **G203000 - Pedestrian Paving - Concrete** – Replacement - As this item is correlated with the replacement of the podium membrane. This item has been omitted from the contingency funding plan for the same reason as line item #23
55. **G204001 - Fencing and Gates - Chain Link** – Replacement - No change.
56. **G204001 - Fencing and Gates - Wood** – Replacement - No change.

57. **G204003 - Exterior Furnishings - Main Roof Wood Deck** – Replacement – The area of this item has been updated to separate out the limited common access decks.
58. **G204003 - Exterior Furnishings – Third and Fourth Floor Wood Decks** – Replacement - The area of this item has been updated to separate out the main roof and include only third and fourth floor decks. This item now falls below the threshold and has been omitted from the contingency plan.
59. **G303003 - Water & Sewer - Sanitary and Storm water Pumps**- Replacement. No change.  
**P100001 - Balcony and Roof Deck Condition Survey** – Study and **P100003 Roof Review** – Study - have been deleted from the table, (originally line item 59 and 60).
- 60 Strata has opted to have a combined roof review completed.
61. **P100005 - Professional Services for Depreciation Report Update** - with Site Visit – Study - This line item has been omitted from the contingency funding plan. Strata has opted to manage this item from the maintenance budget.

Further to email dated June 8, 2016, please find below a list of draft changes made:

- 1 Wall Foundations – estimated remaining life amended to 6 years.
- 14 Windows - Aluminum Frame – the estimated remaining lifespan has been increased by 2 years at the request of strata.
- 33 Corridors and Stairs Finishes-Repaint – this item has been re-included into the funding scenarios. This is now scheduled to occur over a 2 year project duration starting in 6 years' time.
- 46 Lighting Equipment - Corridor, Common areas - this item has been re-included into the funding scenarios. This is now scheduled to occur over a 10 year project duration starting in 3 years' time.
- 47 Lighting Equipment - Parkade- this item has been re-included into the funding scenarios. This is now scheduled to occur over a 10 year project duration starting in 3 years' time.
- 48 Lighting Equipment - Outdoor - this item has been re-included into the funding scenarios. This is now scheduled to occur over a 10 year project duration starting in 3 years' time.

**Please see the attached excel sheet for further edits required by strata, also performed in this re-iteration of the report.**