eStrataHub Cover Sheet

Date Delivered	May 11, 2018 02:36PM
Strata Manager	HOLYWELL PROPERTIES
eStrataHub Order Number	233364
Folio Reference	14 728 GIBSONS
Requestor Company	RE/MAX City Realty
Requested By	Tony Browton
Property Name	ISLAND VIEW LANES
Strata Plan #	BCS2791
Strata Lot #	LT3
Civic Address	14-728 Gibsons Way

Documents and Files in this Container for Order 233364(Folio:14 728 GIBSONS)

Strata Council Meeting Minutes

eSH233364-01-Strata Council Meeting Minutes_180123 2791 CM Minutes.pdf

eSH233364-02-Strata Council Meeting Minutes_180405 2791 CM Minutes.pdf

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Financial Statements (most recent)

eSH233364-03-Financial Statements (most recent)_Balance Sheet.pdf

eSH233364-04-Financial Statements (most recent)_P&L Bud vs Act.pdf

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Form B - Information Certificate

eSH233364-05-Form B - Information Certificate_180510 B SL 3.pdf

eSH233364-06-Form B - Information Certificate_170831 BCS 2791 - 1st Revised Depreciation Report.o.pdf

eSH233364-07-Form B - Information Certificate_Form J files Aug 10 2007.pdf

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Form F - Certificate of Payment

Not Available - Information is included as part of the Form B; Form F only required for transfer of title.

Special General Meeting Minutes

Not Available - The document you requested is not available for this property.

Document is not available

Document:	Form F - Certificate of Payment
Property:	ISLAND VIEW LANES
Strata Plan #:	BCS2791
Strata Lot #:	LT3
Comment:	The document you requested is not available for this property.

Information is included as part of the Form B; Form F only required for transfer of title.

Document is not available

Document:	Special General Meeting Minutes
Property:	ISLAND VIEW LANES
Strata Plan #:	BCS2791
Strata Lot #:	LT3
Comment:	The document you requested is not available for this property.

Strata Corporation BCS 2791 "ISLAND VIEW LANES"
MINUTES OF THE STRATA COUNCIL MEETING
Tuesday, January 23rd, 2018 - 7:00 PM

Present:	David Timmins, Udo Rosenberg, Paul Poulsen
Regrets:	Morley Baker
Holywell Properties:	Kerry Jenkins
Minutes:	Kerry Jenkins

1. **Call to Order:** The meeting was called to order at 7:00PM.

2. **Approval of Agenda:** The agenda was approved with all in favor.

3. **Approval of the Minutes of the Previous Strata Council Meeting:** The minutes of the council meetings held September 12th & October 4th, 2017, were approved with all in favor.

4. **Business Arising from the Minutes:**
   a. **Driveway Repairs –** The driveway repairs were completed in December. Council has noted a small deficiency in one area as a result of salt water pooling there. The contractor has been contacted and will resurface that portion when the weather gets better.
   b. **Town of Gibsons Roadwork Update** – Council will continue to work with the Town on restoration, when work resumes this spring.

5. **Review of Financial Statements to December 31st, 2017:**
   Council reviewed the financials for the fiscal year ending December 31st, 2017. Four months into the current fiscal year the strata held $25,473.86 in the operating account and had a net income of $4,854.91. The Contingency Reserve Fund held a further $80,205.86.

6. **Correspondence:**
   - **Unit 13 Moisture –** The unit owner reported that additional insulation is still required in the attic to protect the area from moisture. Management will schedule the work.
   - **Unit 12 Eavestrough –** The owner requested that the eavestrough be repaired. This has been completed.

7. **Reports:**
   a. **Maintenance**
      - **Entrance Sign –** A big than you to David Timmins. The front entrance sign has been refurbished and looks great.
      - **Maintenance Inspection –** Discussion took place around a maintenance inspection for the complex. Further review of the Depreciation Report will take place and management will work with council to decide the best way to procced.
      - **End Gable Flashing –** Pieces of the flashing have been dislodged. Council would like to have the pieces replaced the next time the gutters or windows are done.
      - **Paver Sanding –** Council is still deciding on the best way to approach the sanding work that needs to be done. A walk through of the complex will be completed this spring to determine what areas require leveling and spacing before the sanding is finalized.

- **Garbage Enclosure Maintenance –** Some maintenance is required on the enclosure and management will have someone look at it. The wheel on the door will also be repaired. A member of council has volunteered to pressure wash the area.
- **Painting –** Council would like to obtain quotes for painting the building's trim this year. Many spots are in need of repainting to help protect the wood from premature deterioration. More information will be provided to owners once the quotes are reviewed.
- **Salting –** Bonniebrook has been onsite several times to salt the complex.

b. Landscaping

- **2018 Contract –** Council is hoping to continue with the current contractors this season and details will be finalized with them both.

8. New Business:

a. **Gibsons Garbage & Organic Waste Collection –** Management to investigate the details of what the Town is proposing.

b. 718 Gibsons Way Property Improvements – Council would like to take a proactive approach with the neighboring home and will reach out to them regarding their landscaping plans**.**

c. **Visitor Parking Signs –** At the AGM owners made several suggestions regarding the current parking signs. Council will continue to explore the suggestions.

d. Air Conditioning Units – Council further discussed the matter of exterior air conditioning units that was first raised at the AGM. After considering several factors, council felt that it would not be in the best interest of the complex to have exterior units. However, if an owner wished to present a case for one, council would look at it on an individual basis. Interior units are acceptable.

e. **Council Resignation –** Joanne Lambert resigned from council when interest to join council was confirmed with another owner. Joanne is thanked for her involvement and council would like to welcome Paul Poulsen to the Islandview council.

f. **Fire Hydrants –** Council will speak with the Gibsons Fire Department about performing the required annual maintenance on the hydrants as part of their training practice.

9. Next Meeting Date: The next meeting will be April 3rd, 2018 at 7pm.

10. Adjournment: The meeting was adjourned at 8:25PM.

Strata Corporation BCS 2791 "ISLAND VIEW LANES"
MINUTES OF THE STRATA COUNCIL MEETING
Thursday April 5th, 2018 - 7:00 PM

Present: David Timmins, Udo Rosenberg, Paul Poulsen, Morley Baker
Holywell Properties: Kerry Jenkins
Minutes: Kerry Jenkins

1. **Call to Order:** The meeting was called to order at 7:04PM.

2. **Approval of Agenda:** The agenda was approved with all in favor.

3. **Approval of the Minutes of the Previous Strata Council Meeting:** The minutes of the council meetings held, January 23rd, 2018 were approved with all in favor.

4. **Business Arising from the Minutes:**
   a. **Gibson's Way Reconstruction –** No Report
   b. **Fire Hydrant Maintenance –** Through recent inquiries with the fire department council has discovered that the two fire hydrants within the complex are the strata's duty to repair and maintain. Council will investigate turning the maintenance of the hydrants over to the Town of Gibsons. In the meantime, arrangements will be made to have them tested.

5. **Review of Financial Statements to December 31st, 2017:**
   Council reviewed the financials for the period ending February 28th, 2018. Six months into the current fiscal year the strata held $30,536.16 in the operating account and had a net income of $8,415.16. The Contingency Reserve Fund held a further $82,571.90.

6. **Correspondence:** No new correspondence was received.

7. **Reports:**
   a. **Maintenance**
      - **Maintenance Inspection –** Further discussion took place around a maintenance inspection for the complex. Council made note of several items to be checked during the inspection.
      - **Windows/Gutters/Flashing/Moss –** Council will further discuss the timimg for cleaning once more is known about the continuing roadwork on Gibson's Way.
      - **Paver Sanding –** Council will organize a summer work party and ask volunteers to help with spreading sand.
      - **Painting -** After discussion with several contractors, council has been advised that the majority of the building's trim should last another 3-4 years. There are however certain areas that require maintenance this year. Quotes for problem areas will be obtained.
      - **Concrete Repair –** The small repair to the top driveway will be done this spring.
   b. Landscaping
      - **No Report**
8. **New Business:**
   a. **Gibsons Garbage & Organic Waste Collection –** The strata received a small extension to the original deadline. The program will begin May 1st. The Town will deliver kits to residences prior to the deadline. Pick up for organics will be weekly and garbage will be every second week.

b. **Organic Waste Enclosure –** As part of the new program, the collection of organic waste will be from a central location. Council has been investigating several options for a bear proof enclosure. It was decided that a chain link extension would be added to the current garbage structure for the organics. Once the program is established council can see if the anticipated space is adequate and a more permanent structure can be discussed at the next AGM. Paul Poulsen **MOTIONED** to approve the quote received from Sunshine Coast Fencing, to build the chain link enclosure; **SECONDED** by Morley Baker; **CARRIED** with all in favor.

c. **Bylaws –** Management and council will review the strata's current bylaws for any additions or changes that might be necessary.

d. **Insurance Appraisal –** The strata has received an updated insurance appraisal. The building values have increased from $4,762,000 to $4,914,000.

e. **Insurance Renewal –** The strata's insurance policy was renewed with HUB International. A copy of the summary will be sent to all owners.

9. Next Meeting Date: The next meeting will be July 5th, 2018 at 7pm.

10. Adjournment: The meeting was adjourned at 8:20PM.

Island View Lanes BCS 2791
Balance Sheet
As of March 31, 2018

	Mar 31, 18
ASSETS	
Current Assets	
Chequing/Savings	
Holywell ITF BCS 2791 OPER	
Operating 2000-1069-6278	29,731.69
Class B Shares	27.92
Class C Shares	0.70
Total Holywell ITF BCS 2791 OPER	29,760.31
Holywell ITF BCS 2791 CRF	
CRF 2000-1162-8056	21,628.35
3 yr esc 2000-1269-7472 ex10/19	10,385.54
3 yr esc. 2000-1264-0845 02/19	51,362.51
Total Holywell ITF BCS 2791 CRF	83,376.40
Total Chequing/Savings	113,136.71
Accounts Receivable	
Accounts Receivable	262.50
Total Accounts Receivable	262.50
Other Current Assets	
Prepaid Insurance	8,547.92
Total Other Current Assets	8,547.92
Total Current Assets	121,947.13
TOTAL ASSETS	**121,947.13**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	7,089.27
Total Accounts Payable	7,089.27
Total Current Liabilities	7,089.27
Long Term Liabilities	
CRF Liability	83,376.40
Total Long Term Liabilities	83,376.40
Total Liabilities	90,465.67
Equity	
Retained Earnings	21,427.74
Net Income	10,053.72
Total Equity	31,481.46
TOTAL LIABILITIES & EQUITY	**121,947.13**

Island View Lanes BCS 2791
Profit & Loss Budget vs. Actual
September 2017 through March 2018

	Sep '17 - Mar 18	Budget	% of Budget
Income			
Strata Fees	34,950.86	59,915.00	58.3%
Total Income	34,950.86	59,915.00	58.3%
Gross Profit	34,950.86	59,915.00	58.3%
Expense			
Transfer Prior Year Surplus/Def	-13,348.00	-13,348.00	100.0%
COMMON AREA EXPENSES			
Concrete and Brick Repairs	13,500.00	13,500.00	100.0%
Fire & Safety	964.95	2,250.00	42.9%
Gutters	78.75	2,000.00	3.9%
Landscaping	4,604.26	11,000.00	41.9%
Repairs & Maintenance	2,222.70	10,500.00	21.2%
Snow Removal	610.78	2,000.00	30.5%
Window Cleaning	0.00	2,500.00	0.0%
Total COMMON AREA EXPENSES	21,981.44	43,750.00	50.2%
GENERAL & ADMINSTRATIVE			
Uncollectable Strata Fees	16.12		
Accounting Review	0.00	250.00	0.0%
Bank Charges	36.94	100.00	36.9%
CHOA	60.00	250.00	24.0%
Insurance	5,277.60	9,500.00	55.6%
Management Fees	5,027.12	8,618.00	58.3%
Meeting Expense	70.00	75.00	93.3%
Professional Fees	56.00	500.00	11.2%
Office Supplies	89.39	150.00	59.6%
WCB	88.91	70.00	127.0%
Miscelleneous	0.00	500.00	0.0%
Total GENERAL & ADMINSTRATIVE	10,722.08	20,013.00	53.6%
CRF CONTRIBUTIONS	5,541.62	9,500.00	58.3%
Total Expense	24,897.14	59,915.00	41.6%
Net Income	**10,053.72**	**0.00**	**100.0%**

Form B
INFORMATION CERTIFICATE

[am. B.C. Reg. 238/2011, Schs. 2 and 3.]
(Section 59)

The Owners, Strata Plan _____ certify that the information contained in this certificate with respect to Strata Lot _____ is correct as of the date of this certificate.

(a) Monthly strata fees payable by the owner of the strata lot described above $_____

(b) Any amount owing to the strata corporation by the owner of the strata lot described above (other than an amount paid into court, or to the strata corporation in trust under section 114 of the *Strata Property Act*) $_____

(c) Are there any agreements under which the owner of the strata lot described above takes responsibility for expenses relating to alterations to the strata lot, the common property or the common assets?
❑ no ❑ yes *[attach copy of all agreements]*

(d) Any amount that the owner of the strata lot described above is obligated to pay in the future for a special levy that has already been approved
The payment is to be made by _____ *[month day, year]* $_____

(e) Any amount by which the expenses of the strata corporation for the current fiscal year are expected to exceed the expenses budgeted for the fiscal year $_____

(f) Amount in the contingency reserve fund minus any expenditures which have already been approved but not yet taken from the fund $_____

(g) Are there any amendments to the bylaws that are not yet filed in the land title office? ❑ no ❑ yes *[attach copy of all amendments]*

(h) Are there any resolutions passed by a 3/4 vote or unanimous vote that are required to be filed in the land title office but that have not yet been filed in the land title office? ❑no ❑yes *[attach copy of all resolutions]*

(h.1) Are there any winding-up resolutions that have been passed?
❑no ❑yes *[attach copy of all resolutions]*

(i) Has notice been given for any resolutions, requiring a 3/4 vote, 80% vote or unanimous vote or dealing with an amendment to the bylaws, that have not yet been voted on? ❑no ❑yes *[attach copy of all notices]*

(j) Is the strata corporation party to any court proceeding or arbitration, or tribunal proceeding, and/or are there any judgments or orders against the strata corporation? ❑no ❑yes *[attach details]*

(k) Have any notices or work orders been received by the strata corporation that remain outstanding for the strata lot, the common property or the common assets? ❑no ❑yes *[attach copies of all]*

(l) Number of strata lots in the strata plan that are rented _____

(m) Are there any parking stall(s) allocated to the strata lot?

❑no ❑yes

(i) *If no, complete the following by checking the correct box.*

- ❑ No parking stall available
- ❑ No parking stall is allocated to the strata lot but parking stall(s) within common property might be available

(ii) *If yes, complete the following by checking the correct box(es) and indicating the parking stall(s) to which the checked box(es) apply.*

- ❑ Parking stall(s) number(s) _____ is/are part of the strata lot(s)
- ❑ Parking stall(s) number(s) _____ is/are separate strata lot(s) *or parts of a strata lot _____ [strata lot number(s), if known, for each parking stall that is a separate strata lot or part of a separate strata lot]*
- ❑ Parking stall(s) number(s) _____ is/are limited common property
- ❑ Parking stall(s) number(s) _____ is/are common property

(iii) *For each parking stall allocated to the strata lot that is common property, check the correct box and complete the required information.*

- ❑ Parking stall(s) number(s) _____ is/are allocated with strata council approval*
- ❑ Parking stall(s) number(s) _____ is/are allocated with strata council approval and rented at $ _____ per month*
- ❑ Parking stall(s) number(s) _____ may have been allocated by owner developer assignment

Details:……..

[Provide background on the allocation of parking stalls referred to in whichever of the 3 preceding boxes have been selected and attach any applicable documents in the possession of the strata corporation.]

***Note: The allocation of a parking stall that is common property may be limited as short term exclusive use subject to section 76 of the *Strata Property Act*, or otherwise, and may therefore be subject to change in the future.**

(n) Are there any storage locker(s) allocated to the strata lot?

❑no ❑yes

(i) *If no, complete the following by checking the correct box.*

- ❑ No storage locker available
- ❑ No storage locker is allocated to the strata lot but storage locker(s) within common property might be available

(ii) *If yes, complete the following by checking the correct box(es) and indicating the storage locker(s) to which the checked box(es) apply.*

- ❑ Storage locker(s) number(s) _____ is/are part of the strata lot(s)
- ❑ Storage locker(s) number(s) _____ is/are separate strata lot(s) *or parts of a strata lot _____ [strata lot number(s), if known, for each storage locker that is a separate strata lot or part of a separate strata lot]*
- ❑ Storage locker(s) number(s) _____ is/are limited common property
- ❑ Storage locker(s) number(s) _____ is/are common property

(iii) *For each storage locker allocated to the strata lot that is common property, check the correct box and complete the required information.*

- ❑ Storage locker(s) number(s) _____ is/are allocated with strata council approval*
- ❑ Storage locker(s) number(s) _____ is/are allocated with strata council approval and rented at $ _____ per month*
- ❑ Storage locker(s) number(s) _____ may have been allocated by owner developer assignment

Details:……..

[Provide background on the allocation of storage lockers referred to in whichever of the 3 preceding boxes have been selected and attach any applicable documents in the possession of the strata corporation.]
***Note: The allocation of a storage locker that is common property may be limited as short term exclusive use subject to section 76 of the *Strata Property Act*, or otherwise, and may therefore be subject to change in the future.**

Copies of all of the following must be attached to the certificate

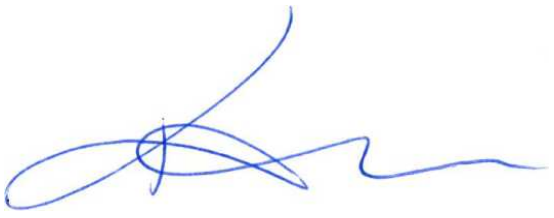
- ❑ the rules of the corporation
- ❑ the current budget of the corporation
- ❑ the owner developer's Rental Disclosure Statement under section 139, if any
- ❑ the most recent depreciation report, if any, obtained by the strata corporation under section 94

Date: ……

Signature of Council Member

Signature of Second Council Member (not required if council consists of only one member)

OR



Signature of Strata Manager, if authorized by strata corporation

ISLAND VIEW LANES

STRATA BCS 2791

DEPRECIATION REPORT

AUGUST 31, 2017

REVISION 1

PREPARED BY

RESERVE DATA ANALYSIS
1270 TODD ROAD
KAMLOOPS B.C.
V2C 5B3

(250) 573-0010

RDA Reserve Data Analysis

(a division of Mountainside Enterprises)

April 1, 2017

Island View Lanes - BCS 2791
Holywell Properties
C/O Ms. Kerry Jenkins
PO Box 187
Sechelt, BC V0N 3A0

Members of the Strata Council,

The following report represents the 1st revised Depreciation Report for the Strata BCS 2791 as of August 31, 2017. The analysis was prepared subsequent to careful review of the appropriate governing documents and all applicable financial reports. Additionally, an on-site inspection was conducted in order to identify the appropriate reserve components and accurately determine their quantity and condition. We have also relied on information provided by the Strata Corporation and its Representatives.

Financial parameters incorporated into the Reserve Study are as follows: An inflation factor of 1.5% is applied for cost calculations, net investment yield is estimated at 2.0%, and projected annual reserve contributions are increased by a factor of 0.0%. The current 2016-2017 reserve contribution is **$37.28** per unit per month on average. (Not based on unit entitlement.)

As it presently stands, our analysis yields the following results;

The ***CURRENT RESERVE METHOD (Option 1)*** indicates a total monthly contribution to reserves of **$915.66** or **$48.19** per unit will be required to meet the future anticipated needs of the Strata Corporation. This method is predicated on *Current Replacement Costs* and necessitates an annual review and adjustment for actual inflation.

The ***STRAIGHT LINE METHOD (Option 2)*** indicates a total monthly contribution to reserves of **$1,233.48** or **$64.93** per unit will be required. This method of funding is predicated on *Future Replacement Costs* which have been adjusted for inflation. Theoretically, the required funding will remain level over all years.

The ***MIXED MODEL / SPECIAL LEVY METHOD (Option 3)*** indicates a total monthly contribution of **$577.34** or **$30.40** per unit will be required. This method of funding is predicated on roof replacement costs being funded by special levy of **$4,877.36** per unit (year 2038) with other expenditures calculated on current replacement costs.

Available reserves are projected to be **$76,838** as of August 31, 2017 which is **86%** of your Ideal Reserve Balance of **$89,294**. This indicates an ***IDEAL RESERVE DEFICIENCY*** of **$12,456** or **$655.58** (unfunded liability) per unit.

Additional calculations reveal that in the event your Projected Available Reserves were **$76,838** or exactly 100% of your Ideal Reserve, the Current Reserve Method would require a total monthly contribution of **$903** ($47.52 per unit) while the Straight Line Method would necessitate a monthly contribution of **$1,221**.

Based on the results of our analysis, we recommend that your strata corporation fund reserves at the level indicated by the *CURRENT RESERVE METHOD* for the upcoming year.

Should questions arise or if I can be of any assistance please feel free to call.

Sincerely,

Dan Leiker
Reserve Analyst CAI
Mountainside Enterprises

TABLE OF CONTENTS

SECTION ONE

EXECUTIVE SUMMARY

The following Executive Summary is intended to be of service in two capacities. First, the Strata Property Act of British Columbia establishes minimum requirements regarding reserves. These requirements are discussed in detail in Section Two of this report. The Executive Summary is specifically designed to satisfy those requirements. It eliminates the confusion over which information to include in the annual budget and saves the time and expense of duplicating and distributing the entire report.

Secondly, by providing all critical data and key indices in an overview perspective, the Executive Summary serves as a meaningful working document to assist the Strata Council and/or the Management Team in the scheduling, planning, and budgeting processes.

EXECUTIVE SUMMARY

DEPRECIATION REPORT

STRATA BCS 2791 *AUGUST 31, 2017*

COMPONENT	*CURRENT REPLACEMENT COST*	*REMAINING LIFE*	*USEFUL LIFE*	*PROJECTED RESERVES 08/31/17*	*MONTHLY FUNDING REQUIREMENT*	*IDEAL RESERVE*
BUILDING ELEMENTS						
ROOF REPLACEMENT;						
Fiber Composite Shingle	$67,788	21	30	$16,747	$202.58	$20,336
SIDING REPLACEMENT;						
Hardie Plank Siding - footnote	0	31	40	0	0.00	0
METAL RAILING;						
Deck Rails - Alum. / Glass	7,920	31	40	1,468	17.33	1,782
DECKS;						
DuraDeck	15,892	16	25	4,711	58.25	5,721
Cedar Deck	8,540	21	30	2,110	25.50	2,562
DOORS;						
Front Doors	9,000	21	30	2,224	26.92	2,700
Glass Access Doors	7,500	21	30	1,853	22.42	2,250
9' Garage Doors	5,550	21	30	1,371	16.58	1,665
MECHANICAL SYSTEMS;						
Sewer Flush & Video Inspect	1,000	6	15	494	7.00	600
Category Total	$123,190			$30,978	376.58	$37,616
PAVED SURFACES						
Paver Repairs	5,000	6	10	1,647	46.58	2,000
Category Total	$5,000			$1,647	46.58	$2,000
FENCES & GATES						
WOOD CONSTRUCTION;						
5' Cedar Fencing	2,880	16	25	854	10.58	1,037
36" Rails	3,445	16	25	1,021	12.67	1,240
10' Lattice	1,200	16	25	356	4.42	432
12 X 12 Pergola	750	16	25	222	2.75	270
Category Total	$8,275			$2,453	30.42	$2,979
PAINT						
EXTERIOR SURFACES;						
Facia, Trim & Fences	12,350	4	8	5,085	151.33	6,175
Cedar Panels	9,729	1	10	9,729	0.00	8,756
Hardie Siding	56,664	11	20	20,999	270.17	25,499
Category Total	$78,743			$35,813	421.50	$40,430
LIGHTING						
BUILDING LIGHTING;						
Carriage Lanterns	3,230	21	30	798	9.67	969
Recess Fixtures	1,690	21	30	418	5.08	507

EXECUTIVE SUMMARY

DEPRECIATION REPORT

STRATA BCS 2791 *AUGUST 31, 2017*

COMPONENT	*CURRENT REPLACEMENT COST*	*REMAINING LIFE*	*USEFUL LIFE*	*PROJECTED RESERVES 08/31/17*	*MONTHLY FUNDING REQUIREMENT*	*IDEAL RESERVE*
LANDSCAPE LIGHTING;						
Street Lights - relamp only	800	21	25	105	2.75	128
Category Total	$5,720			$1,321	17.50	$1,604
LANDSCAPE						
GENERAL LANDSCAPE;						
Tree Trimming Reserve	0	1	1	0	0.00	0
Landscape Replacement Reserve	1,000	4	4	0	20.83	0
Category Total	$1,000			$0	20.83	$0
OTHER						
SIGNS;						
Monument Sign - refurbish	750	21	30	186	2.25	225
OTHER;						
Windows & Sliders - footnote	0	41	50	0	0.00	0
Contingency (2.0%)	4,440	1	1	4,440	0.00	4,440
Category Total	$5,190			$4,626	2.25	$4,665
GRAND TOTALS:	$227,118			$76,838	$915.66	$89,294
Projected Available Reserves						76,838
Ideal Reserve Deficiency (Overfunding)*						$12,456
Percent of Projected Available Reserves to Total Ideal Reserve						86%
Deficiency (Overfunding) Per Unit						$655.58

* A positive result indicates an Ideal Reserve Deficiency while a negative balance reflects an Overfunded Condition.

** Monthly Funding Requirement is based on the Current Reserve Method.

*** This Schedule reflects summary data only, for supporting details and/or additional information please refer to the complete Reserve Analysis Report. Revision 1

SECTION TWO

OVERVIEW TO STRATA TITLE DEVELOPMENTS

Section Two is designed to provide a general understanding of some of the concepts and requirements of Strata Title Developments as they relate to reserves and reserve funding. It will also explain a strata corporation's specific legal requirements as established by the Strata Property Act of British Columbia and discuss the importance of a well prepared Depreciation Report.

STRATA TITLE DEVELOPMENTS

INTRODUCTION

A Strata Title Development is defined by shared property and deed restrictions on the use of that property. Strata's have distinct legal characteristics that distinguish them from other forms of ownership. One important feature is that ownership in a Strata combines individual ownership, or the right of exclusive occupancy of a unit, with the shared ownership of the common area within the development. Another distinguishing trait is that owners in a Strata Corporation are automatically members of an Owners Association that is responsible for the operation and maintenance of the common area and must provide for a system of self-government. Finally, in order to cover the costs of operating the strata, owners are assessed dues for their proportionate share of the strata corporation's expenses in accordance with unit entitlement.

A Strata Title Deveopment is governed by a mandatory Association of Members which elects representatives to make decisions regarding its management. This Strata Council administers the property, enforces its restrictions, and is responsible for maintaining, repairing, or replacing the common areas.

The Strata Property Act, By-laws, and Strata Plan of the Corporation are the documents used to establish the framework for the operation of the Strata Corporation. They form the legal basis for the "mini-government" that is created and are generally enforceable in a court of law should the need arise.

CONTINGENCY RESERVES

Prompt payment of assessments by all owners is essential to cover the day-to-day operating costs of the Strata and to build a Contingency Reserve Fund for future repair and replacement of major components of the common area. These reserves are an important part of the Strata Corporation's annual budget. They are generally collected with the regular assessments and accumulated in a separate Reserve Account until they are needed. Ideally, all major repair and replacement costs will be covered by funds in the Reserve Account.

It is important that strata corporation members understand the difference between operating expenses and reserve expenses. Operating expenses occur at least annually and are normally recurring administrative expenses or those that relate to the day-to-day maintenance of the common area. They are funded through a non-reserve or "operating" account. Some examples of typical operating expenses are; insurance premiums, utility bills, pool and landscape contracts, and minor repairs. Reserve expenses, on the other hand, are non-annual costs for the maintenance, repair and replacement of common area components. They are funded from the replacement reserve account. Typical reserve expenses are roof replacement, carpet replacement and painting of the common area.

As the governing body is charged with the responsibility for maintaining the strata's property, it is important that accumulated cash reserves be available when they are needed. Insufficient reserves at a time when a major repair or replacement is needed results in the governing body either deferring the work, levying a potentially burdensome special assessment, or deferring payment by borrowing the necessary funds. Deferred maintenance and the financial inability to keep up with the normal aging of the common area components can lead to a state of disrepair and declination of property values. Additionally, lending

institutions may refuse to grant favorable mortgage financing to the its owners, or its prospective owners if the strata corporation is inadequately reserved or financially unsound.

By contrast, a well-funded reserve goes a long way toward maintaining property values within a Strata Title Development. Not only does it spread the cost of predictable repairs and replacements over time, helping to eliminate the need for special assessments, but it ensures that all common area components are well maintained. Proper reserve planning does away with the inequitable concentration of costs on the owners in the project at the time the repair or replacement is required.

IMPORTANCE OF DEPRECIATION REPORTS

A well prepared Depreciation report is vitally important for many reasons. First, it ensures that the strata corporation complies with the applicable legal requirements. The Strata Property Act of British Columbia Section 93.(3) requires a strata corporation to follow this minimum provision: "If, at the end of any fiscal year after the first annual general meeting, the amount of money in the contingency reserve fund is less than 25% of the average yearly expenditure, the annual contribution to the contingency reserve fund must be at least 10% of the total contribution to the operating fund for the current year."

Second, because the Strata Council has a fiduciary duty to manage the strata funds and property, a Reserve Study is an important tool as they strive to balance and optimize long-term property values and costs to the membership. Reserve planning helps assure property values by protecting against declination due to deferred maintenance and the financial inability to keep up with component wear. A well prepared Depreciation Report serves as a management tool for scheduling, coordinating, and planning of future repairs and replacement of components.

Third, a Depreciation Report provides a more accurate and complete picture of a strata corporation's financial strength and market value. As such, outside parties often request a copy. Lending institutions for the strata's individual owners, and its prospective owners often refer to the Reserve Study when considering financing decisions. For perspective buyers, reserve information is an important factor in evaluating a property and its value. The Depreciation Report is also necessary to the Accountant in order to prepare the Annual Audit.

Finally, many strata owners assume that their reserve requirements have been adequately established because developers prepare a budget worksheet as part of the submission to the land title office when registering the strata plan.

However, the interim budget projections should ***not*** be used as the basis for the Strata Corporation's reserve planning. Developer estimates may have been prepared several years before the project is actually constructed and are frequently obsolete by the time the first unit is sold. More seriously, the project may not have been actually constructed as originally planned and therefore the interim budget calculations will not reflect the strata's true liability.

ALTERNATIVE FUNDING MODELS

We can identify at least three basic funding models. Depending on the financial position of the strata corporation, one or more of these models may by operating.

UNFUNDED & SPECIAL ASSESSMENT MODEL

This is the default model in place in many Strata Title Developments today. The Strata does not have the reserve funds to cover a necessary major repair or replacement and the only recourse is to require a potentially burdensome special assessment. This scenario imposes an inequitable concentration of costs on the owners in the project at the time the repair or replacement is required and creates additional financial burden on owners who have often chosen strata ownership for cost reasons. It is the riskiest of all models and may jeopardize the financial viability of the Strata Corporation if assessments cannot be raised when needed.

MIXED MODEL

This is also a common model. It uses a combination of regular and special assessments to meet the cash requirements of major repairs and replacements. The degree to which a Strata Corporation can meet its cash requirements through regular as opposed to special assessments may be an indicator of the Strata's financial stability.

FULLY FUNDED MODEL

This is the most conservative of all models and calls for a reserve balance equal to the estimated value of accumulated component wear. In this model the Strata does not have any unfunded reserve liability in any projected year. Because the concept of unfunded liability is new to many Strata's, and because an understanding of unfunded liability is important in distinguishing between alternative funding plans, it is explained here in detail.

If a component currently valued at $10,000 has a useful life of ten years we can estimate the annual wear, or the annual provision for the replacement fund at $1,000. By year five assuming no inflation, this component has accrued a liability of $5,000. If the strata corporation is "Fully Funded" we expect that this $5,000 would be in the reserve account by the end of the fifth year via planned regular assessment contributions.

The choice of funding strategy will have a direct impact on the amount of cash required of each owner as well as the timing of those requirements. Currently, British Columbia law does not specify a model for funding, however it is obvious that the model that eliminates unfunded liability is the most conservative, provides the most stability, and more equitably divides the cost of predictable repairs and replacements over time

SECTION THREE

REPORT OVERVIEW

Section Three provides an overview of this report. Here we explain the basis of our analysis. We also provide insight into our objectives and the purpose and use of this document. Additionally, we will described the scope of our analysis, explain the parameters and assumptions employed, and define the terms and concepts used.

UNDERSTANDING THIS REPORT

This Depreciation Report represents the completed analysis for your Strata. The analysis was prepared subsequent to careful review of the appropriate governing documents and all applicable financial reports. Additionally, an on-site inspection of your Strata was conducted in order to identify the appropriate reserve components and accurately determine their quantity and condition. We have also relied on information compiled from a number of sources familiar with the strata, its operating practices and its history. These may include Professional Management Representatives, Council Members, Homeowners, Maintenance Contractors, On-site Personnel, or Service Representatives. The results of our analysis, as presented in this report, are designed to serve your strata corporation in a variety of capacities.

First, we will help clarify the strata corporation's responsibilities as they relate to reserves. In order for a strata to address its responsibilities appropriately they must be clearly identified. This necessitates the generation of an accurate list of all items that will require repair or replacement, or may represent a potential liability to the strata. Some components such as roofing or painting may be obvious while others such as potential slope failure or wood destroying pest control may not. The assignment of responsibility for some components may be very clearly defined by the governing documents while others may be addressed in an ambiguous fashion necessitating interpretation by the Strata Council or a legal opinion.

These and other issues will be identified and appropriately addressed resulting in a clearly defined, item by item compilation of those components for which the Strata Corporation is responsible. Once identified, the components are measured or counted to accurately determine their quantities. Additionally, each component will be evaluated with respect to replacement cost, anticipated life expectancy, and estimated remaining life.

Second, we will offer specific recommendations for the proper funding of reserves. Subsequent to the identification and evaluation of all reserve components, the data must then be analyzed to determine the optimum level of funding that will meet the future anticipated needs of the Strata Corporation. This analysis is performed on the schedules in Section Four which reveal the annual, monthly and average per unit per month funding requirements under each of two funding models. Please refer to Section Four for a detailed explanation.

Third, we provide insight into the overall financial strength of the Strata Corporation. This is accomplished by calculating an "Ideal Reserve" and comparing it to your actual accumulated reserves. This comparison is usually expressed in a percent format. For example, the strata is 85% funded, which means the strata has actually accumulated 85% of what is considered to be its ideal reserve balance. This would indicate an overall deficit of 15%. Section Five of this report contains these calculations as well as a detailed explanation of the concepts and formulas used.

Fourth, we offer financial projections to assist the Council in the decision making process and provide guidance in keeping the Strata Corporation on the desired course. In Section Five you will find analysis that examine the results of two different funding scenarios. They provide insight into the anticipated financial position of the strata under the two funding models.

Section Nine calculates 30-Year Cash Flow Projections which reveal anticipated ending reserve balances for each year. And finally in Section Eight we have graphically displayed many of the key indices examined in this analysis. This provides a visual reinforcement of the results of our Reserve Study.

Fifth, our report will serve as a budgeting and planning tool. One of the fundamental responsibilities of the Strata Council Members is to protect and maintain the common area assets of the Strata Corporation, and to spread the related costs as evenly as possible among the owners. Obviously this requires a considerable budgeting effort as they strive to balance optimization of long-term property values with costs to the membership. A well prepared Depreciation Report will provide a framework for these financial decisions and serve as a valuable management tool for the scheduling, coordinating, and planning processes.

It should be noted that this report, and the recommendations contained within, represent our opinions as your consultant. Currently, there are no legal requirements which mandate the Strata Corporation to fund its reserves at any specific amount or maintain its reserves at any specific level, other than the minimal requirements of the Strata Property Act. However, these decisions should be made in compliance with the standards of "sound business practice" and in accordance with the Strata Council Fiduciary Responsibilities. A poorly funded strata corporation may face serious ramifications.

PARAMETERS & ASSUMPTIONS

The preparation of this study is based on information compiled from a number of sources familiar with the strata, its operating practices and its history. These may include but are not limited to Professional Management Representatives, Council Members, Homeowners, Maintenance Contractors, On-site Personnel, or Service Representatives. We may have also relied on information collected at an on site inspection, data provided by specialists and independent consultants, national construction pricing & scheduling manuals or catalogs. It is assumed, unless otherwise indicated in writing, that any information provided by <u>any</u> outside source is provided in good faith and is indeed true and accurate.

Every effort has been made to insure the accuracy and integrity of the data presented. However, the long term nature of this study requires that certain assumptions and predictions be made about past occurrences and future events. Some assumptions may not materialize, and unanticipated events and circumstances may develop. For these reasons the actual replacement cost and/or the expected useful life and/or the remaining life of a reserve element may materially vary from the Depreciation Report.

It is assumed, unless otherwise indicated to us in writing, that all reserve elements have been designed and constructed properly, and the useful life of each element will approximate that of the norm per industry standards or manufacturers specifications. In isolated cases an arbitrary estimate may have been used for any of the variables where data is limited or an indeterminable but potential liability to the strata corporation exists. The decision for the inclusion of these as well as all assets considered is left to the client.

The estimated remaining life of a reserve element does not include an allowance factor for unusual weather or natural disasters. Additionally, since the timing and cost of repair or replacement of a reserve element can be greatly effected by the intermediate maintenance it receives, it is assumed that a reasonable schedule of maintenance has been performed and will be continued.

This study addresses the normal deterioration of properly built and installed components with predictable life expectancies. The inspection and evaluation of plumbing, telephone lines, electrical wiring and any other component that is inaccessible or has an indeterminable life expectancy will be funded as a contingency percentage of the total reserve budget. Additionally, the evaluation of repairs or replacements arising from original or subsequent construction defects, environmental hazards (asbestos, radon, etc.) and acts of nature are excluded from this Study. If the scope, magnitude and timing of inaccessible components have been disclosed (engineering report, tendering documents, etc.), a reasonable effort will be made to incorporate the anticipated expenses.

The recommendations in this Study are valid for the base year period only (the twelve months following the report date). We strongly recommend that this analysis be updated on an annual basis due to the constant fluctuations in economic conditions and the unpredictable nature of the lives of many of the reserve elements. This report does not warrant against unforeseen conditions or circumstances, unreliable information, or the unpredictable changes in economic conditions. The scope of the report is expressly limited to the components described herein.

DEFINITIONS

RESERVE ELEMENT - *A* significant asset that requires the budgeting for its eventual replacement in order to accumulate the necessary funds in time for their requirement.

USEFUL LIFE - The estimated normal life expectancy of a reserve element, based on industry standards, manufacturer's specifications, and visual inspection.

REMAINING LIFE - The estimation of time remaining until a reserve element will require replacement. It is based on age, present condition and anticipated future usage and wear.

CURRENT REPLACEMENT COST - The cost of replacing a reserve element based on estimates at current year prices.

FUTURE REPLACEMENT COST - The cost of replacing a reserve element at the end of its useful life calculated for the year of replacement based on an estimated inflation factor.

AVAILABLE RESERVES - The amount of actual reserve savings on hand for future repair and replacement of reserve elements.

REQUIRED RESERVES - The difference between the current or future replacement cost and the available reserves.

ANNUAL RESERVE REQUIREMENT - The amount of required reserves divided by the estimated remaining life.

ANNUAL COST - The current or future replacement cost divided by the estimated remaining life.

CURRENT RESERVE SUMMARY - *A* summary of reserve elements based on current replacement costs. This summary reflects the annual, monthly, and average per unit per month reserve allocation required. It will be necessary to adjust these requirements for annual inflationary effects to the year of replacement.

STRAIGHT LINE RESERVE SUMMARY - *A* summary of reserve elements based on future replacement costs. This summary reflects the annual, monthly, and average per unit per month reserve allocation required if level assessed to the year of replacement. It is not necessary to adjust these requirements for annual inflationary effects since they are provided for in the calculation of future replacement cost .

MIXED MODEL / SPECIAL LEVY SUMMARY – *A* summary of reserve elements based on current replacement costs and selected components identified for special levy funding. This summary reflects the annual, monthly, and average per unit per month reserve allocation required. The special levy component allocation includes the annual inflation factor up to the year of replacement.

SECTION FOUR

FUNDING SUMMARIES

This section contains the calculations of reserve funding requirements. In order to offer the Strata Corporation some alternatives in the funding of reserves we have performed these calculations under three different models - The Current Reserve Method, Straight Line Method and Mixed Model / Special Levy Method. The following schedules calculate the annual, monthly, and average per unit per month funding requirements for each of the three models. The differences are explained below:

The Current Reserve Method is predicated on *Current Replacement Costs* and necessitates an annual review and adjustment for actual inflation. The data generated on the Detail Worksheets in Section Eight for Useful Life and Current Replacement Costs are used in conjunction with the Distribution of Available Reserves in Section Six. The calculation is performed by subtracting the Available Reserves from the Current Replacement Cost and dividing the result (Total Required Funding) by the remaining life of the component.

The Straight Line Method is based on *Future Replacement Costs* which include a factor for inflation. Theoretically the required funding will remain level over all years. Again, the data generated on the Detail Worksheets in Section Eight for Useful Life and Future Replacement Costs are used in conjunction with the Distribution of Available Reserves in Section Six. The calculation is performed by subtracting the Available Reserves from the Future Replacement Cost and dividing the result (Total Required Funding) by the remaining life of the component.

The Mixed Model / Special Levy Method is predicated on *Current Replacement Costs* along with selected component replacement(s) to be funded by a special levy or series of special levies. This method is typically determined in consultation with the Strata Owners or Council

It should be noted that these funding requirements reflect our recommendation as your consultant and there are no current legal requirements obligating the strata corporation to fund at any specific level. These decisions however, should be made in compliance with the standards of "sound business practice" and in accordance with the Councils Fiduciary Responsibilities.

CURRENT RESERVE SUMMARY

COMPONENT	*REMAINING LIFE*	*CURRENT REPLACEMENT COST*	*RESERVES AVAILABLE*	*TOTAL REQUIRED FUNDING*	*REQUIRED ANNUAL FUNDING*	*REQUIRED MONTHLY FUNDING*	*PER UNIT MONTHLY 19 UNITS*
BUILDING ELEMENTS							
ROOF REPLACEMENT;							
Fiber Composite Shingle	21	$67,788	$16,747	$51,041	$2,431	**$202.58**	**$10.66**
SIDING REPLACEMENT;							
Hardie Plank Siding - footnote	31	0	0	0	0	**0.00**	**0.00**
METAL RAILING;							
Deck Rails - Alum. / Glass	31	7,920	1,468	6,452	208	**17.33**	**0.91**
DECKS;							
DuraDeck	16	15,892	4,711	11,181	699	**58.25**	**3.07**
Cedar Deck	21	8,540	2,110	6,430	306	**25.50**	**1.34**
DOORS;							
Front Doors	21	9,000	2,224	6,776	323	**26.92**	**1.42**
Glass Access Doors	21	7,500	1,853	5,647	269	**22.42**	**1.18**
9' Garage Doors	21	5,550	1,371	4,179	199	**16.58**	**0.87**
MECHANICAL SYSTEMS;							
Sewer Flush & Video Inspect	6	1,000	494	506	84	**7.00**	**0.37**
PAVED SURFACES							
Paver Repairs	6	5,000	1,647	3,353	559	**46.58**	**2.45**
FENCES & GATES							
WOOD CONSTRUCTION;							
5' Cedar Fencing	16	2,880	854	2,026	127	**10.58**	**0.56**
36" Rails	16	3,445	1,021	2,424	152	**12.67**	**0.67**
10' Lattice	16	1,200	356	844	53	**4.42**	**0.23**
12 X 12 Pergola	16	750	222	528	33	**2.75**	**0.14**
PAINT							
EXTERIOR SURFACES;							
Facia, Trim & Fences	4	12,350	5,085	7,265	1,816	**151.33**	**7.96**
Cedar Panels	1	9,729	9,729	0	0	**0.00**	**0.00**
Hardie Siding	11	56,664	20,999	35,665	3,242	**270.17**	**14.22**
LIGHTING							
BUILDING LIGHTING;							
Carriage Lanterns	21	3,230	798	2,432	116	**9.67**	**0.51**
Recess Fixtures	21	1,690	418	1,272	61	**5.08**	**0.27**
LANDSCAPE LIGHTING;							
Street Lights - relamp only	21	800	105	695	33	**2.75**	**0.14**

CURRENT RESERVE SUMMARY

COMPONENT	*REMAINING LIFE*	*CURRENT REPLACEMENT COST*	*RESERVES AVAILABLE*	*TOTAL REQUIRED FUNDING*	*REQUIRED ANNUAL FUNDING*	*REQUIRED MONTHLY FUNDING*	*PER UNIT MONTHLY 19 UNITS*
LANDSCAPE							
GENERAL LANDSCAPE;							
Tree Trimming Reserve	1	0	0	0	0	**0.00**	**0.00**
Landscape Replacement Reserv	4	1,000	0	1,000	250	**20.83**	**1.10**
OTHER							
SIGNS;							
Monument Sign - refurbish	21	750	186	564	27	**2.25**	**0.12**
OTHER;							
Windows & Sliders - footnote	41	0	0	0	0	**0.00**	**0.00**
Contingency (2.0%)	1	4,440	4,440	0	0	**0.00**	**0.00**
		$227,118	**$76,838**	**$150,280**	**$10,988**	**$915.66**	**$48.19**

STRAIGHT LINE RESERVE SUMMARY

COMPONENT	*REMAINING LIFE*	*FUTURE REPLACEMENT COST*	*RESERVES AVAILABLE*	*TOTAL REQUIRED FUNDING*	*REQUIRED ANNUAL FUNDING*	*REQUIRED MONTHLY FUNDING*	*PER UNIT MONTHLY 19 UNITS*
BUILDING ELEMENTS							
ROOF REPLACEMENT;							
Fiber Composite Shingle	21	$92,670	$16,747	$75,923	$3,615	**$301.25**	**$15.86**
SIDING REPLACEMENT;							
Hardie Plank Siding - footnote	31	0	0	0	0	**0.00**	**0.00**
METAL RAILING;							
Deck Rails - Alum. / Glass	31	12,565	1,468	11,097	358	**29.83**	**1.57**
DECKS;							
DuraDeck	16	20,167	4,711	15,456	966	**80.50**	**4.24**
Cedar Deck	21	11,675	2,110	9,565	455	**37.92**	**2.00**
DOORS;							
Front Doors	21	12,304	2,224	10,080	480	**40.00**	**2.11**
Glass Access Doors	21	10,253	1,853	8,400	400	**33.33**	**1.75**
9' Garage Doors	21	7,587	1,371	6,216	296	**24.67**	**1.30**
MECHANICAL SYSTEMS;							
Sewer Flush & Video Inspect	6	1,093	494	599	100	**8.33**	**0.44**
PAVED SURFACES							
Paver Repairs	6	5,467	1,647	3,820	637	**53.08**	**2.79**
FENCES & GATES							
WOOD CONSTRUCTION;							
5' Cedar Fencing	16	3,655	854	2,801	175	**14.58**	**0.77**
36" Rails	16	4,372	1,021	3,351	209	**17.42**	**0.92**
10' Lattice	16	1,523	356	1,167	73	**6.08**	**0.32**
12 X 12 Pergola	16	952	222	730	46	**3.83**	**0.20**
PAINT							
EXTERIOR SURFACES;							
Facia, Trim & Fences	4	13,108	5,085	8,023	2,006	**167.17**	**8.80**
Cedar Panels	1	9,875	9,729	146	146	**12.17**	**0.64**
Hardie Siding	11	66,747	20,999	45,748	4,159	**346.58**	**18.24**
LIGHTING							
BUILDING LIGHTING;							
Carriage Lanterns	21	4,416	798	3,618	172	**14.33**	**0.75**
Recess Fixtures	21	2,310	418	1,892	90	**7.50**	**0.39**
LANDSCAPE LIGHTING;							
Street Lights - relamp only	21	1,094	105	989	47	**3.92**	**0.21**

STRAIGHT LINE RESERVE SUMMARY

COMPONENT	*REMAINING LIFE*	*FUTURE REPLACEMENT COST*	*RESERVES AVAILABLE*	*TOTAL REQUIRED FUNDING*	*REQUIRED ANNUAL FUNDING*	*REQUIRED MONTHLY FUNDING*	*PER UNIT MONTHLY 19 UNITS*
LANDSCAPE							
GENERAL LANDSCAPE:							
Tree Trimming Reserve	1	0	0	0	0	**0.00**	**0.00**
Landscape Replacement Reserv	4	1,061	0	1,061	265	**22.08**	**1.16**
OTHER							
SIGNS;							
Monument Sign - refurbish	21	1,025	186	839	40	**3.33**	**0.18**
OTHER;							
Windows & Sliders - footnote	41	0	0	0	0	**0.00**	**0.00**
Contingency (2.0%)	1	4,507	4,440	67	67	**5.58**	**0.29**
		$288,426	**$76,838**	**$211,588**	**$14,802**	**$1,233.48**	**$64.93**

MIXED MODEL / SPECIAL LEVY SUMMARY

COMPONENT	*REMAINING LIFE*	*CURRENT REPLACEMENT COST*	*RESERVES AVAILABLE*	*TOTAL REQUIRED FUNDING*	*REQUIRED ANNUAL FUNDING*	*REQUIRED MONTHLY FUNDING*	*PER UNIT MONTHLY 19 UNITS*
BUILDING ELEMENTS							
ROOF REPLACEMENT;							
Fiber Composite Shingle	21	$67,788	$0	$4,877.36 LEVY PER UNIT		**$0.00**	**$0.00**
SIDING REPLACEMENT;							
Hardie Plank Siding - footnote	31	0	0	0	0	**0.00**	**0.00**
METAL RAILING;							
Deck Rails - Alum. / Glass	31	7,920	2,003	5,917	191	**15.92**	**0.84**
DECKS;							
DuraDeck	16	15,892	6,430	9,462	591	**49.25**	**2.59**
Cedar Deck	21	8,540	2,879	5,661	270	**22.50**	**1.18**
DOORS;							
Front Doors	21	9,000	3,034	5,966	284	**23.67**	**1.25**
Glass Access Doors	21	7,500	2,529	4,971	237	**19.75**	**1.04**
9' Garage Doors	21	5,550	1,871	3,679	175	**14.58**	**0.77**
MECHANICAL SYSTEMS;							
Sewer Flush & Video Inspect	6	1,000	674	326	54	**4.50**	**0.24**
PAVED SURFACES							
Paver Repairs	6	5,000	2,248	2,752	459	**38.25**	**2.01**
FENCES & GATES							
WOOD CONSTRUCTION;							
5' Cedar Fencing	16	2,880	1,165	1,715	107	**8.92**	**0.47**
36" Rails	16	3,445	1,394	2,051	128	**10.67**	**0.56**
10' Lattice	16	1,200	486	714	45	**3.75**	**0.20**
12 X 12 Pergola	16	750	303	447	28	**2.33**	**0.12**
PAINT							
EXTERIOR SURFACES;							
Facia, Trim & Fences	4	12,350	6,940	5,410	1,353	**112.75**	**5.93**
Cedar Panels	1	9,729	9,729	0	0	**0.00**	**0.00**
Hardie Siding	11	56,661	28,657	28,007	2,546	**212.17**	**11.17**
LIGHTING							
BUILDING LIGHTING;							
Carriage Lanterns	21	3,230	1,089	2,141	102	**8.50**	**0.45**
Recess Fixtures	21	1,690	570	1,120	53	**4.42**	**0.23**
LANDSCAPE LIGHTING;							
Street Lights - relamp only	21	800	144	656	31	**2.58**	**0.14**

MIXED MODEL / SPECIAL LEVY SUMMARY

COMPONENT	*REMAINING LIFE*	*CURRENT REPLACEMENT COST*	*RESERVES AVAILABLE*	*TOTAL REQUIRED FUNDING*	*REQUIRED ANNUAL FUNDING*	*REQUIRED MONTHLY FUNDING*	*PER UNIT MONTHLY 19 UNITS*
LANDSCAPE							
GENERAL LANDSCAPE;							
Tree Trimming Reserve	1	0	0	0	0	**0.00**	**0.00**
Landscape Replacement Reserv	4	1,000	0	1,000	250	**20.83**	**1.10**
OTHER							
SIGNS;							
Monument Sign - refurbish	21	750	253	497	24	**2.00**	**0.11**
OTHER;							
Windows & Sliders - footnote	41	0	0	0	0	**0.00**	**0.00**
Contingency (2.0%)	1	4,440	4,440	0	0	**0.00**	**0.00**
		$227,118	**$76,838**	**$82,492**	**$6,928**	**$577.34**	**$30.40**

SECTION FIVE

IDEAL RESERVES

In this section we will compute the strata corporations Ideal Reserve and compare it to the Projected Available Reserves to reveal a measure of overall financial strength of the strata. This computation is reflective of the "Fully Funded Model" which is recommended and discussed in detail in Section Two of this report.

The schedule utilizes data derived from the Detail Worksheets in Section Eight with respect to the Current Replacement Cost, Useful Life, and Remaining Life of each component. The calculation is very much like a straight-line depreciation formula. The Ideal Reserve for each component is calculated by dividing the Current Replacement Cost by the anticipated Useful Life and multiplying the result by the Consumed Life. The total Ideal Reserve is then compared to the Projected Available Reserves which indicates a measure of the overall financial strength of the strata corporation. It is important to note that a positive result indicates an Ideal Reserve Deficiency while a negative balance reflects an Overfunded Condition.

It is generally considered optimum for a strata corporation to be "Fully" or 100% Funded. Though there are no current legal requirements to maintain any specific level of funding, decisions should be made in compliance with the standards of "sound business practice" and in accordance with the Councils Fiduciary Responsibilities. An underfunded strata may not have the ability to adequately maintain its reserve components which could lead to a state of disrepair and declination of property values. Additionally, lenders may refuse to fund loans on re-sales due to inadequate reserves.

IDEAL RESERVE CALCULATION

COMPONENT	*CURRENT REPLACEMENT COST*	*USEFUL LIFE*	*REMAINING LIFE*	*CONSUMED LIFE (UL-RM)*	*IDEAL RESERVE*
BUILDING ELEMENTS					
ROOF REPLACEMENT;					
Fiber Composite Shingle	$67,788	30	21	9	**$20,336**
SIDING REPLACEMENT;					
Hardie Plank Siding - footnote	0	40	31	9	**0**
METAL RAILING;					
Deck Rails - Alum. / Glass	7,920	40	31	9	**1,782**
DECKS;					
DuraDeck	15,892	25	16	9	**5,721**
Cedar Deck	8,540	30	21	9	**2,562**
DOORS;					
Front Doors	9,000	30	21	9	**2,700**
Glass Access Doors	7,500	30	21	9	**2,250**
9' Garage Doors	5,550	30	21	9	**1,665**
MECHANICAL SYSTEMS;					
Sewer Flush & Video Inspect	1,000	15	6	9	**600**
PAVED SURFACES					
Paver Repairs	5,000	10	6	4	**2,000**
FENCES & GATES					
WOOD CONSTRUCTION;					
5' Cedar Fencing	2,880	25	16	9	**1,037**
36" Rails	3,445	25	16	9	**1,240**
10' Lattice	1,200	25	16	9	**432**
12 X 12 Pergola	750	25	16	9	**270**
PAINT					
EXTERIOR SURFACES;					
Facia, Trim & Fences	12,350	8	4	4	**6,175**
Cedar Panels	9,729	10	1	9	**8,756**
Hardie Siding	56,664	20	11	9	**25,499**
LIGHTING					
BUILDING LIGHTING;					
Carriage Lanterns	3,230	30	21	9	**969**
Recess Fixtures	1,690	30	21	9	**507**
LANDSCAPE LIGHTING;					
Street Lights - relamp only	800	25	21	4	**128**

IDEAL RESERVE CALCULATION

COMPONENT	*CURRENT REPLACEMENT COST*	*USEFUL LIFE*	*REMAINING LIFE*	*CONSUMED LIFE (UL-RM)*	*IDEAL RESERVE*
LANDSCAPE					
GENERAL LANDSCAPE;					
Tree Trimming Reserve	0	1	1	0	**0**
Landscape Replacement Reserve	1,000	4	4	0	**0**
OTHER					
SIGNS;					
Monument Sign - refurbish	750	30	21	9	**225**
OTHER;					
Windows & Sliders - footnote	0	50	41	9	**0**
Contingency (2.0%)	4,440	1	1	0	**4,440**
	$227,118				
Total Ideal Reserve (Current Replacement Costs)					**$89,294**
Projected Available Reserves					**76,838**
Ideal Reserve Deficiency (Overfunding)*					**$12,456**
Percent of Projected Available Reserves to Total Ideal Reserves					**86%**
Deficiency (Overfunding) Per Unit*					**$655.58**

* A positive result indicates an Ideal Reserve Deficiency while a negative balance reflects an Overfunded Condition.

SECTION SIX

AVAILABLE RESERVES

Ideally, your Depreciation Report should coincide with your financial year-end. Since this requires advanced preparation it becomes necessary to project the ending balance of available reserves. This is accomplished by a simple accounting roll-forward, beginning with the reserves currently available, adding anticipated contributions and subtracting planned utilization to arrive at a projected reserve balance.

Once the Projected Available Reserves are established it is necessary to distribute them among the various components. Since our goal is to provide the optimum funding requirement the distribution may not coincide with the Balance Sheet on a line by line basis. This is usually corrected by a simple accounting entry at the end of the fiscal year.

PROJECTED AVAILABLE RESERVES

CURRENT BALANCE OF AVAILABLE RESERVES:

Available Reserves 03/31/17		$73,297

ADD: PLANNED ADDITIONS TO RESERVES:

Budgeted Monthly Funding (5 months)	$3,541	
Total Additions:		3,541

LESS: ANTICIPATED UTILIZATION OF RESERVES:

None Anticipated	$0	
Total Utilization:		0

TOTAL RESERVES AVAILABLE	**08/31/17**	**$76,838**

DISTRIBUTION OF AVAILABLE RESERVES

COMPONENT	*IMMEDIATE FUNDING*	*OTHER*	*REMAINING RESERVE DISTRIBUTION*	*RESERVE DISTRIBUTION 08/31/17*
BUILDING ELEMENTS				
ROOF REPLACEMENT;				
Fiber Composite Shingle	$0	$0	$16,747	**$16,747**
SIDING REPLACEMENT;				
Hardie Plank Siding - footnote	0	0	0	**0**
METAL RAILING;				
Deck Rails - Alum. / Glass	0	0	1,468	**1,468**
DECKS;				
DuraDeck	0	0	4,711	**4,711**
Cedar Deck	0	0	2,110	**2,110**
DOORS;				
Front Doors	0	0	2,224	**2,224**
Glass Access Doors	0	0	1,853	**1,853**
9' Garage Doors	0	0	1,371	**1,371**
MECHANICAL SYSTEMS;				
Sewer Flush & Video Inspect	0	0	494	**494**
PAVED SURFACES				
Paver Repairs	0	0	1,647	**1,647**
FENCES & GATES				
WOOD CONSTRUCTION;				
5' Cedar Fencing	0	0	854	**854**
36" Rails	0	0	1,021	**1,021**
10' Lattice	0	0	356	**356**
12 X 12 Pergola	0	0	222	**222**
PAINT				
EXTERIOR SURFACES;				
Facia, Trim & Fences	0	0	5,085	**5,085**
Cedar Panels	9,729	0	0	**9,729**
Hardie Siding	0	0	20,999	**20,999**
LIGHTING				
BUILDING LIGHTING;				
Carriage Lanterns	0	0	798	**798**
Recess Fixtures	0	0	418	**418**
LANDSCAPE LIGHTING;				
Street Lights - relamp only	0	0	105	**105**

DISTRIBUTION OF AVAILABLE RESERVES

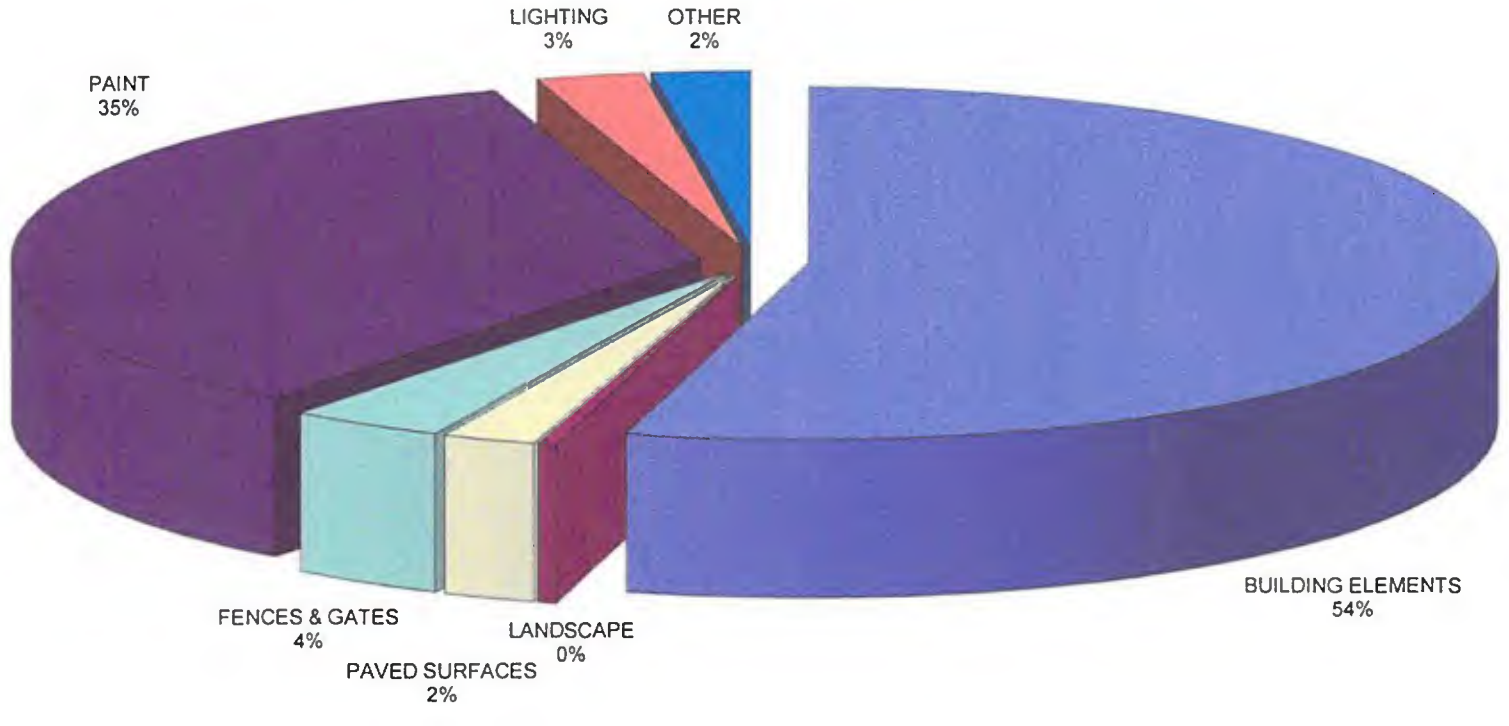
COMPONENT	*IMMEDIATE FUNDING*	*OTHER*	*REMAINING RESERVE DISTRIBUTION*	*RESERVE DISTRIBUTION 08/31/17*
LANDSCAPE				
GENERAL LANDSCAPE:				
Tree Trimming Reserve	0	0	0	0
Landscape Replacement Reserve	0	0	0	0
OTHER				
SIGNS:				
Monument Sign - refurbish	0	0	186	186
OTHER:				
Windows & Sliders - footnote	0	0	0	0
Contingency (2.0%)	4,440	0	0	4,440
	$14,169	$0	$62,669	$76,838

SECTION SEVEN

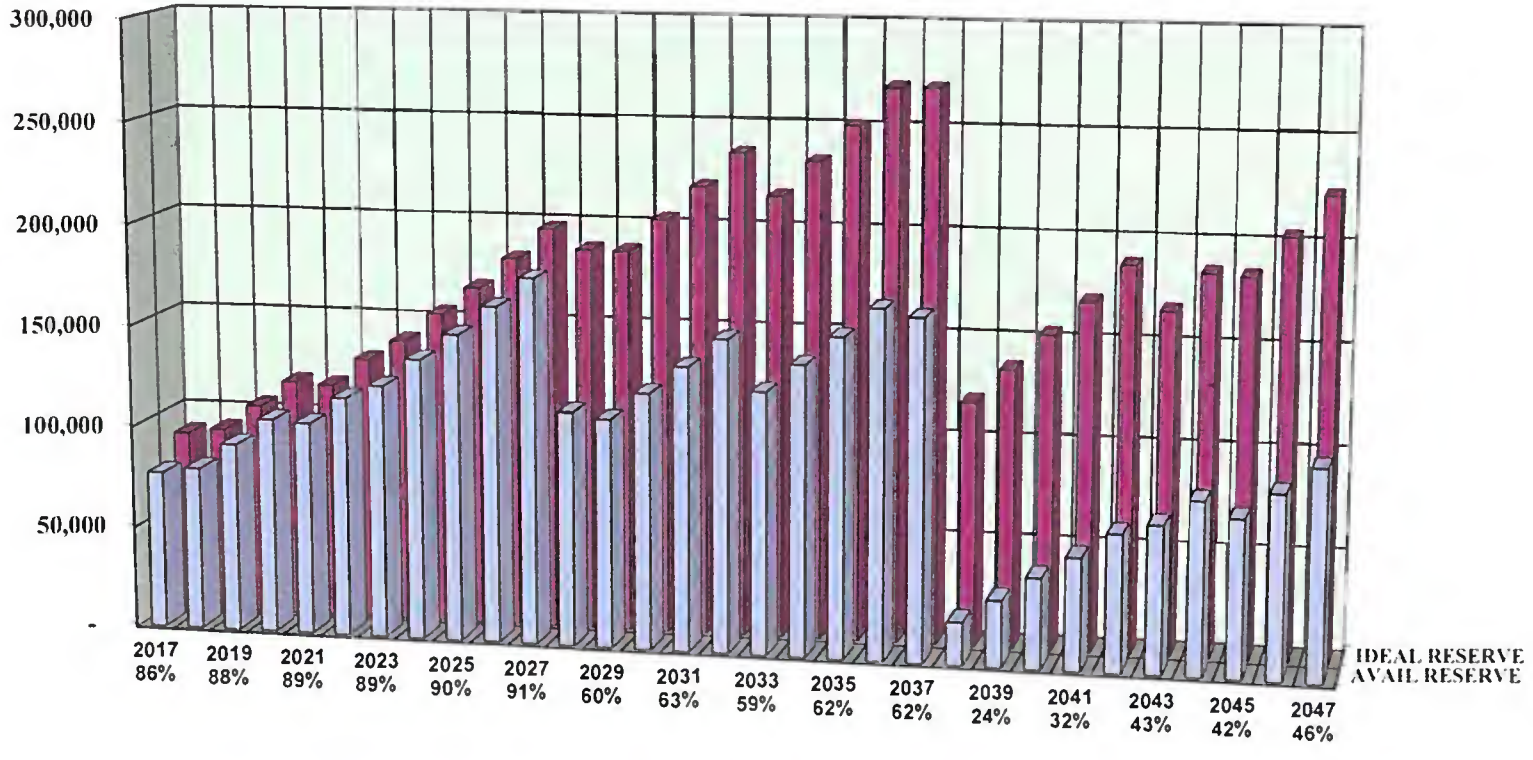
GRAPHICS

Section seven contains graphic representations of several of the key indices of our analysis. Specifically they include the Composition of Reserve Components, Thirty-Year Projections of Financial Position under the Current Reserve and Straight Line Methods of Funding, a Thirty-Year Projection of Reserve Balances, and a Thiry-Year Projection of Reserve Expenditures. The graphics are provided to visually reinforce the results of our analysis.

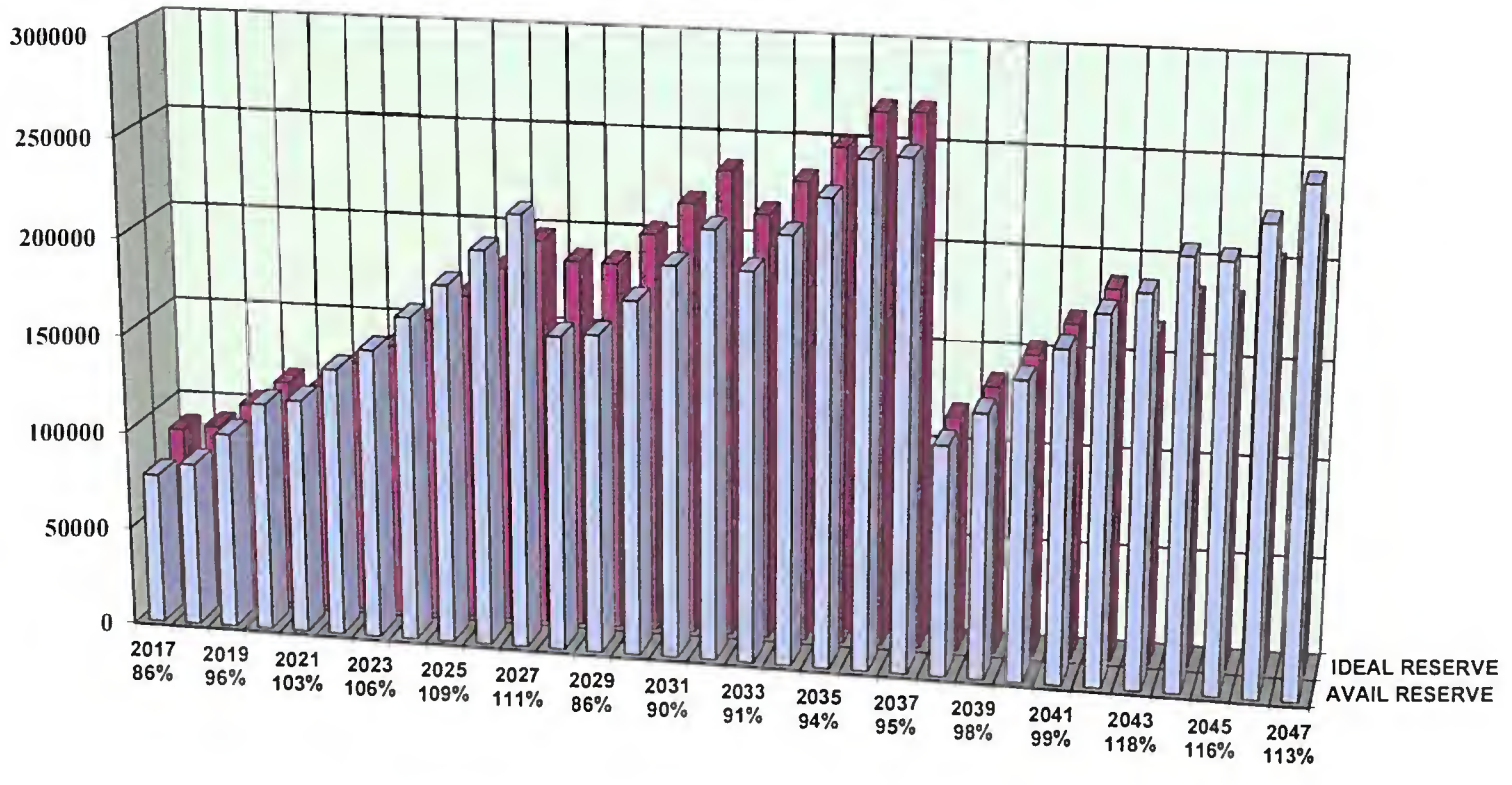
COMPOSITION OF RESERVE COMPONENTS



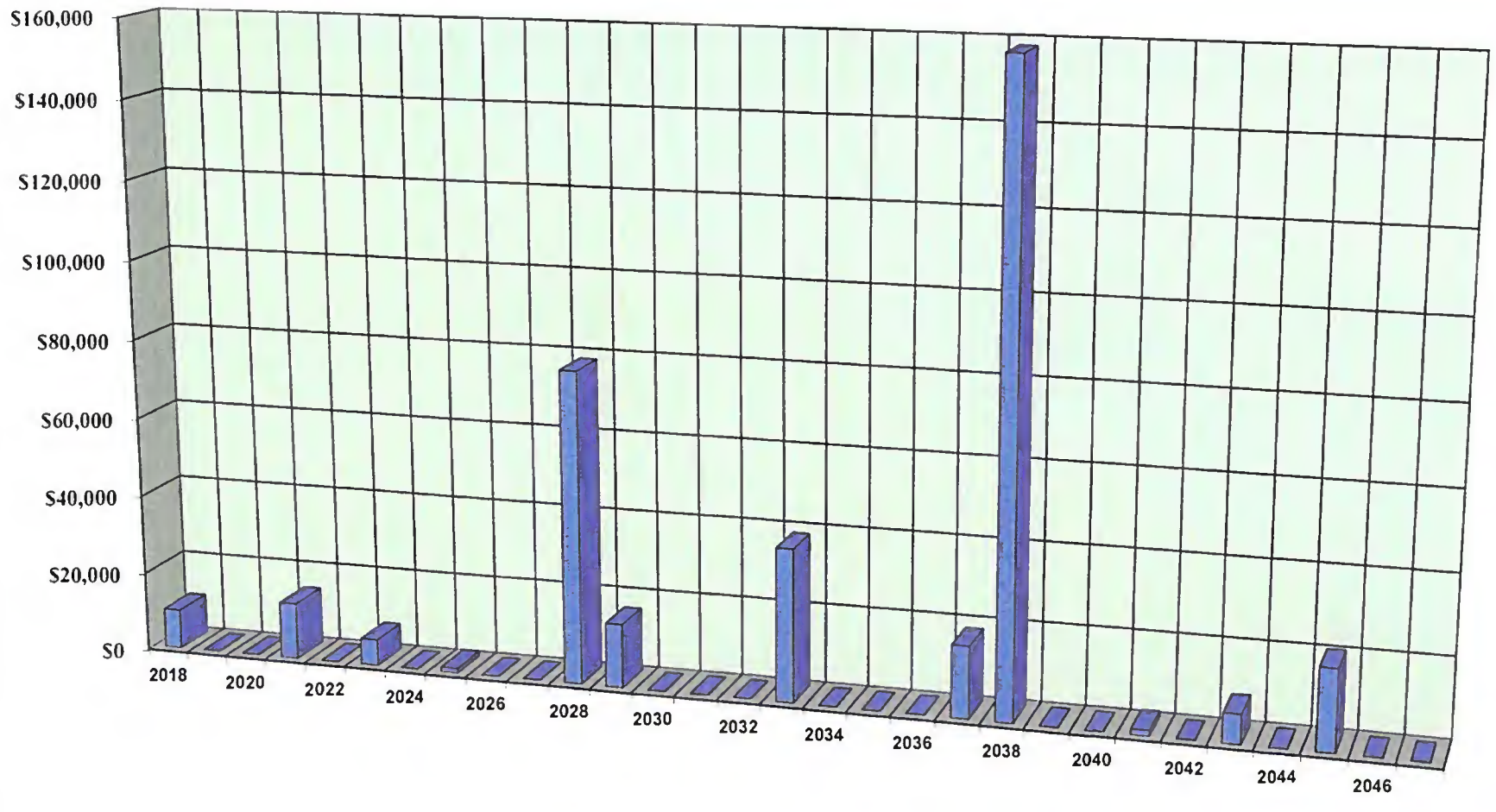
PROJECTED FINANCIAL POSITION - CURRENT METHOD



PROJECTED FINANCIAL POSITION - STRAIGHT LINE



RESERVE EXPENDITURES



SECTION EIGHT

RESERVE ANALYSIS DETAIL SHEETS

Section Eight is comprised of Detail Worksheets. These schedules provide an item by item compilation of all reserve elements contained in the project. They also include all detail information regarding component quantities, units of measure, projected unit costs, expected useful life, and anticipated remaining life. Additionally, we will calculate the Future Replacement Cost of each component by applying the stated interest rate to the current replacement cost for the anticipated remaining life of the component. It should also be noted that these schedules contain footnotes which include important data about the reserve components and other detailed information. Accordingly, we ask that you pay particular attention to these footnotes.

RESERVE ANALYSIS DETAIL SHEET

BUILDING ELEMENTS

COMPONENT	*QTY*	*UNIT OF MEASURE*	*REMAINING LIFE*	*USEFUL LIFE*	*PROJECTED UNIT COST*	*CURRENT REPLACEMENT COST*	*INFLA FACTOR*	*FUTURE REPLACEMENT COST*
ROOF REPLACEMENT;								
Fiber Composite Shingle	22,596	SF	21	30	$3.00	$67,788	1.5%	$92,670
SIDING REPLACEMENT;								
Hardie Plank Siding - footnote	25,184	SF	31	40	0.00	0	1.5%	0
METAL RAILING;								
Deck Rails - Alum. / Glass	198	LF	31	40	40.00	7,920	1.5%	12,565
DECKS;								
DuraDeck	1,096	SF	16	25	14.50	15,892	1.5%	20,167
Cedar Deck	488	SF	21	30	17.50	8,540	1.5%	11,675
DOORS;								
Front Doors	24	EA	21	30	375.00	9,000	1.5%	12,304
Glass Access Doors	20	EA	21	30	375.00	7,500	1.5%	10,253
9' Garage Doors	6	EA	21	30	925.00	5,550	1.5%	7,587
MECHANICAL SYSTEMS;								
Sewer Flush & Video Inspect	1	EA	6	15	1,000.00	1,000	1.5%	1,093
CATEGORY TOTAL:						**$123,190**		**$168,314**

HardiePlank Siding - Because a painting allocation has been established in this report along with a 40 year warranty provided by the manufacturer, no replacement allocation is required at this time.

RESERVE ANALYSIS DETAIL SHEET

PAVED SURFACES

COMPONENT	*QTY*	*UNIT OF MEASURE*	*REMAINING LIFE*	*USEFUL LIFE*	*PROJECTED UNIT COST*	*CURRENT REPLACEMENT COST*	*INFLA FACTOR*	*FUTURE REPLACEMENT COST*
Paver Repairs	1	EA	6	10	$5,000.00	$5,000	1.5%	$5,467
CATEGORY TOTAL:						**$5,000**		**$5,467**

Periodic repairs such as skin patching or localized replacement may be necessary due to such conditions as ground shifting, sink holes, and water run-off. The likelihood and/or intensity of these occurrences can vary dramatically from one location to another. Accordingly, it is generally not our policy to provide for such events automatically. However, if your association has experienced these problems in the past or if there is reason to believe they may occur in the future it would be appropriate to establish a reserve.

NOTES:

Upon inspection it was noted that some areas of the driveway pavers have shifted and require re-setting. I was advised that the developer may be attending to the repair as a warranty claim. In future years, it may be necessary to increase the allocation for paver repairs. The roadway shifting should be monitored closely and funding requirements adjusted as necessary.

RESERVE ANALYSIS DETAIL SHEET

FENCES & GATES

COMPONENT	*QTY*	*UNIT OF MEASURE*	*REMAINING LIFE*	*USEFUL LIFE*	*PROJECTED UNIT COST*	*CURRENT REPLACEMENT COST*	*INFLA FACTOR*	*FUTURE REPLACEMENT COST*
WOOD CONSTRUCTION:								
5' Cedar Fencing	72	LF	16	25	$40.00	$2,880	1.5%	$3,655
36" Rails	130	LF	16	25	26.50	3,445	1.5%	4,372
10' Lattice	24	LF	16	25	50.00	1,200	1.5%	1,523
12 X 12 Pergola	1	EA	16	25	750.00	750	1.5%	952
CATEGORY TOTAL:						**$8,275**		**$10,502**

MASONRY PRODUCTS:

It is generally anticipated that masonry products such as block walls and concrete walks will last the life of the project and are therefore not usually established as reserve elements. However, in the event your association is experiencing acute problems regarding any of these components which could eventually require a significant expense, it would be appropriate to establish a reserve. It is also recommended that a provision for minor repairs and maintenance be incorporated into the operating budget.

NOTES:

RESERVE ANALYSIS DETAIL SHEET

PAINT

COMPONENT	*QTY*	*UNIT OF MEASURE*	*REMAINING LIFE*	*USEFUL LIFE*	*PROJECTED UNIT COST*	*CURRENT REPLACEMENT COST*	*INFLA FACTOR*	*FUTURE REPLACEMENT COST*
EXTERIOR SURFACES:								
Facia, Trim & Fences	19	EA	4	8	650.00	12,350	1.5%	13,108
Cedar Panels	4,324	SF	1	10	2.25	9,729	1.5%	9,875
Hardie Siding	25,184	SF	11	20	2.25	56,664	1.5%	66,747
CATEGORY TOTAL:						**$78,743**		**$89,730**

PAINTING COSTS:

Painting costs are highly sensitive to many variables including selections of contractors and materials, time of year, availability of labor, and economies of scale. Variations in any of these can cause dramatic fluctuations in actual painting costs.

NOTES:

Facia, Trim and Fence painting costs were based on actual values for 2012 painting.

RESERVE ANALYSIS DETAIL SHEET

LIGHTING

COMPONENT	*QTY*	*UNIT OF MEASURE*	*REMAINING LIFE*	*USEFUL LIFE*	*PROJECTED UNIT COST*	*CURRENT REPLACEMENT COST*	*INFLA FACTOR*	*FUTURE REPLACEMENT COST*
BUILDING LIGHTING:								
Carriage Lanterns	38	EA	21	30	$85.00	$3,230	1.5%	$4,416
Recess Fixtures	26	EA	21	30	65.00	1,690	1.5%	2,310
LANDSCAPE LIGHTING:								
Street Lights - relamp only	2	EA	21	25	400.00	800	1.5%	1,094
CATEGORY TOTAL:						**$5,720**		**$7,820**

NOTES:

RESERVE ANALYSIS DETAIL SHEET

LANDSCAPE

COMPONENT	*QTY*	*UNIT OF MEASURE*	*REMAINING LIFE*	*USEFUL LIFE*	*PROJECTED UNIT COST*	*CURRENT REPLACEMENT COST*	*INFLA FACTOR*	*FUTURE REPLACEMENT COST*
GENERAL LANDSCAPE:								
Tree Trimming Reserve	1	EA	1	1	0.00	0	1.5%	0
Landscape Replacement Reserv	1	EA	4	4	1,000.00	1,000	1.5%	1,061
CATEGORY TOTAL:						**$1,000**		**$1,061**

TREE TRIMMING:

Tree trimming can be appropriately addressed as either an operating expense or a reserve component. If included as part of the landscape contract or if trees are trimmed every year it would generally be treated as an operating expense. Conversely, if the trimming is performed in cycles greater than one year it would be appropriate to establish a reserve and fund accordingly.

LANDSCAPE REPLACEMENT:

Landscape replacement can be appropriately addressed as either an operating expense or a reserve component. If included as part of the landscape contract or if some foliage is replaced every year it would generally be treated as an operating expense. Conversely, if replacement is performed in cycles greater than one year it would be appropriate to establish a reserve fund accordingly.

NOTES:

RESERVE ANALYSIS DETAIL SHEET

OTHER;

COMPONENT	*QTY*	*UNIT OF MEASURE*	*REMAINING LIFE*	*USEFUL LIFE*	*PROJECTED UNIT COST*	*CURRENT REPLACEMENT COST*	*INFLA FACTOR*	*FUTURE REPLACEMENT COST*
SIGNS;								
Monument Sign - refurbish	1	EA	21	30	750.00	750	1.5%	1,025
OTHER;								
Windows & Sliders - footnote	212	EA	41	50	0.00	0	1.5%	0
Contingency (2.0%)	1	EA	1	1	4,440.00	4,440	1.5%	4,507
CATEGORY TOTAL:						**$5,190**		**$5,532**

CONTINGENCY:

A contingency reserve has been established to accommodate fluctuations in variables such as component pricing, timing of repairs or replacement and the unpredictable nature of some reserve components such as; sewer lines, water lines, electrical services, wiring and other components which can not be visually inspected or analysed. Additionally, the contingency funds may be allocated for periodic replacement of windows or window seals as they may arise. The contingency allocation is also established so that the strata complies with Section 6.2 (2)(ii)(vi) of the Strata Property Regulations.

Windows and Sliding Glass Doors - Should chronic window failure become evident in future years, it may be prudent to establish a replacement allocation or increase the contingency percentage formula. The estimated cost to replace 212 windows and sliding glass doors is $105,350.

SECTION NINE

30-YEAR PROJECTIONS

This section provides 30-Year Cash Flow Projections which calculate the anticipated ending reserve balances for each year. They examine the results of the Current and Straight Line Funding scenarios based on the indicated financial parameters and the calculated amounts and timing of anticipated expenses. A negative balance indicates a deficit condition. These schedules can be extremely useful tools when budgeting for the repair or replacement of reserve elements.

30 YEAR EVALUATION

PROJECTED RESERVE BALANCES

COMPONENT	R	YEAR 1 2018	YEAR 2 2019	YEAR 3 2020	YEAR 4 2021	YEAR 5 2022	YEAR 6 2023	YEAR 7 2024	YEAR 8 2025
BUILDING ELEMENTS									
ROOF REPLACEMENT;									
Fiber Composite Shingle		$0	$0	$0	$0	$0	$0	$0	$0
SIDING REPLACEMENT;									
Hardie Plank Siding - footnote		0	0	0	0	0	0	0	0
METAL RAILING;									
Deck Rails - Alum. / Glass		0	0	0	0	0	0	0	0
DECKS;									
DuraDeck		0	0	0	0	0	0	0	0
Cedar Deck		0	0	0	0	0	0	0	0
DOORS;									
Front Doors		0	0	0	0	0	0	0	0
Glass Access Doors		0	0	0	0	0	0	0	0
9' Garage Doors		0	0	0	0	0	0	0	0
MECHANICAL SYSTEMS;									
Sewer Flush & Video Inspect		0	0	0	0	0	1,093	0	0
PAVED SURFACES									
Paver Repairs		0	0	0	0	0	5,467	0	0
FENCES & GATES									
WOOD CONSTRUCTION;									
5' Cedar Fencing		0	0	0	0	0	0	0	0
36" Rails		0	0	0	0	0	0	0	0
10' Lattice		0	0	0	0	0	0	0	0
12 X 12 Pergola		0	0	0	0	0	0	0	0
PAINT									
EXTERIOR SURFACES;									
Facia, Trim & Fences		0	0	0	13,108	0	0	0	0
Cedar Panels		9,875	0	0	0	0	0	0	0
Hardie Siding		0	0	0	0	0	0	0	0
LIGHTING									
BUILDING LIGHTING;									
Carriage Lanterns		0	0	0	0	0	0	0	0
Recess Fixtures		0	0	0	0	0	0	0	0
LANDSCAPE LIGHTING;									
Street Lights - relamp only		0	0	0	0	0	0	0	0

30 YEAR EVALUATION

PROJECTED RESERVE BALANCES

COMPONENT	R	*YEAR 1 2018*	*YEAR 2 2019*	*YEAR 3 2020*	*YEAR 4 2021*	*YEAR 5 2022*	*YEAR 6 2023*	*YEAR 7 2024*	*YEAR 8 2025*
LANDSCAPE									
GENERAL LANDSCAPE;									
Tree Trimming Reserve		0	0	0	0	0	0	0	0
Landscape Replacement Reserve		0	0	0	1,061	0	0	0	1,126
OTHER									
SIGNS;									
Monument Sign - refurbish		0	0	0	0	0	0	0	0
OTHER;									
Windows & Sliders - footnote		0	0	0	0	0	0	0	0
Contingency (2.0%)		0	0	0	0	0	0	0	0
TOTAL		$9,875	$0	$0	$14,169	$0	$6,561	$0	$1,126
CURRENT RESERVE METHOD									
BEGINNING RESERVE BALAN(		$76,838	$79,499	$92,187	$105,128	$104,018	$117,196	$124,012	$137,590
ANNUAL CONTRIBUTION		10,988	10,988	10,988	10,988	10,988	10,988	10,988	10,988
INTEREST - COMPUTED AT		1,548	1,700	1,954	2,071	2,190	2,388	2,590	2,850
OTHER		0	0	0	0	0	0	0	0
LESS ANTICIPATED EXPENDIT		9,875	0	0	14,169	0	6,561	0	1,126
PROJECTED ENDING BALAN		**$79,499**	**$92,187**	**$105,128**	**$104,018**	**$117,196**	**$124,012**	**$137,590**	**$150,302**
STRAIGHT LINE METHOD									
BEGINNING RESERVE BALAN(		$76,838	$83,351	$99,968	$116,766	$119,589	$136,779	$147,687	$165,439
ANNUAL CONTRIBUTION		14,802	14,802	14,652	14,652	14,652	14,652	14,652	14,652
INTEREST - COMPUTED AT		1,586	1,815	2,146	2,340	2,538	2,816	3,100	3,444
OTHER		0	0	0	0	0	0	0	0
LESS ANTICIPATED EXPENDIT		9,875	0	0	14,169	0	6,561	0	1,126
PROJECTED ENDING BALAN		**$83,351**	**$99,968**	**$116,766**	**$119,589**	**$136,779**	**$147,687**	**$165,439**	**$182,409**

30 YEAR EVALUATION

PROJECTED RESERVE BALANCES

	R	YEAR 9	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15	YEAR 16
COMPONENT		*2026*	*2027*	*2028*	*2029*	*2030*	*2031*	*2032*	*2033*
BUILDING ELEMENTS									
ROOF REPLACEMENT;									
Fiber Composite Shingle		$0	$0	$0	$0	$0	$0	$0	$0
SIDING REPLACEMENT;									
Hardie Plank Siding - footnote		0	0	0	0	0	0	0	0
METAL RAILING;									
Deck Rails - Alum. / Glass		0	0	0	0	0	0	0	0
DECKS;									
DuraDeck		0	0	0	0	0	0	0	20,167
Cedar Deck		0	0	0	0	0	0	0	0
DOORS;									
Front Doors		0	0	0	0	0	0	0	0
Glass Access Doors		0	0	0	0	0	0	0	0
9' Garage Doors		0	0	0	0	0	0	0	0
MECHANICAL SYSTEMS;									
Sewer Flush & Video Inspect		0	0	0	0	0	0	0	0
PAVED SURFACES									
Paver Repairs		0	0	0	0	0	0	0	6,345
FENCES & GATES									
WOOD CONSTRUCTION;									
5' Cedar Fencing		0	0	0	0	0	0	0	3,655
36" Rails		0	0	0	0	0	0	0	4,372
10' Lattice		0	0	0	0	0	0	0	1,523
12 X 12 Pergola		0	0	0	0	0	0	0	952
PAINT									
EXTERIOR SURFACES;									
Facia, Trim & Fences		0	0	0	14,766	0	0	0	0
Cedar Panels		0	0	11,460	0	0	0	0	0
Hardie Siding		0	0	66,747	0	0	0	0	0
LIGHTING									
BUILDING LIGHTING;									
Carriage Lanterns		0	0	0	0	0	0	0	0
Recess Fixtures		0	0	0	0	0	0	0	0
LANDSCAPE LIGHTING;									
Street Lights - relamp only		0	0	0	0	0	0	0	0

30 YEAR EVALUATION

PROJECTED RESERVE BALANCES

COMPONENT	R	YEAR 9 2026	YEAR 10 2027	YEAR 11 2028	YEAR 12 2029	YEAR 13 2030	YEAR 14 2031	YEAR 15 2032	YEAR 16 2033
LANDSCAPE									
GENERAL LANDSCAPE;									
Tree Trimming Reserve		0	0	0	0	0	0	0	0
Landscape Replacement Reserve		0	0	0	1,196	0	0	0	1,269
OTHER									
SIGNS;									
Monument Sign - refurbish		0	0	0	0	0	0	0	0
OTHER;									
Windows & Sliders - footnote		0	0	0	0	0	0	0	0
Contingency (2.0%)		0	0	0	0	0	0	0	0
TOTAL		$0	$0	$78,208	$15,962	$0	$0	$0	$38,281
CURRENT RESERVE METHOD									
BEGINNING RESERVE BALANC		$150,302	$164,406	$178,792	$114,476	$111,742	$125,075	$138,674	$152,546
ANNUAL CONTRIBUTION		10,988	10,988	10,988	10,988	10,988	10,988	10,988	10,988
INTEREST - COMPUTED AT		3,116	3,398	2,904	2,240	2,345	2,611	2,883	2,778
OTHER		0	0	0	0	0	0	0	0
LESS ANTICIPATED EXPENDIT		0	0	78,208	15,962	0	0	0	38,281
PROJECTED ENDING BALAN		**$164,406**	**$178,792**	**$114,476**	**$111,742**	**$125,075**	**$138,674**	**$152,546**	**$128,030**
STRAIGHT LINE METHOD									
BEGINNING RESERVE BALANC		$182,409	$200,856	$219,671	$159,874	$161,748	$179,782	$198,176	$216,938
ANNUAL CONTRIBUTION		14,652	14,652	14,652	14,652	14,652	14,652	14,652	14,652
INTEREST - COMPUTED AT		3,795	4,164	3,758	3,184	3,381	3,742	4,110	4,102
OTHER		0	0	0	0	0	0	0	0
LESS ANTICIPATED EXPENDIT		0	0	78,208	15,962	0	0	0	38,281
PROJECTED ENDING BALAN		**$200,856**	**$219,671**	**$159,874**	**$161,748**	**$179,782**	**$198,176**	**$216,938**	**$197,411**

30 YEAR EVALUATION

PROJECTED RESERVE BALANCES

	R	YEAR 17	YEAR 18	YEAR 19	YEAR 20	YEAR 21	YEAR 22	YEAR 23	YEAR 24
COMPONENT		2034	2035	2036	2037	2038	2039	2040	2041
BUILDING ELEMENTS									
ROOF REPLACEMENT;									
Fiber Composite Shingle		$0	$0	$0	$0	$92,670	$0	$0	$0
SIDING REPLACEMENT;									
Hardie Plank Siding - footnote		0	0	0	0	0	0	0	0
METAL RAILING;									
Deck Rails - Alum. / Glass		0	0	0	0	0	0	0	0
DECKS;									
DuraDeck		0	0	0	0	0	0	0	0
Cedar Deck		0	0	0	0	11,675	0	0	0
DOORS;									
Front Doors		0	0	0	0	12,304	0	0	0
Glass Access Doors		0	0	0	0	10,253	0	0	0
9' Garage Doors		0	0	0	0	7,587	0	0	0
MECHANICAL SYSTEMS;									
Sewer Flush & Video Inspect		0	0	0	0	1,367	0	0	0
PAVED SURFACES									
Paver Repairs		0	0	0	0	0	0	0	0
FENCES & GATES									
WOOD CONSTRUCTION;									
5' Cedar Fencing		0	0	0	0	0	0	0	0
36" Rails		0	0	0	0	0	0	0	0
10' Lattice		0	0	0	0	0	0	0	0
12 X 12 Pergola		0	0	0	0	0	0	0	0
PAINT									
EXTERIOR SURFACES;									
Facia, Trim & Fences		0	0	0	16,634	0	0	0	0
Cedar Panels		0	0	0	0	13,300	0	0	0
Hardie Siding		0	0	0	0	0	0	0	0
LIGHTING									
BUILDING LIGHTING;									
Carriage Lanterns		0	0	0	0	4,416	0	0	0
Recess Fixtures		0	0	0	0	2,310	0	0	0
LANDSCAPE LIGHTING;									
Street Lights - relamp only		0	0	0	0	1,094	0	0	0

30 YEAR EVALUATION

PROJECTED RESERVE BALANCES

COMPONENT	R	YEAR 17 2034	YEAR 18 2035	YEAR 19 2036	YEAR 20 2037	YEAR 21 2038	YEAR 22 2039	YEAR 23 2040	YEAR 24 2041
LANDSCAPE									
GENERAL LANDSCAPE:									
Tree Trimming Reserve		0	0	0	0	0	0	0	0
Landscape Replacement Reserve		0	0	0	1,347	0	0	0	1,430
OTHER									
SIGNS;									
Monument Sign - refurbish		0	0	0	0	1,025	0	0	0
OTHER:									
Windows & Sliders - footnote		0	0	0	0	0	0	0	0
Contingency (2.0%)		0	0	0	0	0	0	0	0
TOTAL		$0	$0	$0	$17,981	$158,000	$0	$0	$1,430
CURRENT RESERVE METHOD									
BEGINNING RESERVE BALANC		$128,030	$141,688	$155,620	$169,830	$166,165	$21,005	$32,523	$44,272
ANNUAL CONTRIBUTION		10,988	10,988	10,988	10,988	10,988	10,988	10,988	10,988
INTEREST - COMPUTED AT		2,670	2,944	3,222	3,327	1,853	530	760	981
OTHER		0	0	0	0	0	0	0	0
LESS ANTICIPATED EXPENDIT		0	0	0	17,981	158,000	0	0	1,430
PROJECTED ENDING BALAN		**$141,688**	**$155,620**	**$169,830**	**$166,165**	**$21,005**	**$32,523**	**$44,272**	**$54,811**
STRAIGHT LINE METHOD									
BEGINNING RESERVE BALANC		$197,411	$216,158	$235,280	$254,784	$256,517	$116,866	$134,002	$151,480
ANNUAL CONTRIBUTION		14,652	14,652	14,652	14,652	14,652	14,652	14,652	14,652
INTEREST - COMPUTED AT		4,095	4,470	4,852	5,062	3,697	2,484	2,827	3,162
OTHER		0	0	0	0	0	0	0	0
LESS ANTICIPATED EXPENDIT		0	0	0	17,981	158,000	0	0	1,430
PROJECTED ENDING BALAN		**$216,158**	**$235,280**	**$254,784**	**$256,517**	**$116,866**	**$134,002**	**$151,480**	**$167,865**

30 YEAR EVALUATION

PROJECTED RESERVE BALANCES

COMPONENT	R	YEAR 25 2042	YEAR 26 2043	YEAR 27 2044	YEAR 28 2045	YEAR 29 2046	YEAR 30 2047
BUILDING ELEMENTS							
ROOF REPLACEMENT;							
Fiber Composite Shingle		$0	$0	$0	$0	$0	$0
SIDING REPLACEMENT;							
Hardie Plank Siding - footnote		0	0	0	0	0	0
METAL RAILING;							
Deck Rails - Alum. / Glass		0	0	0	0	0	0
DECKS;							
DuraDeck		0	0	0	0	0	0
Cedar Deck		0	0	0	0	0	0
DOORS;							
Front Doors		0	0	0	0	0	0
Glass Access Doors		0	0	0	0	0	0
9' Garage Doors		0	0	0	0	0	0
MECHANICAL SYSTEMS;							
Sewer Flush & Video Inspect		0	0	0	0	0	0
PAVED SURFACES							
Paver Repairs		0	7,364	0	0	0	0
FENCES & GATES							
WOOD CONSTRUCTION;							
5' Cedar Fencing		0	0	0	0	0	0
36" Rails		0	0	0	0	0	0
10' Lattice		0	0	0	0	0	0
12 X 12 Pergola		0	0	0	0	0	0
PAINT							
EXTERIOR SURFACES;							
Facia, Trim & Fences		0	0	0	18,738	0	0
Cedar Panels		0	0	0	0	0	0
Hardie Siding		0	0	0	0	0	0
LIGHTING							
BUILDING LIGHTING;							
Carriage Lanterns		0	0	0	0	0	0
Recess Fixtures		0	0	0	0	0	0
LANDSCAPE LIGHTING;							
Street Lights - relamp only		0	0	0	0	0	0

30 YEAR EVALUATION

PROJECTED RESERVE BALANCES

COMPONENT	R	YEAR 25 2042	YEAR 26 2043	YEAR 27 2044	YEAR 28 2045	YEAR 29 2046	YEAR 30 2047
LANDSCAPE							
GENERAL LANDSCAPE;							
Tree Trimming Reserve		0	0	0	0	0	0
Landscape Replacement Reserve		0	0	0	1,517	0	0
OTHER							
SIGNS;							
Monument Sign - refurbish		0	0	0	0	0	0
OTHER;							
Windows & Sliders - footnote		0	0	0	0	0	0
Contingency (2.0%)		0	0	0	0	0	0
TOTAL		$0	$7,364	$0	$20,255	$0	$0
CURRENT RESERVE METHOD							
BEGINNING RESERVE BALANC		$54,811	$67,005	$72,006	$84,544	$76,875	$89,511
ANNUAL CONTRIBUTION		10,988	10,988	10,988	10,988	10,988	10,988
INTEREST - COMPUTED AT		1,206	1,376	1,550	1,598	1,647	1,900
OTHER		0	0	0	0	0	0
LESS ANTICIPATED EXPENDIT		0	7,364	0	20,255	0	0
PROJECTED ENDING BALAN		**$67,005**	**$72,006**	**$84,544**	**$76,875**	**$89,511**	**$102,399**
STRAIGHT LINE METHOD							
BEGINNING RESERVE BALANC		$167,865	$186,020	$197,102	$215,843	$214,501	$233,589
ANNUAL CONTRIBUTION		14,652	14,652	14,652	14,652	14,652	14,652
INTEREST - COMPUTED AT		3,504	3,793	4,089	4,261	4,437	4,818
OTHER		0	0	0	0	0	0
LESS ANTICIPATED EXPENDIT		0	7,364	0	20,255	0	0
PROJECTED ENDING BALAN		**$186,020**	**$197,102**	**$215,843**	**$214,501**	**$233,589**	**$253,060**

Dan Leiker, Principal - RDA-Reserve Data Analysis
(A Division of Mountainside Enterprises)
Statement of Qualifications

As a third party independent consultant Reserve Data Analysis concentrates its expertise on the issues and complexities related to contingency reserve funding and long-range financial planning for common interest developments, commercial and residential strata corporations, time shares and resort properties. Reserve planning helps assure property values by protecting against depreciation due to deferred maintenance and the financial inability to keep up with component wear. RDA provides the client with accurate funding goals and applicable funding requirements as well as cash flow projections for sound financial planning.

Mr. Leiker's background includes condominium property management as a Certified Manager of Community Associations – CMCA (California) as well as Western Regional Manager (Vancouver) for a multi-provincial property management firm (head office Calgary) combined with construction and project management experience. He has performed in the capacity of both owners' representative and lead project administrator on several multimillion-dollar structural deficiency reconstruction projects in California. Dan brings twenty years of experience in the preparation of depreciation reports and reserve analysis as annually required by law under the Department of Real Estate of California. He has received formal training in Reserve Planning through the Community Association Institute (CAI) California. The CAI is a multi-national organization which provides training and designations in community association management, reserve planning and risk management. As a Reserve Analyst he has served as expert witness successfully representing Homeowner Associations in legal cases pertaining to the Developers failure to accurately determine the quantity, quality and cost of materials used when filing the original Reserve Funding Plan with the California Department of Real Estate. His professional testimony has resulted in financial settlements for the Associations. His combined twenty years of experience in the commercial, industrial and residential markets has positioned him to provide quality services for the implementation of an effective financial and capital plan.

Since 1994, Mr. Leiker has prepared contingency reserve studies, depreciation reports and annual reserve updates for over four hundred self-managed and professionally-managed strata corporations, resort properties and institutional properties throughout the Lower Mainland, Fraser Valley, Whistler, Sunshine Coast, Okanagan, South Thompson, Nelson, Williams Lake, Edmonton & Calgary. RDA funding formulas and the reporting template is fully compliant with the Condominium Property Act of Alberta and the Strata Property Act of British Columbia.

Mountainside Enterprises has been a business member in good standing with CHOA (Condominium Home Owners' Association of BC) for over ten years. Additionally, Dan has conducted educational seminars for both CHOA and PAMA (Professional Association of Managing Agents) in the area of reserve planning. Mr. Leiker and Mountainside Enterprises carry Professional Liability Insurance (Errors & Omissions), General Liability and Workers Compensation coverage.

FILED W/
DISCLOSURE STMT
Dated July 19, 2007

FILED AUG 10, 2007

Exhibit E

Strata Property Act

Form J

RENTAL DISCLOSURE STATEMENT

(Section 139)

Re: Strata Plan comprised of 19 strata units to be constructed on the following described lands:

Assessment Area: North Shore – Squamish Valley
District: Sechelt Fire Protection
Parcel Identifier: 027-102-980
Lot P Block 7 District Lot 688 Group 1 New Westminster District Plan BCP30017

1. The development described above includes 19 residential strata lots.

2. The residential strata lots described below are rented out by the owner developer as of the date of this statement and the owner developer intends to rent out each strata lot until the date set out opposite its description.

Description of Strata Lot *[strata lot number as shown on strata plan]*	Date Rental Period Expires *[month day, year]*
NIL	

3. In addition to the number of residential strata lots rented out by the owner developer as of the date of this statement, the owner developer reserves the right to rent out a further 19 residential strata lots, as described below, until the date set out opposite each strata lot's description.

Description of Strata Lot *[strata lot number as shown on strata plan]*	Date Rental Period Expires *[month day, year]*
1 – 19 Inclusive	January 1, 2019

4. There is no bylaw of the strata corporation that restricts the rental of strata lots.

Date: June 2007

SUNBELT PROPERTIES LTD.

Per: _____
Signature of Owner Developer