

*Date Delivered* February 02, 2018 10:47AM  
*Strata Manager* HOLYWELL PROPERTIES  
*eStrataHub Order Number* 215435  
*Folio Reference* 11-624 Shaw Rd  
*Requestor Company* RE/MAX TOP PERFORMERS  
*Requested By* Tony Browton  
*Property Name* ROSEWOOD  
*Strata Plan #* BCS2559  
*Strata Lot #* 11  
*Civic Address* 11-624 Shaw Road Gibsons BC V0N1V8

***Documents and Files in this Container for Order 215435(Folio:11-624 Shaw Rd)***

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***Form B - Information Certificate***

eSH215435-01-Form B - Information Certificate\_180130 B SL 11.pdf  
eSH215435-02-Form B - Information Certificate\_zzRosewood Form J.pdf

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***Rules***

eSH215435-03-Rules\_180102 Draft Rules Apartment Meeting(Clubhouse) Room. .pdf

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***Warranty***

eSH215435-04-Warranty\_Warranty Apartment Building Feb 26 2009.pdf

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***Depreciation Report***

eSH215435-05-Depreciation Report\_BCS 2559 - Depreciation Report APPROVED.pdf

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***Financial Statements (most recent)***

eSH215435-06-Financial Statements (most recent)\_Balance Sheet.pdf  
eSH215435-07-Financial Statements (most recent)\_P&L Bud vs Act.pdf

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***Annual General Meeting Minutes***

eSH215435-08-Annual General Meeting Minutes\_170927 AGM Minutes.pdf

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***Strata Council Meeting Minutes***

eSH215435-09-Strata Council Meeting Minutes\_170130 Rosewood Council Minutes .pdf  
eSH215435-10-Strata Council Meeting Minutes\_170329 Rosewood Council Minutes.pdf

- eSH215435-11-Strata Council Meeting Minutes\_170426 Rosewood Council Minutes.pdf
- eSH215435-12-Strata Council Meeting Minutes\_170829 Rosewood Council Minutes .pdf
- eSH215435-13-Strata Council Meeting Minutes\_171108 Rosewood Council Minutes.pdf

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**Special General Meeting Minutes**

- eSH215435-14-Special General Meeting Minutes\_170531 SGM Minutes.pdf

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**Form F - Certificate of Payment**

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

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**Engineering Report**

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

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**Remediation/Building Envelope Reports or Summary**

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

## Document is not available

Document:	Form F - Certificate of Payment
Property:	ROSEWOOD
Strata Plan #:	BCS2559
Strata Lot #:	11
Comment:	The document you requested is not available for this property.

## Document is not available

Document:	Engineering Report
Property:	ROSEWOOD
Strata Plan #:	BCS2559
Strata Lot #:	11
Comment:	The document you requested is not available for this property.

## Document is not available

Document:	Remediation/Building Envelope Reports or Summary
Property:	ROSEWOOD
Strata Plan #:	BCS2559
Strata Lot #:	11
Comment:	The document you requested is not available for this property.

## 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: .....

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Signature of Council Member

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

OR



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Signature of Strata Manager, if authorized by strata corporation



EXHIBIT "F"

**Strata Property Act**  
**FORM J**  
**RENTAL DISCLOSURE STATEMENT**

(Section 139)

1. The strata plan in respect of which this statement is made is located on the lands legally described as:

Town of Gibsons  
North Shore – Squamish Valley Assessment Area  
PID: 008-987-025  
Lot B, except part in Plan 19563  
District Lot 1328  
Plan 11937

The three planned phases of the development described above include a total of 32 residential strata lots. The first phase of the development described above includes a total of 8 strata lots. The second phase of the development described above includes a total of 8 strata lots. The third phase of the development described above includes a total of 16 strata lots. None of the phases of the noted development have been created to date.

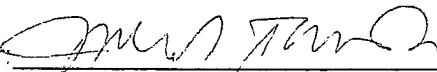
2. The strata lots described below are rented out by the owner developer as of the date of this statement and the owner developer intends to rent out each strata lot under the date set opposite its description:

NONE

3. In addition to the number of strata lots rented out by the owner developer as of the date of this statement, the owner developer reserves the right to rent out all and any of the strata lots until title to each of the strata lots is transferred to the first purchaser whereupon the landlord's interest in any such rentals will be transferred to the respective purchasers.
4. There is no bylaw of the strata corporation that restricts the rental of strata lots.

DATED this 13 day of June, 2007.

SCOPE DEVELOPMENT COMPANY LTD.

Per:   
Authorized Signatory – JULIO TAN

# Rosewood

## - CLUBHOUSE RULES

1. The clubhouse is for the use of Rosewood residents and their guests. Any resident booking the clubhouse must be in attendance throughout the event being held.
2. To book the clubhouse a resident must:
  - a. Contact the designated Strata Council contact with the date and time of booking;
  - b. Provide two cheques payable to Strata Corporation LMS 2560:
    - \$25 rental fee
    - \$125 damage deposit. damage depositThis cheque will be returned after the event, following an inspection to ensure no damage has occurred.
3. All Town of Gibsons and/or Provincial regulations which may apply must be adhered to and any permits which may be required must be obtained by the resident booking the clubhouse.
4. Smoking is not permitted inside the clubhouse.
5. Pets are not permitted inside the clubhouse.
6. The resident booking the clubhouse will be responsible for all costs associated with damage or liability arising from its use.
7. The key to the clubhouse must be returned to the Clubhouse contact person the day of or the day after the event.

Note: the Council contact at this time is



**Home Warranty**  
Tel: 604.682.3095  
Toll Free: 800.555.9431  
Fax: 604.682.3096

**Travelers Guarantee Company of Canada**  
650 West Georgia Street, Suite 2500  
P.O. Box 11542  
Vancouver, British Columbia V6B 4N7  
[www.travelersguarantee.com](http://www.travelersguarantee.com)

## **SCHEDULE "E-2" - 2-5-10 HOME WARRANTY CERTIFICATE**

(For Dwelling Units in Multi Family Buildings and Common Property)

**Address:** Units 101-306, 624 Shaw Road, Gibsons, BC

**Legal Description:** Strata Lots, Lot B, D.L. 1328, Plan 11937

**Warranty Certificate #:** 80106342

**Builder Name:** Scope Development Company Ltd. **Builder #:** 00003148

**Builder's Phone:** (604) 542-6088 **Builder's Fax:** (604) 542-6268

**Builder's Address:** #100 - 2603 - 162nd Street, Surrey, BC, V3S 2L4

This is your Warranty Certificate which should be read and kept in a safe place. To ensure your Warranty rights are preserved, ensure that you understand what your rights and obligations are. Please note that all notice(s) of a claim under this Warranty Certificate must be delivered to the Builder and Travelers Guarantee Company of Canada **in writing** prior to the expiry of the applicable warranty coverage. The important dates to note are:

1. **Warranty Commencement Date** February 26, 2009
2. **Materials & Labour Warranty**
- a) **15 Months** for Common Property;
  - b) **2 Years** defects in Materials and Labour supplied for;
    - i. the gas, electrical, plumbing, heating, ventilation and air conditioning delivery and distribution systems; and
    - ii. the exterior cladding, caulking, windows and doors that may lead to detachment or material damage to the New Home:
- Expiry Date:** May 25, 2010
- Expiry Date:** February 25, 2011
3. **5 Years Building Envelope Warranty** **Expiry Date:** February 25, 2014
4. **10 Years Structural Defects Warranty** **Expiry Date:** February 25, 2019

For your convenience, enclosed with this Warranty Certificate please find a sticker outlining these important dates for you to affix in a conspicuous location in your new home.

In consideration of the payment to Travelers Guarantee Company of Canada of the premium for this Warranty Certificate, Travelers Guarantee Company of Canada agrees to provide Warranty coverage subject to limits as set out herein, in accordance with the terms, conditions, forms, riders and endorsements contained in this Warranty Certificate.

In witness whereof Travelers Guarantee Company of Canada has duly executed this Warranty Certificate.

**TRAVELERS GUARANTEE COMPANY OF CANADA**  
("Travelers Guarantee Company of Canada", formerly St. Paul Guarantee Insurance Company)

Executive Vice-President and Chief Executive Officer

Dated: May 4, 2009

## A. WARRANTY COVERAGE

### 1.0 Materials and Labour Warranty – 2 Years

- 1.1 This Warranty provides coverage for Materials and Labour for up to two years as set out below:
- (a) in the first 12 months of the Warranty, for other than the Common Property, common facilities and other assets of a Strata Corporation, coverage for any Defect in Materials and Labour.
  - (b) in the first 15 months of the Warranty, for the Common Property, common facilities and other assets of a Strata Corporation, coverage for any Defect in Materials and Labour.
  - (c) in the first 24 months of the Warranty,
    - (i) coverage for any Defect in Materials and Labour supplied for the gas, electrical, plumbing, heating, ventilation, and air conditioning Delivery and Distribution Systems,
    - (ii) coverage for any Defect in Materials and Labour supplied for the exterior cladding, caulking, windows, and doors that may lead to detachment or material damage to the New Home or Common Property,
    - (iii) coverage for any Defect in Materials and Labour which renders the New Home unfit to live in, and
    - (iv) subject to Subsection A.1.2, coverage for non-compliance or a violation of the Building Code.
- 1.2 Non-compliance with, or a violation of the Building Code is considered a Defect covered by *Travelers Guarantee Company of Canada* only if the non-compliance or violation:
- (a) constitutes an unreasonable health or safety risk, or
  - (b) has resulted in, or is likely to result in, Material Damage to the New Home.

### 2.0 Building Envelope Warranty – 5 Years

- 2.1 This Warranty provides coverage for the Building Envelope for up to five years for Defects in the Building Envelope of a New Home, including a Defect which permits unintended water penetration such that it causes, or is likely to cause, Material Damage to the New Home.

### 3.0 Structural Defects Warranty – 10 Years

- 3.1 This Warranty provides coverage for Structural Defects for up to ten years for:
- (a) any Defect in Materials and Labour that results in the failure of a Load Bearing part of the New Home, and
  - (b) any Defect which causes Structural Damage that materially and adversely affects the use of the New Home for residential occupancy.

### 4.0 Limitation of Warranty

- 4.1 This Warranty Certificate may be issued to Owners of Fee Simple New Homes, Owners of Co-operatives, Owners of Strata Title New Homes and to Strata Corporations. Notwithstanding anything contained herein, the Warranty coverage provided by this Warranty Certificate for Common Property is only applicable to a Strata Corporation and may only be enforced pursuant to the terms and conditions of the Warranty Certificate issued to such Strata Corporation. All Common Property issues must be dealt with by authorized representatives of the strata council. All issues relating to Cooperatives must be dealt with by authorized representatives of the Cooperative council.

## B. COMMENCEMENT DATES

### 1.0 Fee Simple New Homes

- 1.1 The Commencement Date for the Warranty coverage of a New Home held in fee simple is as follows:
- (a) for a New Home constructed by a Builder on land owned by the Owner, the Commencement Date is the earliest of:
    - (i) the date of actual occupancy of the New Home,
    - (ii) the granting of an occupancy permit or similar right to occupy by the authority having jurisdiction, and
    - (iii) the date that the New Home is completed and ready for occupancy;
  - (b) for a New Home constructed by a Builder on land not owned by the Owner, the Commencement Date is the earlier of:
    - (i) the date of actual occupancy of the New Home, and
    - (ii) the transfer of the legal title of the New Home to the Owner.
- 1.2 For the purposes of Subsection B.1.1(a), in a jurisdiction where occupancy permits are not issued, a New Home is deemed to have reached the stage of occupancy when it is:
- (a) "completed" as that term is defined by the *Builders' Lien Act* in effect from time to time, and
  - (b) capable of being legally occupied.

### 2.0 Strata Titled New Homes

- 2.1 If a New Home is included in a Strata Plan, *Travelers Guarantee Company of Canada* will provide Warranty coverage for the following:
- (a) the New Home comprising the strata lot;
  - (b) the Common Property.

- 2.2 The Commencement Date for the Warranty coverage of a New Home comprising the strata lot, is the earlier of:
- (a) actual occupancy of the New Home, and
  - (b) the transfer of legal title to the strata lot.

### 3.0 Common Property and Multi-Unit Buildings Not in a Strata Plan

- 3.1 The Commencement Date of Warranty coverage of Common Property and multi-unit buildings is concurrent with the first Commencement Date for a New Home in each separate multi-unit building comprising the Strata Plan or multi-unit building.

### 4.0 Unsold Units used as Rental Units

- 4.1 If an unsold New Home owned by a Builder is occupied as a rental unit, the Commencement Date is the date the New Home is first occupied by a tenant.

### 5.0 BCHMC Social Housing

- 5.1 If a New Home is a Social Housing building, the Commencement Date is the date of substantial completion.

## C. LIMITS ON COVERAGE

- 1.1 The limits of the Warranty coverage are as follows:
- (a) for a New Home in fee simple ownership, the lesser of:
    - (i) the original purchase price paid by the Owner, and
    - (ii) \$200,000.00;
  - (b) for a New Home in a strata titled or multi-unit building, the lesser of:
    - (i) the original purchase price paid by the Owner, and
    - (ii) \$100,000.00;
  - (c) for the Common Property in a strata titled building or in a multi-unit building that is not strata-titled, the least of
    - (i) the total original contract price for the multi-unit building,
    - (ii) \$100,000 times the number of dwelling units, and
    - (iii) \$2,500,000.
- 1.2 If a Strata Plan consists of a number of buildings, the limit under Subsection C.1.1(c) applies to each multi-unit building.
- 1.3 When calculating the cost of Warranty claims in respect of the standard limits under this Warranty Certificate, *Travelers Guarantee Company of Canada* may include:
- (a) the cost of repairs,
  - (b) the cost of any investigation, engineering, and design required for the repairs, and
  - (c) the cost of supervision of repairs, including professional review, but excluding legal costs; and
  - (d) any of the costs referred to in C.1.3(a), (b), and (c), may include *Travelers Guarantee Company of Canada's* own personnel and other expenses, including adjusting expenses, at rates established by *Travelers Guarantee Company of Canada* from time to time.
- 1.4 The Warranty coverages provided by this Warranty Certificate are conditional upon the Owner completing all reasonable maintenance of the New Home, including that set out in the maintenance information provided to the original owner, in a timely manner, as well as the Strata Corporation completing all reasonable maintenance of the Common Property in a timely manner.

## D. WARRANTY EXCLUSIONS

- 1.1 This Warranty does not cover the following:
- (a) weathering, normal wear and tear, deterioration or deflection consistent with normal industry standards;
  - (b) normal shrinkage of materials caused by drying after construction;
  - (c) any loss or damage which arises while the New Home is being used primarily or substantially for non-residential purposes;
  - (d) materials, labour, or design supplied by an Owner;
  - (e) any damage to the extent that it is caused or made worse by an Owner or Third Party, including:
    - (i) negligent or improper maintenance or improper operation by anyone other than the Builder or its employees, agents, or sub-contractors,
    - (ii) failure of anyone, other than the Builder or its employees, agents, or sub-contractors, to comply with the Warranty requirements of the manufacturers of appliances, equipment, or fixtures,
    - (iii) alterations to the New Home, including the conversion of non-living space into living space or the conversion of the New Home into two (2) or more units, by anyone other than the Builder or its employees, agents, or sub-contractors while undertaking their obligations under the sales contract, and
    - (iv) changes to the grading of the ground by anyone other than the Builder or its employees, agents, or sub-contractors;
  - (f) failure of an Owner to take timely action to prevent or minimize loss or damage, including the failure to give prompt notice to *Travelers Guarantee Company of Canada* of a Defect or discovered loss or a potential Defect or loss;
  - (g) any damage caused by insects or rodents and other animals, unless the damage results from non-compliance with the Building Code by

- the Builder or its employees, agents, or sub-contractors;
- (h) accidental loss or damage from acts of nature including, but not limited to, fire, explosion, smoke, water escape, glass breakage, windstorm, hail, lightning, falling trees, aircraft, vehicles, flood, earthquake, avalanche, landslide, and changes in the level in the underground water table which are not reasonably foreseeable by the Builder;
- (i) bodily injury or damage to personal property or real property which is not part of the New Home;
- (j) any Defect in, or caused by, materials or work supplied by anyone other than the Builder or its employees, agents, or sub-contractors;
- (k) changes, alterations, or additions made to the New Home by anyone after initial occupancy, except those performed by the Builder or its employees, agents, or sub-contractors under the construction contract or sales agreement, or as required by *Travelers Guarantee Company of Canada*.
- (l) contaminated soil;
- (m) subsidence of the land around the New Home or along utility lines, other than subsidence beneath footings of the New Home or under Driveways or Walkways;
- (n) diminution in the value of the New Home;
- (o) landscaping, both hard and soft, including plants, fencing, detached patios, planters, gazebos and similar structures;
- (p) non-residential detached structures including sheds, garages, carports or outbuildings, or any structure or construction not attached to or forming an integral part of a multi-unit building or the New Home;
- (q) any commercial use area and any construction associated with a commercial use area;
- (r) roads, curbs, and lanes;
- (s) subject to Subsection D.1.1(m), site grading and surface drainage, except as required by the Building Code;
- (t) the operation of municipal services, including sanitary and storm sewer;
- (u) septic tanks or septic fields;
- (v) the quality or quantity of water, either from a piped municipal water supply or from a well;
- (w) a water well, but excluding equipment installed for the operation of a water well used exclusively for the New Home, which equipment is considered to be part of the plumbing system for that the New Home.
- (x) damage caused or made worse by the failure of an Owner to take reasonable steps to mitigate any damage.

#### E. WARRANTY TERMS

- 1.1 If *Travelers Guarantee Company of Canada* makes a payment or undertakes a repair, or assumes liability for any payment or repair under the Warranty coverage:
  - (a) *Travelers Guarantee Company of Canada* is subrogated to all rights of recovery of an Owner against any person or persons who may have caused or contributed to the requirement for the payment or repair under the Warranty;
  - (b) *Travelers Guarantee Company of Canada* may bring an action at its own expense, in the name of the Owner or of *Travelers Guarantee Company of Canada* to enforce such rights, and
  - (c) the Owner will fully support and assist *Travelers Guarantee Company of Canada* in the pursuit of those rights if *Travelers Guarantee Company of Canada* pursues such subrogated rights;
- 1.2 Implied or expressed warranties or representations made by a Builder to an Owner are not binding on *Travelers Guarantee Company of Canada* except as set out in this Warranty Certificate;
- 1.3 An Owner, or occupant, must permit *Travelers Guarantee Company of Canada* or the Builder, or both, to enter the New Home at all reasonable times, upon giving reasonable notice to the Owner:
  - (i) to monitor the New Home or its components,
  - (ii) to inspect for required maintenance,
  - (iii) to investigate complaints or claims, or
  - (iv) to undertake repairs under the Warranty Certificate;
- 1.4 If any reports are produced as a result of any of the activities referred to in paragraph E.1.3, the reports will be provided to the Owner on request;
- 1.5 An Owner must provide to *Travelers Guarantee Company of Canada* all information and documentation that the Owner has available, as reasonably required by *Travelers Guarantee Company of Canada*, in order to investigate a claim or maintenance requirement, or to undertake repairs under the Warranty Certificate;
- 1.6 To the extent that damage to a New Home is caused by the unreasonable refusal of an Owner or occupant to permit *Travelers Guarantee Company of Canada* or the Builder access to the New Home for the reasons set out in paragraph E.1.3, or to provide the information required by paragraph E.1.5, such damage is excluded from the Warranty coverage.

#### F. NOTICE OF CLAIM

- 1.1 Within a reasonable time after the discovery of a Defect and before the Expiry Date of the applicable Warranty coverage, an Owner must give *Travelers Guarantee Company of Canada* and the Builder written notice in reasonable detail that provides particulars of any specific alleged Defects which may be covered by the Warranty.

- 1.2 *Travelers Guarantee Company of Canada* will require the notice under Subsection F.1.1 to be in a prescribed form and include:
  - (a) the Home Warranty Certificate Number of the New Home,
  - (b) copies of all relevant documentation and correspondence between the Owner and the Builder, and
  - (c) Particulars of the claim as determined to be necessary by *Travelers Guarantee Company of Canada* to comply with its obligations pursuant to this Warranty Certificate.
- 1.3 The obligations of *Travelers Guarantee Company of Canada* absolutely cease unless:
  - (a) Proper notice is given to *Travelers Guarantee Company of Canada* of a claim prior to the Expiry Date; and
  - (b) The Owner conducts reasonable inspections of the New Home from time to time in order to discover defects or potential defects and gives notice pursuant to Subsection F.1.1.

#### G. DUTY TO MITIGATE AND MAINTAIN

- 1.1 *Travelers Guarantee Company of Canada* requires the Owner to maintain the New Home and mitigate any damage to the New Home, including damage caused by Defects or water penetration, as set out in the Warranty Certificate.
- 1.2 The Owner must take all reasonable steps to restrict damage to the New Home if the Defect requires immediate attention.
- 1.3 Subject to Subsection G.1.2, for Defects covered by this Warranty, the duty to mitigate is met through timely notice in writing to *Travelers Guarantee Company of Canada*.
- 1.4 The Owner's duty to mitigate survives even if:
  - (a) the New Home is unoccupied,
  - (b) the New Home is occupied by someone other than the Owner,
  - (c) water penetration does not appear to be causing damage, or
  - (d) the Owner advises the Strata Corporation about the Defect.

#### H. LIVING-OUT ALLOWANCE

- 1.1 If repairs are required under the Warranty Certificate and damage to the New Home or the extent of the repairs renders the New Home uninhabitable, *Travelers Guarantee Company of Canada* covers reasonable living-out expenses incurred by the Owner.
- 1.2 The maximum amount per day for claims for living-out expenses is \$100.00, for the complete reimbursement of the actual accommodation expenses incurred by the Owner at a hotel, motel, or other rental accommodation up to the day the New Home is ready for occupancy, subject to the Owner receiving 24 hours advance notice.
- 1.3 Where the New Home comprises part of a Strata Plan and *Travelers Guarantee Company of Canada* or the Builder, as the case may be, is required to carry out repairs to Common Property as a result of which, in the opinion of *Travelers Guarantee Company of Canada*, the New Home is rendered uninhabitable, Section H.1.1 and H.1.2 shall apply.

#### I. WARRANTY ON REPAIRS AND REPLACEMENTS

- 1.1 All repairs and replacements made under this Warranty are warranted against defects in materials and labour until the later of:
  - (a) the first anniversary of the date of completion of the repair or replacement, and
  - (b) the expiry of the applicable Warranty coverage.
- 1.2 All repairs and replacements made under the Warranty will be completed in a reasonable manner using materials and labour conforming to the Building Code and industry standards.
- 1.3 *Travelers Guarantee Company of Canada* reserves the right to use the Builder or any third party to perform the Warranty obligations imposed on *Travelers Guarantee Company of Canada*, and the Owner agrees to cooperate with *Travelers Guarantee Company of Canada* and the Builder and any Third Party in carrying out any such obligations.

#### J. MANDATORY CONDITIONS

##### 1.0 MEDIATION

- In this Section:
- 1.1 (a) "Mediation" means a collaborative process in which two (2) or more parties meet and attempt, with the assistance of a Mediator, to resolve issues in dispute between them;
  - "Mediation Session" means a meeting between two (2) or more parties to a dispute during which they are engaged in Mediation;
  - "Mediator" means a neutral and impartial facilitator with no decision-making power, who assists parties in negotiating a mutually acceptable settlement of issues in dispute between them;
  - "Roster Organization" means any body designated by the Attorney General to select Mediators for the purpose of this regulation.
- (b) If a dispute between *Travelers Guarantee Company of Canada* and an Owner arising under this Warranty Certificate cannot be resolved by informal negotiation within a reasonable time, the Owner may, at the Owner's sole election, require that the dispute be referred to Mediation by delivering to *Travelers Guarantee Company of Canada* a written request to mediate.

- (c) If the Owner delivers a request to mediate under Subsection J.1.1(b), *Travelers Guarantee Company of Canada* and the Owner must attend a Mediation Session in relation to the dispute.
- (d) In addition to the requirements of Subsection J.1.1(c), *Travelers Guarantee Company of Canada* or an Owner may invite to participate in the Mediation any other party to the dispute who may be liable.
- (e) Within twenty-one (21) days after the Owner has delivered a request to mediate under Subsection J.1.1(b), the parties must, directly or with the assistance of an independent, neutral person or organization, jointly appoint a mutually acceptable Mediator.
- (f) If the parties do not jointly appoint a mutually acceptable Mediator within the time required by Subsection J.1.1(e), the Owner may apply to a Roster Organization which must appoint a Mediator taking into account:
  - (i) the need for the Mediator to be neutral and independent;
  - (ii) the qualifications of the Mediator;
  - (iii) the Mediator's fees;
  - (iv) the Mediator's availability; and
  - (v) any other consideration likely to result in the selection of an impartial, competent, and effective Mediator.
- (g) Promptly after a Roster Organization selects the Mediator under Subsection J.1.1(f), the Roster Organization must notify the parties in writing of that selection.
- (h) The Mediator selected by a Roster Organization is deemed to be appointed by the parties effective the date of the notice sent under Subsection J.1.1(g).
- (i) The date, time, and place of the first Mediation Session must be scheduled by the Mediator, and the first Mediation Session must occur within twenty-one (21) days of the appointment of the Mediator.
- (j) Despite Subsection J.1.1(c), a party may attend a Mediation Session by representative if:
  - (ii) the party is under legal disability and the representative is that party's guardian ad litem;
  - (iii) the party is not an individual; or
  - (vi) the party is a resident of a jurisdiction other than British Columbia and will not be in British Columbia at the time of the Mediation Session.
- (k) A representative who attends a Mediation Session in the place of a party referred to in Subsection J.1.1(j):
  - (i) must be familiar with all relevant facts on which the party, on whose behalf the representative attends, intends to rely; and
  - (ii) must have full authority to settle, or have immediate access to a person who has full authority to settle, on behalf of the party on whose behalf the representative attends.
- (l) A party or a representative who attends the Mediation Session may be accompanied by counsel.
- (m) Any other person may attend a Mediation Session if that attendance is with the consent of all parties or their representatives.
- (n) At least seven (7) days before the first Mediation Session is to be held, each party must deliver to the Mediator a statement briefly setting out:
  - (i) the facts on which the party intends to rely; and
  - (ii) the matters in dispute.
- (o) Promptly after receipt of all of the statements required to be delivered under Subsection J.1.1(n), the Mediator must send each party's statement to each of the other parties.
- (p) Before the first Mediation Session, the parties must enter into a retainer with the Mediator which must:
  - (i) disclose the cost of the Mediation Services; and
  - (ii) provide that the cost of the Mediation will be paid:
    - (1) equally by the parties; or
    - (2) on any other specified basis agreed by the parties.
- (q) The Mediator may conduct the Mediation in any manner he or she considers appropriate to assist the parties to reach a resolution that is timely, fair, and cost-effective.
- (r) A person must not disclose, or be compelled to disclose, in any proceeding oral or written information acquired or an opinion formed, including, without limitation, any offer or admission made in anticipation of or during a Mediation Session.
- (s) Nothing in Subsection J.1.1(r) precludes a party from introducing into evidence in a proceeding any information or records produced in the course of the Mediation that are otherwise predicable or compellable in those proceedings.
- (t) A Mediation Session is concluded when:
  - (i) all issues are resolved;
  - (ii) the Mediator determines that the process will not be productive and so advises the parties or their representatives; or
  - (iii) the Mediation Session is completed and there is no agreement to continue.
- (u) If the Mediation resolves some, but not all, issues, then at the request of all parties the Mediator may complete a report setting out any agreements that the parties to the Mediation have made as a result of the Mediation, including, without limitation, any agreements made by the parties on any of the following:
  - (i) facts;
  - (ii) issues;
  - (iii) future procedural steps.

## **2.0 DISCLOSURE OF CLAIMS HISTORY**

- 2.1 (a) On receipt of an inquiry from an Owner of a New Home covered by Home Warranty coverage regarding the claims experience of that New Home, *Travelers Guarantee Company of Canada* will provide the Owner with a history of claims.
- (b) The history of claims referred to in Subsection J.2.1(a) will include, for each claim, the following information for both the Dwelling Unit and, if applicable, the associated Common Property:
  - (i) the type of claim that was made;
  - (ii) the resolution of the claim;
  - (iii) the type of repair performed;
  - (iv) the date of the repair; and
  - (v) the cost of the repair.
- (c) *Travelers Guarantee Company of Canada* will charge a fee to provide the history of claims.

## **3.0 HANDLING OF CLAIMS**

- 3.1 (a) *Travelers Guarantee Company of Canada* will, on receipt of a notice of a claim from the Owner under the Warranty Certificate, promptly make reasonable attempts to contact the Owner to arrange an evaluation of the claim.
- (b) *Travelers Guarantee Company of Canada* will make all reasonable efforts to avoid delays in responding to a claim under the Warranty Certificate, evaluating the claim, and scheduling any required repairs.
- (c) If, following evaluation of a claim under the Warranty Certificate, *Travelers Guarantee Company of Canada* determines that the claim is not valid or not covered under the Warranty Certificate, it will notify the Owner of the decision in writing, setting out the reasons for the decision.
- (d) The notice under Subsection J.3.1(c) will also set out the rights of the parties under the third party dispute resolution process referred to in Section J.1.1 of this Warranty Certificate.
- (e) Repairs will be undertaken in a timely manner, with reasonable consideration given to weather conditions and the availability of Materials and Labour.
- (f) On completion of any repairs, *Travelers Guarantee Company of Canada* will deliver a copy of the repair specifications to the Owner, along with a letter confirming the date the repairs were completed and referencing the Warranty on repairs. Refer to Section I of this Warranty Certificate.

## **4.0 TRANSFER OF WARRANTY TO SUBSEQUENT PURCHASERS**

- 4.1 (a) The Warranty Certificate pertains solely to the New Home for which it provides Warranty coverage and no notice to *Travelers Guarantee Company of Canada* is required on a change of ownership.
- (b) All of the applicable obligations and unused warranty benefits under the Warranty Certificate are automatically transferred to any subsequent Owner(s) on a change of ownership.

## **K. DEFINITIONS**

- 1.1 "Act of God" means an act occasioned by the forces of nature and beyond the reasonable control of the Builder, and includes but is not limited to: fire, flood, changes in or actions of the underground water table or any other subsurface water, earthquake, hail, landslide, lightning, strong winds, and freezing.
- 1.2 "Builder" means the person named in this Warranty Certificate.
- 1.3 "Building Code" means, as applicable,
  - (a) the British Columbia Building Code established under the *Municipal Act*, or
  - (b) The Vancouver Building Bylaw established under the *Vancouver Charter*, in force at the time that the building permit was issued for the New Home or, in jurisdictions where a building permit is not required, in force when construction commences;
- 1.4 "Building Envelope" means the assemblies, components and materials of a New Home which are intended to separate and protect the interior space of the New Home from the adverse affects of exterior climatic conditions. Interior space of the New Home includes all material not directly exposed to exterior climatic conditions. Exterior climatic conditions means the direct affect of weather on the New Home.
- 1.5 "Building Envelope Warranty" means the Warranty against Building Envelope Defects provided pursuant to Subsection A.2;
- 1.6 "Commencement Date" means in respect of the New Home, Common Property or multi-unit building, the date the Warranty coverage commences, and as set out in part B hereof. Any determination by *Travelers Guarantee Company of Canada* of the Commencement Date shall be binding on the parties to this Warranty Certificate;
- 1.7 "Common Property" has the same meaning as in the *Strata Property Act*, but does not include land;

- 1.8 "Cooperative" means a building, or a portion of a building, provided for residential occupancy purposes to members of an association incorporated or continued under the *Cooperative Association Act*;
- 1.9 "Defect" means any design or construction that is contrary to the Building Code or that requires repair or replacement due to the negligence of a Builder or person for whom the Builder is responsible at law;
- 1.10 "Delivery and Distribution Systems" means the mechanical and electrical systems for delivery and distribution of electricity, water, waste, heat and air within and throughout a New Home, but excludes plumbing and electrical fixtures and appliances.
- 1.11 "Driveway" means a surface intended and constructed primarily to be used for vehicular access to or from the New Home;
- 1.12 "Expiry Date" means the expiration dates referenced in this Warranty Certificate pertaining to each applicable Warranty and after which such Warranty absolutely ceases to exist;
- 1.13 "Load Bearing" means subjected to or designed to carry loads in addition to its own dead load, but does not include a wall element subjected only to wind or earthquake loads in addition to its own dead load. The Load Bearing portions of the New Home are limited to the following:
- (a) foundation systems,
  - (b) support beams, posts, and columns,
  - (c) load bearing walls, and
  - (d) floor and roof support system.
- 1.14 "Materials and Labour" means only Materials and Labour supplied by the Builder for construction of the New Home.
- 1.15 "Materials and Labour Warranty" means the Warranty against defects in materials and labour provided to an Owner pursuant to Section A hereof;
- 1.16 "Material Damage" means damage which materially and adversely affects the use of the New Home for residential occupancy.
- 1.17 "New Home" means the New Home specified in this Warranty Certificate and which is a building or portion of a building, that is newly constructed and intended for residential occupancy, or a non-residential building, or portion thereof, converted to use for residential occupancy and sale, that is a single, self-contained residence usually containing cooking, eating, living, sleeping, and sanitary facilities.
- 1.18 "Owner" means the person who:
- (a) purchases an interest in the New Home, or
  - (b) contracts with a Builder to construct a New Home, and includes
  - (c) a person who purchases a life interest in the New Home,
  - (d) a Cooperative, corporation or society having an ownership interest in the New Home, and
  - (e) a subsequent Owner of the New Home;
- 1.19 "Strata Corporation" means the corporation created pursuant to the *Strata Property Act* R.S.B.C. 1996, Chapter 64, and amendments thereto for the purpose of the Warranty, that body charged with the obligation to administer the Common Property Warranty;
- 1.20 "Strata Plan" means a strata plan as defined in the *Strata Property* R.S.B.C. 1996, Chapter 64, and amendments thereto; including strata units and common property as therein defined.
- 1.21 "Structural Damage" means damage which results from a Structural Defect and must be visible and measurable, and must exceed allowable tolerances established by Travelers Guarantee Company of Canada, provided always that Structural Damage caused by an Act of God, an act or omission of a Third Party, or other causes not directly related to Material and Labour provided by the Builder, or those for whom the Builder is responsible at law, are excluded from the Warranty herein provided. The presence of water in itself, in any form, will not be considered as a Structural Damage;
- 1.22 "Structural Defect" means a Defect in the New Home resulting in failure of any Load Bearing portion which affects the Load Bearing function of the New Home.
- 1.23 "Structural Defects Warranty" means the Warranty against Structural Defects provided to an Owner pursuant to Section A hereof;
- 1.24 "Third Party" means any third party or combination of third parties for whom the Builder is not at law responsible.
- 1.25 "Warranty" means only this Certificate and those Warranty coverages, terms, and conditions set out in this Warranty Certificate.

**This Warranty Certificate is to be read and interpreted as a whole and represents the entire contract between *Travelers Guarantee Company of Canada* and the Owner.**

*(Revised Aug/06)*

# **ROSEWOOD**

**STRATA BCS 2559**

## **DEPRECIATION REPORT**

**JULY 31, 2014**

**REVISION 0**

***PREPARED BY***

**RESERVE DATA ANALYSIS**

**1270 TODD ROAD**

**KAMLOOPS B.C.**

**V2C 5B3**

**(250) 573-0010**

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# **RDA Reserve Data Analysis**

(a division of Mountainside Enterprises)

October 30, 2013

Rosewood - Strata BCS 2559  
Holywell Properties  
C/O Ms. Niina Mayhew  
PO Box 187  
Sechelt, BC V0N 3A0

Members of the Strata Council,

The following report represents the draft Depreciation Report for Strata BCS 2559 as of July 31, 2014. 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 projected current reserve contribution is \$13.02 per unit per month on average.

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

The **CURRENT RESERVE METHOD (Option 1)** indicates a total monthly contribution to reserves of \$845.01 or \$26.41 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 \$1,149.83 or \$35.95 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 \$609.16 or \$19.01 per unit will be required. This method of funding is predicated on shingle replacement costs being funded by special levy (\$2,668.75 per unit) and other expenditures calculated on current replacement costs.

Available reserves are projected to be \$36,805 as of July 31, 2014 which is 71% of your Ideal Reserve Balance of \$52,163. This indicates an **IDEAL RESERVE DEFICIENCY** of \$15,358 or \$479.94 (unfunded liability) per unit.

Additional calculations reveal that in the event your Projected Available Reserves were \$52,163 or exactly 100% of your Ideal Reserve, the Current Reserve Method would require a total monthly contribution of \$752 while the Straight Line Method would necessitate a monthly contribution of \$1,056.

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

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# **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 2559

JULY 31, 2014

COMPONENT	CURRENT REPLACEMENT COST	REMAINING LIFE	USEFUL LIFE	PROJECTED RESERVES 07/31/14	MONTHLY FUNDING REQUIREMENT	IDEAL RESERVE
<b><u>BUILDING ELEMENTS</u></b>						
<b>ROOF REPLACEMENT;</b>						
Fiber Comp Shingle	\$59,741	24	30	\$8,358	\$178.42	\$11,948
<b>SIDING REPLACEMENT;</b>						
Vinyl Siding - repairs	1,500	6	12	525	13.58	750
<b>FLOOR COVERING;</b>						
Carpet - Halls & Stairs	12,348	14	20	2,591	58.08	3,704
Tile - Lobby	1,169	24	30	164	3.50	234
<b>METAL RAILING;</b>						
PowderCoat - 42" Deck Rails	5,845	24	30	818	17.42	1,169
<b>DECKS;</b>						
DuralDeck	18,100	19	25	3,039	66.08	4,344
<b>DOORS;</b>						
Front Doors - Wood	7,125	24	30	997	21.25	1,425
Alum/Glass Access	4,300	34	40	451	9.42	645
Access - Wood/Glass	1,375	24	30	192	4.08	275
Access & Utility - Metal	1,575	34	40	165	3.42	236
9' Garage Doors	11,100	24	30	1,553	33.17	2,220
<b>MECHANICAL SYSTEMS;</b>						
MUA - Fan Motor	500	14	20	105	2.33	150
EST Fire Panel	7,500	24	30	1,049	22.42	1,500
Category Total	\$132,178			\$20,007	433.17	\$28,600
<b><u>PAVED SURFACES</u></b>						
Streets - Concrete - footnote	0	44	50	0	0.00	0
Streets - Repair (5%)	10,536	19	25	1,302	40.50	2,529
Category Total	\$10,536			\$1,302	40.50	\$2,529
<b><u>FENCES &amp; GATES</u></b>						
<b>WOOD CONSTRUCTION;</b>						
4' Cedar Perimeter	7,472	19	25	1,254	27.25	1,793
3' Cedar Privacy	9,867	19	25	1,657	36.00	2,368
6' Trash Enclosure	880	19	25	148	3.25	211
<b>ENTRY SYSTEM;</b>						
Enterphones	3,200	24	30	448	9.58	640
Category Total	\$21,419			\$3,507	76.08	\$5,012
<b><u>PAINT</u></b>						
<b>EXTERIOR SURFACES;</b>						
Hardie Trim & Carports	16,800	14	20	3,526	79.00	5,040
<b>INTERIOR SURFACES;</b>						
Hallways & Stairwells	9,495	6	12	3,322	85.75	4,748

# EXECUTIVE SUMMARY

## DEPRECIATION REPORT

STRATA BCS 2559

JULY 31, 2014

COMPONENT	CURRENT REPLACEMENT COST	REMAINING LIFE	USEFUL LIFE	PROJECTED RESERVES 07/31/14	MONTHLY FUNDING REQUIREMENT	IDEAL RESERVE
<b>FENCES &amp; GATES;</b>						
Cedar Fences - stain	4,134	4	10	1,735	50.00	2,480
Category Total	\$30,429			\$8,583	214.75	\$12,268
<b>LIGHTING</b>						
<b>BUILDING LIGHTING:</b>						
Interior Lighting - footnote	0	1	1	0	0.00	0
Wallmount Fixtures	3,315	24	30	464	9.92	663
Recess Fixtures	4,200	24	30	588	12.58	840
Category Total	\$7,515			\$1,052	22.50	\$1,503
<b>LANDSCAPE</b>						
<b>GENERAL LANDSCAPE:</b>						
Landscape Replacement Reserve	2,500	5	5	0	41.67	0
Rainbird 12 Zone Controller	475	19	25	80	1.75	114
Irrigation Zone Valves	1,500	19	25	252	5.50	360
Category Total	\$4,475			\$332	48.92	\$474
<b>OTHER</b>						
<b>SIGNS:</b>						
Monument Sign - refurbish	1,300	19	25	570	3.17	312
Real Estate Directory	250	19	25	42	0.92	60
<b>OTHER:</b>						
Misc. Furnishings	1,500	19	25	365	5.00	360
Windows & Sliders - footnote	0	44	50	0	0.00	0
Contingency (0.5%)	1,045	1	1	1,045	0.00	1,045
Category Total	\$4,095			\$2,022	9.09	\$1,777

### GRAND TOTALS:

\$210,647

\$36,805

\$845.01

\$52,163

Projected Available Reserves

36,805

Ideal Reserve Deficiency (Overfunding)\*

\$15,358

Percent of Projected Available Reserves to Total Ideal Reserve

71%

Deficiency (Overfunding) Per Unit

\$479.94

\* 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 0

# **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 Development 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 be 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 any 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 32 UNITS
<b><u>BUILDING ELEMENTS</u></b>							
<b>ROOF REPLACEMENT;</b>							
Fiber Comp Shingle	24	\$59,741	\$8,358	\$51,383	\$2,141	\$178.42	\$5.58
<b>SIDING REPLACEMENT;</b>							
Vinyl Siding - repairs	6	1,500	525	975	163	13.58	0.42
<b>FLOOR COVERING;</b>							
Carpet - Halls & Stairs	14	12,348	2,591	9,757	697	58.08	1.82
Tile - Lobby	24	1,169	164	1,005	42	3.50	0.11
<b>METAL RAILING;</b>							
PowderCoat - 42" Deck Rails	24	5,845	818	5,027	209	17.42	0.54
<b>DECKS;</b>							
DuraDeck	19	18,100	3,039	15,061	793	66.08	2.07
<b>DOORS;</b>							
Front Doors - Wood	24	7,125	997	6,128	255	21.25	0.66
Alum/Glass Access	34	4,300	451	3,849	113	9.42	0.29
Access - Wood/Glass	24	1,375	192	1,183	49	4.08	0.13
Access & Utility - Metal	34	1,575	165	1,410	41	3.42	0.11
9' Garage Doors	24	11,100	1,553	9,547	398	33.17	1.04
<b>MECHANICAL SYSTEMS;</b>							
MUA - Fan Motor	14	500	105	395	28	2.33	0.07
EST Fire Panel	24	7,500	1,049	6,451	269	22.42	0.70
<b><u>PAVED SURFACES</u></b>							
Streets - Concrete - footnote	44	0	0	0	0	0.00	0.00
Streets - Repair (5%)	19	10,536	1,302	9,234	486	40.50	1.27
<b><u>FENCES &amp; GATES</u></b>							
<b>WOOD CONSTRUCTION;</b>							
4' Cedar Perimeter	19	7,472	1,254	6,218	327	27.25	0.85
3' Cedar Privacy	19	9,867	1,657	8,210	432	36.00	1.13
6' Trash Enclosure	19	880	148	732	39	3.25	0.10
<b>ENTRY SYSTEM;</b>							
Enterphones	24	3,200	448	2,752	115	9.58	0.30
<b><u>PAINT</u></b>							
<b>EXTERIOR SURFACES;</b>							
Hardie Trim & Carports	14	16,800	3,526	13,274	948	79.00	2.47
<b>INTERIOR SURFACES;</b>							
Hallways & Stairwells	6	9,495	3,322	6,173	1,029	85.75	2.68

## CURRENT RESERVE SUMMARY

COMPONENT	REMAINING LIFE	CURRENT REPLACEMENT COST	RESERVES AVAILABLE	TOTAL REQUIRED FUNDING	REQUIRED ANNUAL FUNDING	REQUIRED MONTHLY FUNDING	PER UNIT MONTHLY 32 UNITS
<b>FENCES &amp; GATES;</b>							
Cedar Fences - stain	4	4,134	1,735	2,399	600	50.00	1.56
 <b><u>LIGHTING</u></b>							
<b>BUILDING LIGHTING;</b>							
Interior Lighting - footnote	1	0	0	0	0	0.00	0.00
Wallmount Fixtures	24	3,315	464	2,851	119	9.92	0.31
Recess Fixtures	24	4,200	588	3,612	151	12.58	0.39
 <b><u>LANDSCAPE</u></b>							
<b>GENERAL LANDSCAPE;</b>							
Landscape Replacement Reser	5	2,500	0	2,500	500	41.67	1.30
Rainbird 12 Zone Controller	19	475	80	395	21	1.75	0.05
Irrigation Zone Valves	19	1,500	252	1,248	66	5.50	0.17
 <b><u>OTHER</u></b>							
<b>SIGNS;</b>							
Monument Sign - refurbish	19	1,300	570	730	38	3.17	0.10
Real Estate Directory	19	250	42	208	11	0.92	0.03
<b>OTHER;</b>							
Misc. Furnishings	19	1,500	365	1,135	60	5.00	0.16
Windows & Sliders - footnote	44	0	0	0	0	0.00	0.00
Contingency (0.5%)	1	1,045	1,045	0	0	0.00	0.00
		<b>\$210,647</b>	<b>\$36,805</b>	<b>\$173,842</b>	<b>\$10,140</b>	<b>\$845.01</b>	<b>\$26.41</b>

# STRAIGHT LINE RESERVE SUMMARY

COMPONENT	REMAINING LIFE	FUTURE REPLACEMENT COST	RESERVES AVAILABLE	TOTAL REQUIRED REQUIREDFUNDING	REQUIRED ANNUAL FUNDING	REQUIRED MONTHLY FUNDING	PER UNIT MONTHLY 32 UNITS
<b><u>BUILDING ELEMENTS</u></b>							
<b>ROOF REPLACEMENT;</b>							
Fiber Comp Shingle	24	\$85,400	\$8,358	\$77,042	\$3,210	\$267.50	\$8.36
<b>SIDING REPLACEMENT;</b>							
Vinyl Siding - repairs	6	1,640	525	1,115	186	15.50	0.48
<b>FLOOR COVERING;</b>							
Carpet - Halls & Stairs	14	15,210	2,591	12,619	901	75.08	2.35
Tile - Lobby	24	1,671	164	1,507	63	5.25	0.16
<b>METAL RAILING;</b>							
PowderCoat - 42" Deck Rails	24	8,355	818	7,537	314	26.17	0.82
<b>DECKS;</b>							
DuraDeck	19	24,018	3,039	20,979	1,104	92.00	2.88
<b>DOORS;</b>							
Front Doors - Wood	24	10,185	997	9,188	383	31.92	1.00
Alum/Glass Access	34	7,134	451	6,683	197	16.42	0.51
Access - Wood/Glass	24	1,966	192	1,774	74	6.17	0.19
Access & Utility - Metal	34	2,613	165	2,448	72	6.00	0.19
9' Garage Doors	24	15,867	1,553	14,314	596	49.67	1.55
<b>MECHANICAL SYSTEMS;</b>							
MUA - Fan Motor	14	616	105	511	37	3.08	0.10
EST Fire Panel	24	10,721	1,049	9,672	403	33.58	1.05
<b><u>PAVED SURFACES</u></b>							
Streets - Concrete - footnote	44	0	0	0	0	0.00	0.00
Streets - Repair (5%)	19	13,981	1,302	12,679	667	55.58	1.74
<b><u>FENCES &amp; GATES</u></b>							
<b>WOOD CONSTRUCTION;</b>							
4' Cedar Perimeter	19	9,915	1,254	8,661	456	38.00	1.19
3' Cedar Privacy	19	13,093	1,657	11,436	602	50.17	1.57
6' Trash Enclosure	19	1,168	148	1,020	54	4.50	0.14
<b>ENTRY SYSTEM;</b>							
Enterphones	24	4,574	448	4,126	172	14.33	0.45
<b><u>PAINT</u></b>							
<b>EXTERIOR SURFACES;</b>							
Hardie Trim & Carports	14	20,693	3,526	17,167	1,226	102.17	3.19
<b>INTERIOR SURFACES;</b>							
Hallways & Stairwells	6	10,382	3,322	7,060	1,177	98.08	3.07

## STRAIGHT LINE RESERVE SUMMARY

<b>COMPONENT</b>	<b>REMAINING LIFE</b>	<b>FUTURE REPLACEMENT COST</b>	<b>RESERVES AVAILABLE</b>	<b>TOTAL REQUIRED FUNDING</b>	<b>REQUIRED ANNUAL FUNDING</b>	<b>REQUIRED MONTHLY FUNDING</b>	<b>PER UNIT MONTHLY 32 UNITS</b>
<b>FENCES &amp; GATES;</b>							
Cedar Fences - stain	4	4,388	1,735	2,653	663	55.25	1.73
 <b>LIGHTING</b>							
<b>BUILDING LIGHTING;</b>							
Interior Lighting - footnote	1	0	0	0	0	0.00	0.00
Wallmount Fixtures	24	4,739	464	4,275	178	14.83	0.46
Recess Fixtures	24	6,004	588	5,416	226	18.83	0.59
 <b>LANDSCAPE</b>							
<b>GENERAL LANDSCAPE;</b>							
Landscape Replacement Reser	5	2,693	0	2,693	539	44.92	1.40
Rainbird 12 Zone Controller	19	630	80	550	29	2.42	0.08
Irrigation Zone Valves	19	1,990	252	1,738	91	7.58	0.24
 <b>OTHER</b>							
<b>SIGNS;</b>							
Monument Sign - refurbish	19	1,725	570	1,155	61	5.08	0.16
Real Estate Directory	19	332	42	290	15	1.25	0.04
<b>OTHER;</b>							
Misc. Furnishings	19	1,990	365	1,625	86	7.17	0.22
Windows & Sliders - footnote	44	0	0	0	0	0.00	0.00
Contingency (0.5%)	1	1,061	1,045	16	16	1.33	0.04
		<b>\$284,754</b>	<b>\$36,805</b>	<b>\$247,949</b>	<b>\$13,798</b>	<b>\$1,149.83</b>	<b>\$35.95</b>

## 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 32 UNITS
<b><u>BUILDING ELEMENTS</u></b>							
<b>ROOF REPLACEMENT;</b>							
Fiber Comp Shingle	24	\$59,741	\$0	\$2,668.75 LEVY PER UNIT		\$0.00	\$0.00
<b>SIDING REPLACEMENT;</b>							
Vinyl Siding - repairs	6	1,500	685	815	136	11.33	0.35
<b>FLOOR COVERING;</b>							
Carpet - Halls & Stairs	14	12,348	3,382	8,966	640	53.33	1.67
Tile - Lobby	24	1,169	214	955	40	3.33	0.10
<b>METAL RAILING;</b>							
PowderCoat - 42" Deck Rails	24	5,845	1,067	4,778	199	16.58	0.52
<b>DECKS;</b>							
DuralDeck	19	18,100	3,966	14,134	744	62.00	1.94
<b>DOORS;</b>							
Front Doors - Wood	24	7,125	1,301	5,824	243	20.25	0.63
Alum/Glass Access	34	4,300	589	3,711	109	9.08	0.28
Access - Wood/Glass	24	1,375	251	1,124	47	3.92	0.12
Access & Utility - Metal	34	1,575	215	1,360	40	3.33	0.10
9' Garage Doors	24	11,100	2,027	9,073	378	31.50	0.98
<b>MECHANICAL SYSTEMS;</b>							
MUA - Fan Motor	14	500	137	363	26	2.17	0.07
EST Fire Panel	24	7,500	1,369	6,131	255	21.25	0.66
<b><u>PAVED SURFACES</u></b>							
Streets - Concrete - footnote	44	0	0	0	0	0.00	0.00
Streets - Repair (5%)	19	10,536	1,302	9,234	486	40.50	1.27
<b><u>FENCES &amp; GATES</u></b>							
<b>WOOD CONSTRUCTION;</b>							
4' Cedar Perimeter	19	7,472	1,637	5,835	307	25.58	0.80
3' Cedar Privacy	19	9,867	2,162	7,705	406	33.83	1.06
6' Trash Enclosure	19	880	193	687	36	3.00	0.09
<b>ENTRY SYSTEM;</b>							
Enterphones	24	3,200	584	2,616	109	9.08	0.28
<b><u>PAINT</u></b>							
<b>EXTERIOR SURFACES;</b>							
Hardie Trim & Carports	14	16,800	4,601	12,199	871	72.58	2.27
<b>INTERIOR SURFACES;</b>							
Hallways & Stairwells	6	9,495	4,335	5,160	860	71.67	2.24

# 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 32 UNITS
<b>FENCES &amp; GATES;</b>							
Cedar Fences - stain	4	4,134	2,264	1,870	468	39.00	1.22
 <b>LIGHTING</b>							
<b>BUILDING LIGHTING;</b>							
Interior Lighting - footnote	1	0	0	0	0	0.00	0.00
Wallmount Fixtures	24	3,315	605	2,710	113	9.42	0.29
Recess Fixtures	24	4,200	767	3,433	143	11.92	0.37
 <b>LANDSCAPE</b>							
<b>GENERAL LANDSCAPE;</b>							
Landscape Replacement Reser	5	2,500	0	2,500	500	41.67	1.30
Rainbird 12 Zone Controller	19	475	104	371	20	1.67	0.05
Irrigation Zone Valves	19	1,500	329	1,171	62	5.17	0.16
 <b>OTHER</b>							
<b>SIGNS;</b>							
Monument Sign - refurbish	19	1,300	570	730	38	3.17	0.10
Real Estate Directory	19	250	55	195	10	0.83	0.03
<b>OTHER;</b>							
Misc. Furnishings	19	1,500	1,049	451	24	2.00	0.06
Windows & Sliders - footnote	44	0	0	0	0	0.00	0.00
Contingency (0.5%)	1	1,045	1,045	0	0	0.00	0.00
		<b>\$210,647</b>	<b>\$36,805</b>	<b>\$114,101</b>	<b>\$7,310</b>	<b>\$609.16</b>	<b>\$19.01</b>



# **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
<b><u>BUILDING ELEMENTS</u></b>					
<b>ROOF REPLACEMENT;</b>					
Fiber Comp Shingle	\$59,741	30	24	6	\$11,948
<b>SIDING REPLACEMENT;</b>					
Vinyl Siding - repairs	1,500	12	6	6	750
<b>FLOOR COVERING;</b>					
Carpet - Halls & Stairs	12,348	20	14	6	3,704
Tile - Lobby	1,169	30	24	6	234
<b>METAL RAILING;</b>					
PowderCoat - 42" Deck Rails	5,845	30	24	6	1,169
<b>DECKS;</b>					
DuraDeck	18,100	25	19	6	4,344
<b>DOORS;</b>					
Front Doors - Wood	7,125	30	24	6	1,425
Alum/Glass Access	4,300	40	34	6	645
Access - Wood/Glass	1,375	30	24	6	275
Access & Utility - Metal	1,575	40	34	6	236
9' Garage Doors	11,100	30	24	6	2,220
<b>MECHANICAL SYSTEMS;</b>					
MUA - Fan Motor	500	20	14	6	150
EST Fire Panel	7,500	30	24	6	1,500
<b><u>PAVED SURFACES</u></b>					
Streets - Concrete - footnote	0	50	44	6	0
Streets - Repair (5%)	10,536	25	19	6	2,529
<b><u>FENCES &amp; GATES</u></b>					
<b>WOOD CONSTRUCTION;</b>					
4' Cedar Perimeter	7,172	25	19	6	1,793
3' Cedar Privacy	9,867	25	19	6	2,368
6' Trash Enclosure	880	25	19	6	211
<b>ENTRY SYSTEM;</b>					
Enterphones	3,200	30	24	6	640
<b><u>PAINT</u></b>					
<b>EXTERIOR SURFACES;</b>					
Hardie Trim & Carports	16,800	20	14	6	5,040
<b>INTERIOR SURFACES;</b>					
Hallways & Stairwells	9,495	12	6	6	4,748



## IDEAL RESERVE CALCULATION

COMPONENT	CURRENT REPLACEMENT COST	USEFUL LIFE	REMAINING LIFE	CONSUMED LIFE (UL-RM)	IDEAL RESERVE
<b>FENCES &amp; GATES;</b>					
Cedar Fences - stain	4,134	10	4	6	2,480
<b><u>LIGHTING</u></b>					
<b>BUILDING LIGHTING;</b>					
Interior Lighting - footnote	0	1	1	0	0
Wallmount Fixtures	3,315	30	24	6	663
Recess Fixtures	4,200	30	24	6	840
<b><u>LANDSCAPE</u></b>					
<b>GENERAL LANDSCAPE;</b>					
Landscape Replacement Reserve	2,500	5	5	0	0
Rainbird 12 Zone Controller	475	25	19	6	114
Irrigation Zone Valves	1,500	25	19	6	360
<b><u>OTHER</u></b>					
<b>SIGNS;</b>					
Monument Sign - refurbish	1,300	25	19	6	312
Real Estate Directory	250	25	19	6	60
<b>OTHER;</b>					
Misc. Furnishings	1,500	25	19	6	360
Windows & Sliders - footnote	0	50	44	6	0
Contingency (0.5%)	1,045	1	1	0	1,045
	<b>\$210,647</b>				
Total Ideal Reserve (Current Replacement Costs)					\$52,163
Projected Available Reserves					36,805
Ideal Reserve Deficiency (Overfunding)*					\$15,358
Percent of Projected Available Reserves to Total Ideal Reserves					71%
Deficiency (Overfunding) Per Unit*					\$479.94

\* 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***

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### **CURRENT BALANCE OF AVAILABLE RESERVES:**

<i>Available Reserves 07/31/13</i>	\$33,655
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### **ADD: PLANNED ADDITIONS TO RESERVES:**

<i>2013-14 Annual Contribution</i>	\$5,000
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<i>Total Additions:</i>	5,000
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### **LESS: ANTICIPATED UTILIZATION OF RESERVES:**

<i>Depreciation Report</i>	\$1,850
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<i>Total Utilization:</i>	1,850
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<b>TOTAL RESERVES AVAILABLE</b>	<b>07/31/14</b>	<b>\$36,805</b>
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## DISTRIBUTION OF AVAILABLE RESERVES

COMPONENT	IMMEDIATE FUNDING	OTHER	REMAINING RESERVE DISTRIBUTION	RESERVE DISTRIBUTION 07/31/14
<b><u>BUILDING ELEMENTS</u></b>				
<b><u>ROOF REPLACEMENT;</u></b>				
Fiber Comp Shingle	\$0	\$0	\$8,358	\$8,358
<b><u>SIDING REPLACEMENT;</u></b>				
Vinyl Siding - repairs	0	0	525	525
<b><u>FLOOR COVERING;</u></b>				
Carpet - Halls & Stairs	0	0	2,591	2,591
Tile - Lobby	0	0	164	164
<b><u>METAL RAILING;</u></b>				
PowderCoat - 42" Deck Rails	0	0	818	818
<b><u>DECKS;</u></b>				
DuralDeck	0	0	3,039	3,039
<b><u>DOORS;</u></b>				
Front Doors - Wood	0	0	997	997
Alum/Glass Access	0	0	451	451
Access - Wood/Glass	0	0	192	192
Access & Utility - Metal	0	0	165	165
9' Garage Doors	0	0	1,553	1,553
<b><u>MECHANICAL SYSTEMS;</u></b>				
MUA - Fan Motor	0	0	105	105
EST Fire Panel	0	0	1,049	1,049
 <b><u>PAVED SURFACES</u></b>				
Streets - Concrete - footnote	0	0	0	0
Streets - Repair (5%)	0	0	1,302	1,302
 <b><u>FENCES &amp; GATES</u></b>				
<b><u>WOOD CONSTRUCTION;</u></b>				
4' Cedar Perimeter	0	0	1,254	1,254
3' Cedar Privacy	0	0	1,657	1,657
6' Trash Enclosure	0	0	148	148
<b><u>ENTRY SYSTEM;</u></b>				
Enterphones	0	0	448	448
 <b><u>PAINT</u></b>				
<b><u>EXTERIOR SURFACES;</u></b>				
Hardie Trim & Carports	0	0	3,526	3,526
<b><u>INTERIOR SURFACES;</u></b>				
Hallways & Stairwells	0	0	3,322	3,322

## DISTRIBUTION OF AVAILABLE RESERVES

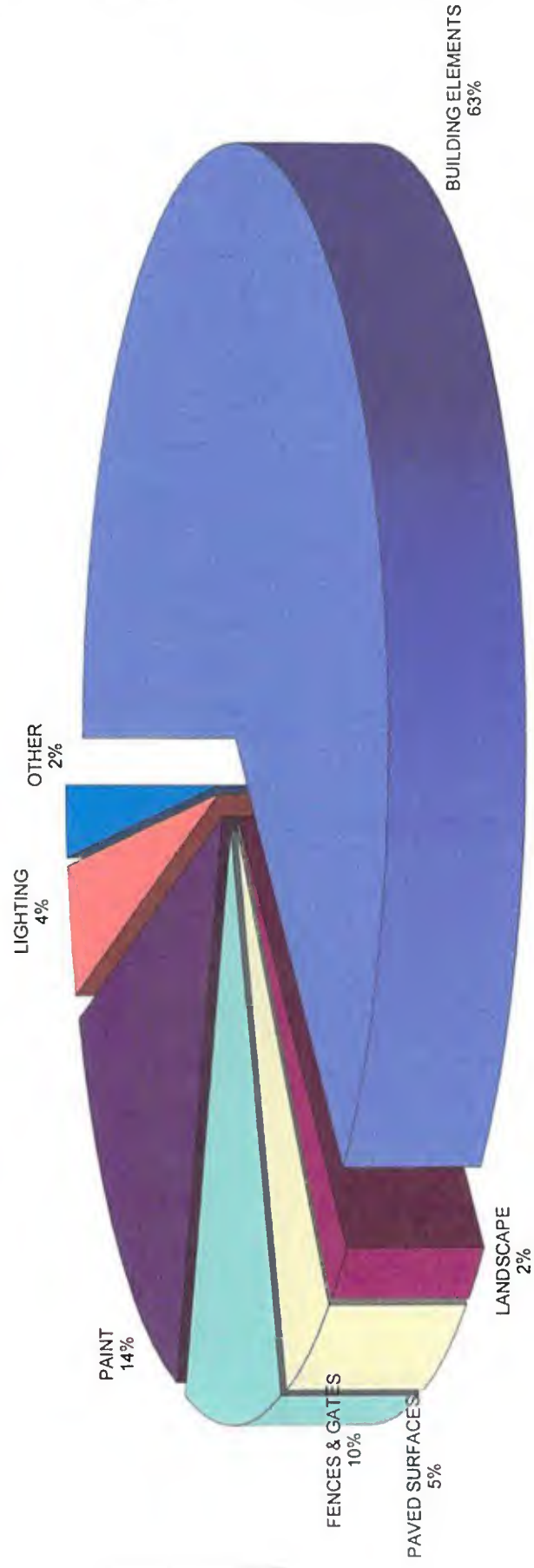
COMPONENT	IMMEDIATE FUNDING	OTHER	REMAINING RESERVE DISTRIBUTION	RESERVE DISTRIBUTION 07/31/14
<b>FENCES &amp; GATES;</b>				
Cedar Fences - stain	0	0	1,735	1,735
 <b>LIGHTING</b>				
<b>BUILDING LIGHTING;</b>				
Interior Lighting - footnote	0	0	0	0
Wallmount Fixtures	0	0	464	464
Recess Fixtures	0	0	588	588
 <b>LANDSCAPE</b>				
<b>GENERAL LANDSCAPE;</b>				
Landscape Replacement Reserve	0	0	0	0
Rainbird 12 Zone Controller	0	0	80	80
Irrigation Zone Valves	0	0	252	252
 <b>OTHER</b>				
<b>SIGNS;</b>				
Monument Sign - refurbish	0	0	570	570
Real Estate Directory	0	0	42	42
<b>OTHER;</b>				
Misc. Furnishings	0	0	365	365
Windows & Sliders - footnote	0	0	0	0
Contingency (0.5%)	1,045	0	0	1,045
	<u>\$1,045</u>	<u>\$0</u>	<u>\$35,760</u>	<u>\$36,805</u>

# **SECTION SEVEN**

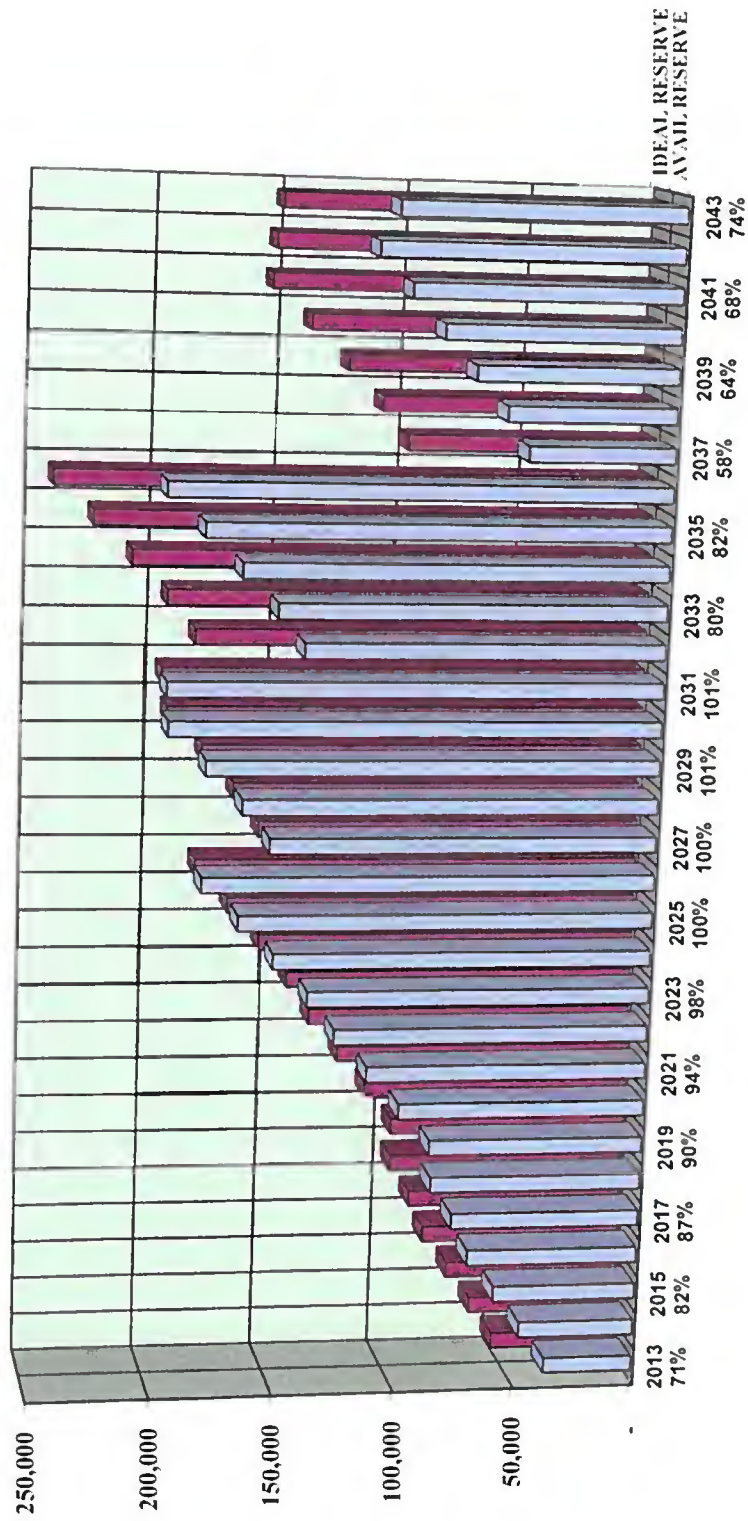
## ***GRAPHICS***

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 Thirty-Year Projection of Reserve Expenditures. The graphics are provided to visually reinforce the results of our analysis.

## COMPOSITION OF RESERVE COMPONENTS

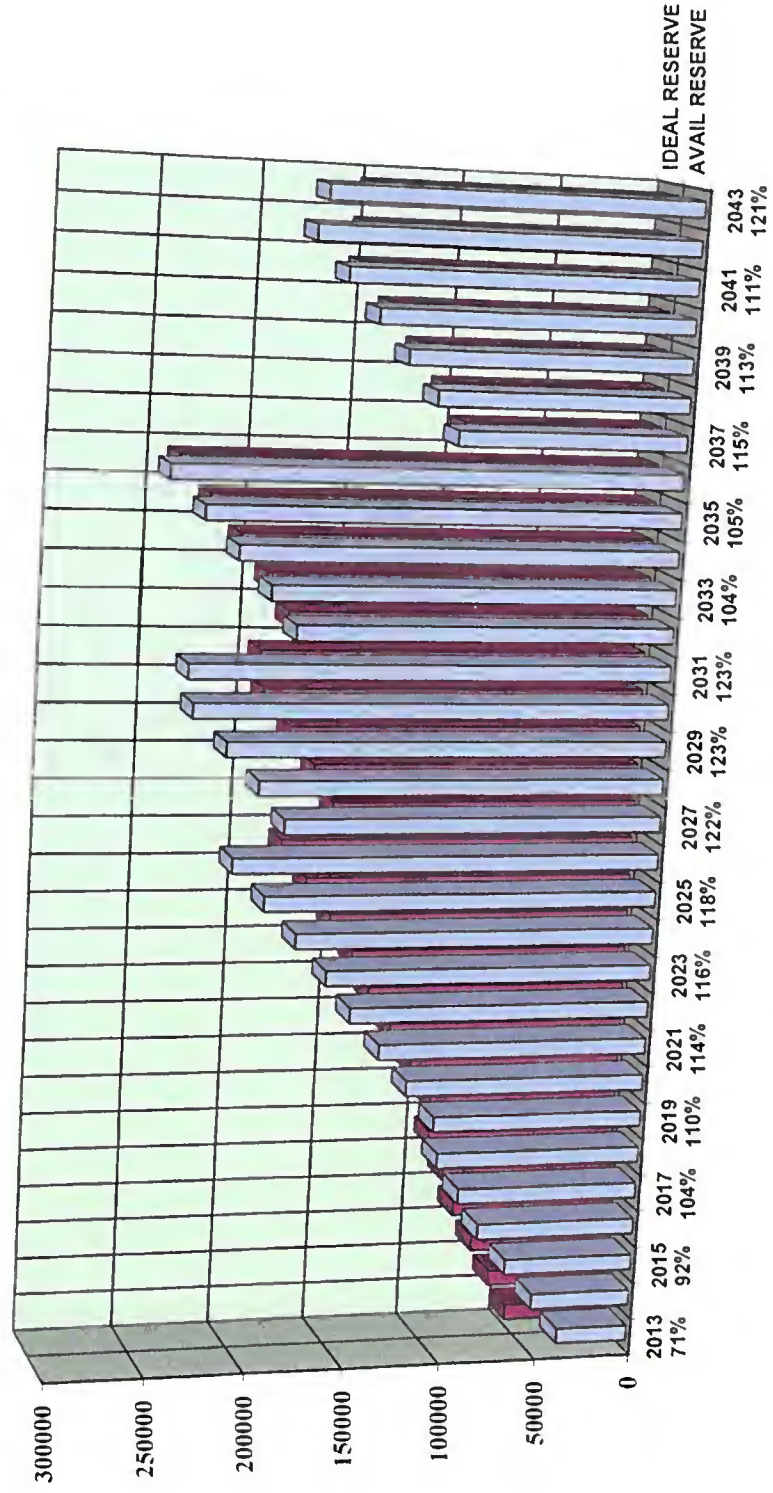


# PROJECTED FINANCIAL POSITION - CURRENT METHOD

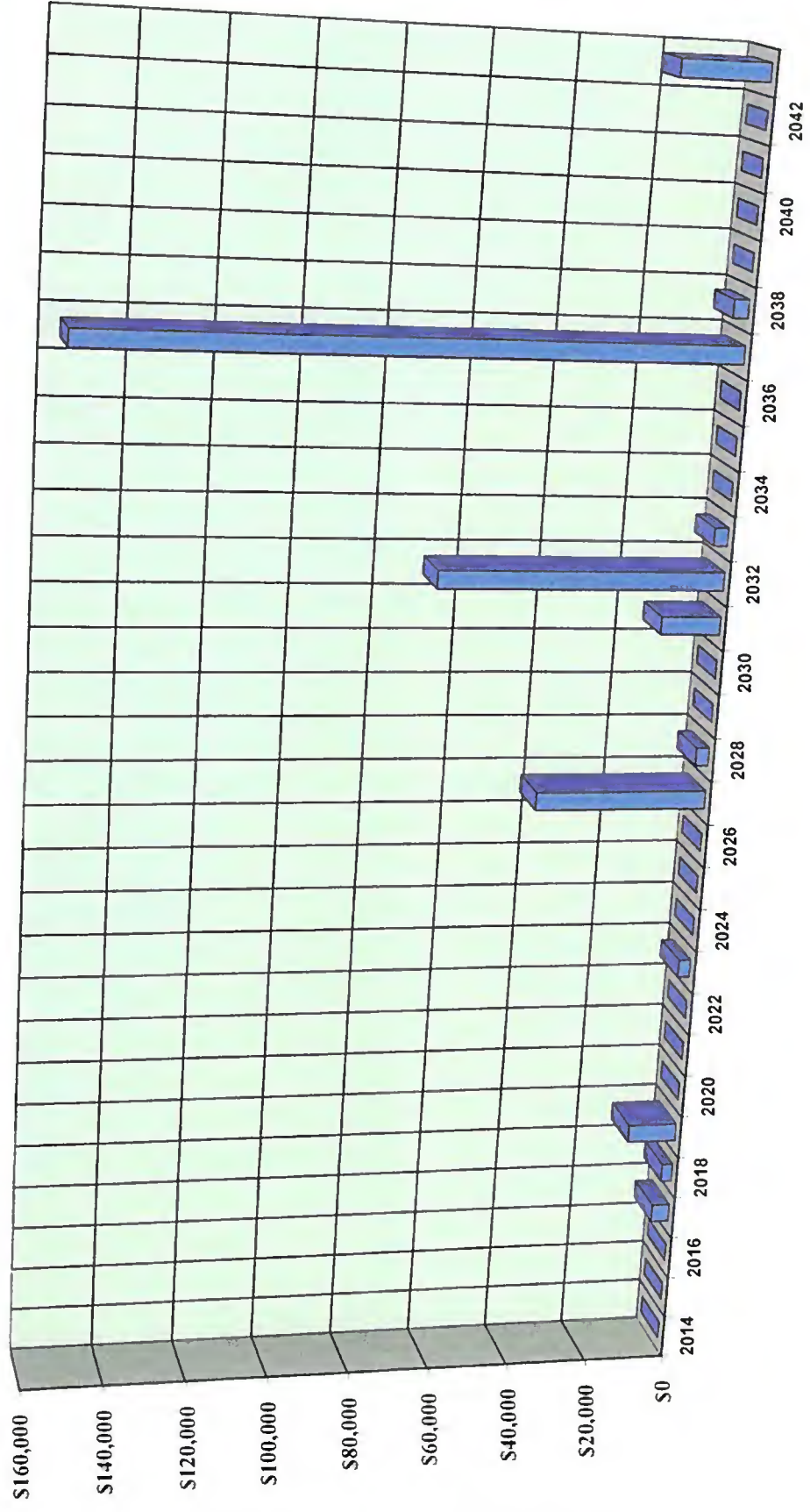




# PROJECTED FINANCIAL POSITION - STRAIGHT LINE



# 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
<b>ROOF REPLACEMENT;</b>								
Fiber Comp Shingle	21,724	SF	24	30	\$2.75	\$59,741	1.5%	\$85,400
<b>SIDING REPLACEMENT;</b>								
Vinyl Siding - repairs	1	EA	6	12	1,500.00	1,500	1.5%	1,640
<b>FLOOR COVERING;</b>								
Carpet - Halls & Stairs	294	YD	14	20	42.00	12,348	1.5%	15,210
Tile - Lobby	123	SF	24	30	9.50	1,169	1.5%	1,671
<b>METAL RAILING;</b>								
PowderCoat - 42" Deck Rails	334	LF	24	30	17.50	5,845	1.5%	8,355
<b>DECKS;</b>								
DuraDeck	1,448	SF	19	25	12.50	18,100	1.5%	24,018
<b>DOORS;</b>								
Front Doors - Wood	19	EA	24	30	375.00	7,125	1.5%	10,185
Alum/Glass Access	2	EA	34	40	2,150.00	4,300	1.5%	7,134
Access - Wood/Glass	5	EA	24	30	275.00	1,375	1.5%	1,966
Access & Utility - Metal	7	EA	34	40	225.00	1,575	1.5%	2,613
9' Garage Doors	12	EA	24	30	925.00	11,100	1.5%	15,867
<b>MECHANICAL SYSTEMS;</b>								
MUA - Fan Motor	1	EA	14	20	500.00	500	1.5%	616
EST Fire Panel	1	EA	24	30	7,500.00	7,500	1.5%	10,721
<b>CATEGORY TOTAL:</b>						<b>\$132,178</b>		<b>\$185,396</b>

### NOTES:

## RESERVE ANALYSIS DETAIL SHEET

### PAVED SURFACES

<i>COMPONENT</i>	<i>QTY</i>	<i>UNIT OF MEASURE</i>	<i>REMAINING LIFE</i>	<i>USEFUL LIFE</i>	<i>PROJECTED UNIT COST</i>	<i>CURRENT REPLACEMENT COST</i>	<i>INFLA FACTOR</i>	<i>FUTURE REPLACEMENT COST</i>
Streets - Concrete - footnote	22,194	SF	44	50	0.00	0	1.5%	0
Streets - Repair (5%)	1,109	SF	19	25	9.50	10,536	1.5%	13,981
<b>CATEGORY TOTAL:</b>						<b>\$10,536</b>		<b>\$13,981</b>

### NOTES:

Concrete Driveways - Typically, masonry products are expected to last the life of the structure. However, given the expanse of concrete on the property, it would be prudent to establish a repair allocation. The allocation is based on 5% of the total roadway surface. If chronic concrete cracking becomes evident, then the allocation should be increased.

## 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
<b>WOOD CONSTRUCTION:</b>								
4' Cedar Perimeter	293	L.F.	19	25	\$25.50	\$7,472	1.5%	\$9,915
3' Cedar Privacy	506	L.F.	19	25	19.50	9,867	1.5%	13,093
6' Trash Enclosure	22	L.F.	19	25	40.00	880	1.5%	1,168
<b>ENTRY SYSTEM:</b>								
Enterphones	1	EA	24	30	3,200.00	3,200	1.5%	4,574
<b>CATEGORY TOTAL:</b>						<b>\$21,419</b>		<b>\$28,750</b>

### 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

### PAIN

<i>COMPONENT</i>	<i>QTY</i>	<i>UNIT OF MEASURE</i>	<i>REMAINING LIFE</i>	<i>USEFUL LIFE</i>	<i>PROJECTED UNIT COST</i>	<i>CURRENT REPLACEMENT COST</i>	<i>INFLA FACTOR</i>	<i>FUTURE REPLACEMENT COST</i>
<b>EXTERIOR SURFACES;</b>								
Hardie Trim & Carports	32	EA	14	20	525.00	16,800	1.5%	20,693
<b>INTERIOR SURFACES;</b>								
Hallways & Stairwells	7,596	SF	6	12	1.25	9,495	1.5%	10,382
<b>FENCES &amp; GATES;</b>								
Cedar Fences - stain	5,512	SF	4	10	0.75	4,134	1.5%	4,388
<b>CATEGORY TOTAL:</b>						<b>\$30,429</b>		<b>\$35,463</b>

### PAINTING COSTS:

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

### NOTES:

Hardie Plank Trim - Because Hardie products are factory painted, it is typical for the first re-paint to be between 15 to 20 years.



## 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
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#### **BUILDING LIGHTING:**

Interior Lighting - footnote	18	EA	1	1	\$0.00	\$0	1.5%	\$0
Wallmount Fixtures	39	EA	24	30	85.00	3,315	1.5%	4,739
Recess Fixtures	56	EA	24	30	75.00	4,200	1.5%	6,004

CATEGORY TOTAL:

**\$7,515**

**\$10,743**

#### **INTERIOR LIGHTING:**

Due to extended and erratic life cycles which are often subject to aesthetic decisions, we generally do not fund for interior light fixtures. Instead it is recommended that a provision be incorporated into the operating budget when appropriate.

#### **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
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#### GENERAL LANDSCAPE:

Landscape Replacement Reser	1	EA	5	5	2,500.00	2,500	1.5%	2,693
Rainbird 12 Zone Controller	1	EA	19	25	475.00	475	1.5%	630
Irrigation Zone Valves	12	EA	19	25	125.00	1,500	1.5%	1,990

#### CATEGORY TOTAL:

**\$4,475**

**\$5,313**

#### 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
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### SIGNS:

Monument Sign - refurbish	2	EA	19	25	\$650.00	\$1,300	1.5%	\$1,725
Real Estate Directory	1	EA	19	25	250.00	250	1.5%	332

### OTHER:

Misc. Furnishings	1	EA	19	25	1,500.00	1,500	1.5%	1,990
Windows & Sliders - footnote	264	EA	44	50	0.00	0	1.5%	0
Contingency (0.5%)	1	EA	1	1	1,045.00	1,045	1.5%	1,061

### CATEGORY TOTAL:

**\$4,095**

**\$5,108**

### 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 - Although a contingency allocation has been established for the periodic replacement of windows, no replacement allocation has been established. Should chronic window failure become evident, then it would be prudent to establish a replacement allocation. The estimated cost to replace 264 windows and sliding glass doors is \$170,500.

## **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

	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR
R	1	2	3	4	5	6	7	8
COMPONENT	2014	2015	2016	2017	2018	2019	2020	2021

#### BUILDING ELEMENTS

##### **ROOF REPLACEMENT;**

Fiber Comp Shingle	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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##### **SIDING REPLACEMENT;**

Vinyl Siding - repairs	0	0	0	0	0	1,640	0	0
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##### **FLOOR COVERING;**

Carpet - Halls & Stairs	0	0	0	0	0	0	0	0
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Tile - Lobby	0	0	0	0	0	0	0	0
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##### **METAL RAILING;**

PowderCoat - 42" Deck Rails	0	0	0	0	0	0	0	0
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##### **DECKS;**

DuraDeck	0	0	0	0	0	0	0	0
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##### **DOORS;**

Front Doors - Wood	0	0	0	0	0	0	0	0
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Alum/Glass Access	0	0	0	0	0	0	0	0
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Access - Wood/Glass	0	0	0	0	0	0	0	0
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Access & Utility - Metal	0	0	0	0	0	0	0	0
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9' Garage Doors	0	0	0	0	0	0	0	0
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##### **MECHANICAL SYSTEMS;**

MUA - Fan Motor	0	0	0	0	0	0	0	0
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EST Fire Panel	0	0	0	0	0	0	0	0
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#### PAVED SURFACES

Streets - Concrete - footnote	0	0	0	0	0	0	0	0
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Streets - Repair (5%)	0	0	0	0	0	0	0	0
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#### FENCES & GATES

##### **WOOD CONSTRUCTION;**

4' Cedar Perimeter	0	0	0	0	0	0	0	0
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3' Cedar Privacy	0	0	0	0	0	0	0	0
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6' Trash Enclosure	0	0	0	0	0	0	0	0
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##### **ENTRY SYSTEM;**

Interphones	0	0	0	0	0	0	0	0
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#### PAINT

##### **EXTERIOR SURFACES;**

Hardie Trim & Carports	0	0	0	0	0	0	0	0
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##### **INTERIOR SURFACES;**

Hallways & Stairwells	0	0	0	0	0	10,382	0	0
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### 30 YEAR EVALUATION

#### PROJECTED RESERVE BALANCES

		YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR
	R	1	2	3	4	5	6	7	8
COMPONENT		2014	2015	2016	2017	2018	2019	2020	2021

#### *FENCES & GATES;*

Cedar Fences - stain		0	0	0	4,388	0	0	0	0
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#### LIGHTING

#### *BUILDING LIGHTING;*

Interior Lighting - footnote		0	0	0	0	0	0	0	0
Wallmount Fixtures		0	0	0	0	0	0	0	0
Recess Fixtures		0	0	0	0	0	0	0	0

#### LANDSCAPE

#### *GENERAL LANDSCAPE;*

Landscape Replacement Reserve		0	0	0	0	2,693	0	0	0
Rainbird 12 Zone Controller		0	0	0	0	0	0	0	0
Irrigation Zone Valves		0	0	0	0	0	0	0	0

#### OTHER

#### *SIGNS;*

Monument Sign - refurbish		0	0	0	0	0	0	0	0
Real Estate Directory		0	0	0	0	0	0	0	0

#### *OTHER;*

Misc. Furnishings		0	0	0	0	0	0	0	0
Windows & Sliders - footnote		0	0	0	0	0	0	0	0
Contingency (0.5%)		0	0	0	0	0	0	0	0

TOTAL		\$0	\$0	\$0	\$4,388	\$2,693	\$12,022	\$0	\$0
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#### CURRENT RESERVE METHOD

BEGINNING RESERVE BALANCE	\$36,805	\$47,783	\$58,980	\$70,401	\$77,618	\$86,692	\$87,767	\$101,006
ANNUAL CONTRIBUTION	10,140	10,140	10,140	10,140	10,140	11,370	11,370	11,370
INTEREST - COMPUTED AT	838	1,057	1,281	1,466	1,627	1,727	1,869	2,134
OTHER	0	0	0	0	0	0	0	0
LESS ANTICIPATED EXPENDIT	0	0	0	4,388	2,693	12,022	0	0
PROJECTED ENDING BALANCE	\$47,783	\$58,980	\$70,401	\$77,618	\$86,692	\$87,767	\$101,006	\$114,510

#### STRAIGHT LINE METHOD

BEGINNING RESERVE BALANCE	\$36,805	\$51,477	\$66,443	\$81,707	\$92,846	\$104,782	\$107,533	\$122,483
ANNUAL CONTRIBUTION	13,798	13,798	13,798	13,798	12,672	12,672	12,672	12,672
INTEREST - COMPUTED AT	874	1,168	1,467	1,728	1,957	2,102	2,277	2,576
OTHER	0	0	0	0	0	0	0	0
LESS ANTICIPATED EXPENDIT	0	0	0	4,388	2,693	12,022	0	0
PROJECTED ENDING BALANCE	\$51,477	\$66,443	\$81,707	\$92,846	\$104,782	\$107,533	\$122,483	\$137,731

### 30 YEAR EVALUATION

#### PROJECTED RESERVE BALANCES

	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR
	R	9	10	11	12	13	14	15
COMPONENT		2022	2023	2024	2025	2026	2027	2028
								2029

#### BUILDING ELEMENTS

##### **ROOF REPLACEMENT;**

Fiber Comp Shingle	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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##### **SIDING REPLACEMENT;**

Vinyl Siding - repairs	0	0	0	0	0	0	0	0	0
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##### **FLOOR COVERING;**

Carpet - Halls & Stairs	0	0	0	0	0	0	15,210	0	0
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Tile - Lobby	0	0	0	0	0	0	0	0	0
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##### **METAL RAILING;**

PowderCoat - 42" Deck Rails	0	0	0	0	0	0	0	0	0
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##### **DECKS;**

DuralDeck	0	0	0	0	0	0	0	0	0
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##### **DOORS;**

Front Doors - Wood	0	0	0	0	0	0	0	0	0
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Alum/Glass Access	0	0	0	0	0	0	0	0	0
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Access - Wood/Glass	0	0	0	0	0	0	0	0	0
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Access & Utility - Metal	0	0	0	0	0	0	0	0	0
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9' Garage Doors	0	0	0	0	0	0	0	0	0
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##### **MECHANICAL SYSTEMS;**

MUA - Fan Motor	0	0	0	0	0	0	616	0	0
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EST Fire Panel	0	0	0	0	0	0	0	0	0
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#### PAVED SURFACES

Streets - Concrete - footnote	0	0	0	0	0	0	0	0	0
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Streets - Repair (5%)	0	0	0	0	0	0	0	0	0
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#### FENCES & GATES

##### **WOOD CONSTRUCTION;**

4' Cedar Perimeter	0	0	0	0	0	0	0	0	0
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3' Cedar Privacy	0	0	0	0	0	0	0	0	0
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6' Trash Enclosure	0	0	0	0	0	0	0	0	0
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##### **ENTRY SYSTEM;**

Enterphones	0	0	0	0	0	0	0	0	0
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#### PAINT

##### **EXTERIOR SURFACES;**

Hardie Trim & Carports	0	0	0	0	0	0	20,693	0	0
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##### **INTERIOR SURFACES;**

Hallways & Stairwells	0	0	0	0	0	0	0	0	0
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## 30 YEAR EVALUATION

### PROJECTED RESERVE BALANCES

	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	
	R	9	10	11	12	13	14	15	16
COMPONENT		2022	2023	2024	2025	2026	2027	2028	2029

#### **FENCES & GATES;**

Cedar Fences - stain		0	0	0	0	0	5,092	0	0
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### LIGHTING

#### **BUILDING LIGHTING;**

Interior Lighting - footnote		0	0	0	0	0	0	0	0
Wallmount Fixtures		0	0	0	0	0	0	0	0
Recess Fixtures		0	0	0	0	0	0	0	0

### LANDSCAPE

#### **GENERAL LANDSCAPE;**

Landscape Replacement Reserve		0	2,901	0	0	0	0	3,126	0
Rainbird 12 Zone Controller		0	0	0	0	0	0	0	0
Irrigation Zone Valves		0	0	0	0	0	0	0	0

### OTHER

#### **SIGNS;**

Monument Sign - refurbish		0	0	0	0	0	0	0	0
Real Estate Directory		0	0	0	0	0	0	0	0

#### **OTHER;**

Misc. Furnishings		0	0	0	0	0	0	0	0
Windows & Sliders - footnote		0	0	0	0	0	0	0	0
Contingency (0.5%)		0	0	0	0	0	0	0	0

TOTAL		\$0	\$2,901	\$0	\$0	\$0	\$41,611	\$3,126	\$0
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### CURRENT RESERVE METHOD

BEGINNING RESERVE BALANCE	\$114,510	\$128,284	\$139,403	\$153,674	\$168,232	\$183,080	\$156,198	\$167,649
ANNUAL CONTRIBUTION	11,370	11,370	11,370	11,370	11,370	11,370	11,370	11,370
INTEREST - COMPUTED AT	2,404	2,650	2,902	3,187	3,478	3,359	3,206	3,467
OTHER	0	0	0	0	0	0	0	0
LESS ANTICIPATED EXPENDIT	0	2,901	0	0	0	41,611	3,126	0
PROJECTED ENDING BALANCE	\$128,284	\$139,403	\$153,674	\$168,232	\$183,080	\$156,198	\$167,649	\$182,485

### STRAIGHT LINE METHOD

BEGINNING RESERVE BALANCE	\$137,731	\$153,284	\$166,218	\$182,341	\$198,787	\$215,561	\$190,644	\$204,099
ANNUAL CONTRIBUTION	12,672	12,672	12,672	12,672	12,672	12,672	12,672	12,672
INTEREST - COMPUTED AT	2,881	3,163	3,451	3,774	4,102	4,022	3,908	4,209
OTHER	0	0	0	0	0	0	0	0
LESS ANTICIPATED EXPENDIT	0	2,901	0	0	0	41,611	3,126	0
PROJECTED ENDING BALANCE	\$153,284	\$166,218	\$182,341	\$198,787	\$215,561	\$190,644	\$204,099	\$220,980



## 30 YEAR EVALUATION

### PROJECTED RESERVE BALANCES

	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR
	R	17	18	19	20	21	22	23
COMPONENT	2030	2031	2032	2033	2034	2035	2036	2037

#### BUILDING ELEMENTS

##### **ROOF REPLACEMENT;**

Fiber Comp Shingle	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$85,400
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##### **SIDING REPLACEMENT;**

Vinyl Siding - repairs	0	1,961	0	0	0	0	0	0
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##### **FLOOR COVERING;**

Carpet - Halls & Stairs	0	0	0	0	0	0	0	0
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Tile - Lobby	0	0	0	0	0	0	0	1,671
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##### **METAL RAILING;**

PowderCoat - 42" Deck Rails	0	0	0	0	0	0	0	8,355
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##### **DECKS;**

DuralDeck	0	0	24,018	0	0	0	0	0
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##### **DOORS;**

Front Doors - Wood	0	0	0	0	0	0	0	10,185
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Alum/Glass Access	0	0	0	0	0	0	0	0
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Access - Wood/Glass	0	0	0	0	0	0	0	1,966
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Access & Utility - Metal	0	0	0	0	0	0	0	0
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9' Garage Doors	0	0	0	0	0	0	0	15,867
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##### **MECHANICAL SYSTEMS;**

MUA - Fan Motor	0	0	0	0	0	0	0	0
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EST Fire Panel	0	0	0	0	0	0	0	10,721
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#### PAVED SURFACES

Streets - Concrete - footnote	0	0	0	0	0	0	0	0
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Streets - Repair (5%)	0	0	13,981	0	0	0	0	0
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#### FENCES & GATES

##### **WOOD CONSTRUCTION;**

4' Cedar Perimeter	0	0	9,915	0	0	0	0	0
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3' Cedar Privacy	0	0	13,093	0	0	0	0	0
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6' Trash Enclosure	0	0	1,168	0	0	0	0	0
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##### **ENTRY SYSTEM;**

Enterphones	0	0	0	0	0	0	0	4,574
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#### PAINT

##### **EXTERIOR SURFACES;**

Hardie Trim & Carports	0	0	0	0	0	0	0	0
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##### **INTERIOR SURFACES;**

Hallways & Stairwells	0	12,413	0	0	0	0	0	0
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### 30 YEAR EVALUATION

#### PROJECTED RESERVE BALANCES

COMPONENT	R	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR
		17	18	19	20	21	22	23	24
		2030	2031	2032	2033	2034	2035	2036	2037

#### **FENCES & GATES;**

Cedar Fences - stain		0	0	0	0	0	0	0	5,910
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#### LIGHTING

#### **BUILDING LIGHTING;**

Interior Lighting - footnote		0	0	0	0	0	0	0	0
Wallmount Fixtures		0	0	0	0	0	0	0	4,739
Recess Fixtures		0	0	0	0	0	0	0	6,004

#### LANDSCAPE

#### **GENERAL LANDSCAPE;**

Landscape Replacement Reserve		0	0	0	3,367	0	0	0	0
Rainbird 12 Zone Controller		0	0	630	0	0	0	0	0
Irrigation Zone Valves		0	0	1,990	0	0	0	0	0

#### OTHER

#### **SIGNS;**

Monument Sign - refurbish		0	0	1,725	0	0	0	0	0
Real Estate Directory		0	0	332	0	0	0	0	0

#### **OTHER;**

Misc. Furnishings		0	0	1,990	0	0	0	0	0
Windows & Sliders - footnote		0	0	0	0	0	0	0	0
Contingency (0.5%)		0	0	0	0	0	0	0	0

TOTAL		\$0	\$14,374	\$68,842	\$3,367	\$0	\$0	\$0	\$155,393
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#### CURRENT RESERVE METHOD

BEGINNING RESERVE BALANC	\$182,485	\$197,619	\$198,537	\$144,461	\$155,433	\$170,025	\$184,910	\$200,091
ANNUAL CONTRIBUTION	11,370	11,370	11,370	11,370	11,370	11,370	11,370	11,370
INTEREST - COMPUTED AT	3,763	3,922	3,396	2,969	3,222	3,514	3,812	2,562
OTHER	0	0	0	0	0	0	0	0
LESS ANTICIPATED EXPENDIT	0	14,374	68,842	3,367	0	0	0	155,393
PROJECTED ENDING BALAN	\$197,619	\$198,537	\$144,461	\$155,433	\$170,025	\$184,910	\$200,091	\$58,630

#### STRAIGHT LINE METHOD

BEGINNING RESERVE BALANC	\$220,980	\$238,198	\$241,243	\$189,336	\$202,520	\$219,369	\$236,555	\$254,085
ANNUAL CONTRIBUTION	12,672	12,672	12,672	12,672	12,672	12,672	12,672	12,672
INTEREST - COMPUTED AT	4,546	4,747	4,263	3,880	4,177	4,514	4,858	3,654
OTHER	0	0	0	0	0	0	0	0
LESS ANTICIPATED EXPENDIT	0	14,374	68,842	3,367	0	0	0	155,393
PROJECTED ENDING BALAN	\$238,198	\$241,243	\$189,336	\$202,520	\$219,369	\$236,555	\$254,085	\$115,019

## 30 YEAR EVALUATION

### PROJECTED RESERVE BALANCES

		YEAR	YEAR	YEAR	YEAR	YEAR	YEAR
	R	25	26	27	28	29	30
COMPONENT		2038	2039	2040	2041	2042	2043

#### BUILDING ELEMENTS

##### **ROOF REPLACEMENT;**

Fiber Comp Shingle	\$0	\$0	\$0	\$0	\$0	\$0
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##### **SIDING REPLACEMENT;**

Vinyl Siding - repairs	0	0	0	0	0	2,345
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##### **FLOOR COVERING;**

Carpet - Halls & Stairs	0	0	0	0	0	0
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Tile - Lobby	0	0	0	0	0	0
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##### **METAL RAILING;**

PowderCoat - 42" Deck Rails	0	0	0	0	0	0
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##### **DECKS;**

DuralDeck	0	0	0	0	0	0
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##### **DOORS;**

Front Doors - Wood	0	0	0	0	0	0
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Alum/Glass Access	0	0	0	0	0	0
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Access - Wood/Glass	0	0	0	0	0	0
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Access & Utility - Metal	0	0	0	0	0	0
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9' Garage Doors	0	0	0	0	0	0
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##### **MECHANICAL SYSTEMS;**

MUA - Fan Motor	0	0	0	0	0	0
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EST Fire Panel	0	0	0	0	0	0
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#### PAVED SURFACES

Streets - Concrete - footnote	0	0	0	0	0	0
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Streets - Repair (5%)	0	0	0	0	0	0
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#### FENCES & GATES

##### **WOOD CONSTRUCTION;**

4' Cedar Perimeter	0	0	0	0	0	0
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3' Cedar Privacy	0	0	0	0	0	0
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6' Trash Enclosure	0	0	0	0	0	0
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##### **ENTRY SYSTEM;**

Enterphones	0	0	0	0	0	0
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#### PAINT

##### **EXTERIOR SURFACES;**

Hardie Trim & Carports	0	0	0	0	0	0
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##### **INTERIOR SURFACES;**

Hallways & Stairwells	0	0	0	0	0	14,841
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## 30 YEAR EVALUATION

### PROJECTED RESERVE BALANCES

COMPONENT	R	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR
		25	26	27	28	29	30
		2038	2039	2040	2041	2042	2043

#### **FENCES & GATES;**

Cedar Fences - stain		0	0	0	0	0	0
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### LIGHTING

#### **BUILDING LIGHTING;**

Interior Lighting - footnote		0	0	0	0	0	0
Wallmount Fixtures		0	0	0	0	0	0
Recess Fixtures		0	0	0	0	0	0

### LANDSCAPE

#### **GENERAL LANDSCAPE;**

Landscape Replacement Reserve		3,627	0	0	0	0	3,908
Rainbird 12 Zone Controller		0	0	0	0	0	0
Irrigation Zone Valves		0	0	0	0	0	0

### OTHER

#### **SIGNS;**

Monument Sign - refurbish		0	0	0	0	0	0
Real Estate Directory		0	0	0	0	0	0

#### **OTHER;**

Misc. Furnishings		0	0	0	0	0	0
Windows & Sliders - footnote		0	0	0	0	0	0
Contingency (0.5%)		0	0	0	0	0	0

TOTAL		\$3,627	\$0	\$0	\$0	\$0	\$21,094
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### CURRENT RESERVE METHOD

BEGINNING RESERVE BALANC	\$58,630	\$67,623	\$80,459	\$93,552	\$106,907	\$120,529
ANNUAL CONTRIBUTION	11,370	11,370	11,370	11,370	11,370	11,370
INTEREST - COMPUTED AT	1,250	1,466	1,723	1,985	2,252	2,313
OTHER	0	0	0	0	0	0
LESS ANTICIPATED EXPENDIT	3,627	0	0	0	0	21,094
PROJECTED ENDING BALAN	\$67,623	\$80,459	\$93,552	\$106,907	\$120,529	\$113,118

### STRAIGHT LINE METHOD

BEGINNING RESERVE BALANC	\$115,019	\$126,455	\$141,782	\$157,417	\$173,364	\$189,630
ANNUAL CONTRIBUTION	12,672	12,672	12,672	12,672	12,672	12,672
INTEREST - COMPUTED AT	2,391	2,656	2,962	3,275	3,594	3,708
OTHER	0	0	0	0	0	0
LESS ANTICIPATED EXPENDIT	3,627	0	0	0	0	21,094
PROJECTED ENDING BALAN	\$126,455	\$141,782	\$157,417	\$173,364	\$189,630	\$184,916

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

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 and accreditation as a Reserve Analyst 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 an accredited 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 three 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 five 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.

**Balance Sheet**

As of December 31, 2017

	Dec 31, 17
<b>ASSETS</b>	
Current Assets	
Chequing/Savings	
Holywell ITF BCS 2559 OPER	
BCS 2559 OPER #2000-1232-7708	6,204.92
BCS 2559Class B #2000-1232-7690	26.86
Total Holywell ITF BCS 2559 OPER	6,231.78
Holywell ITF BCS 2559 CRF	
BCS 2559 CRF #2000-1232-7716	34,906.17
3yr Escalator 2000-1256-6412	25,910.11
Total Holywell ITF BCS 2559 CRF	60,816.28
Total Chequing/Savings	67,048.06
Accounts Receivable	
Accounts Receivable	448.64
Total Accounts Receivable	448.64
Other Current Assets	
Pre Paid Insurance	8,333.36
Total Other Current Assets	8,333.36
Total Current Assets	75,830.06
<b>TOTAL ASSETS</b>	<b>75,830.06</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	82.62
Total Accounts Payable	82.62
Total Current Liabilities	82.62
Long Term Liabilities	
CRF Liability	
CRF Emergency	-2,725.63
Painting exterior 20K 2016/17	-7,900.00
10yr Warranty Review \$4K 2017	-0.01
Security Cameras \$5K 2017/18	-4,683.85
CRF Liability - Other	76,125.77
Total CRF Liability	60,816.28
Total Long Term Liabilities	60,816.28
Total Liabilities	60,898.90
Equity	
Retained Earnings	3,191.52
Net Income	11,739.64
Total Equity	14,931.16
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>75,830.06</b>

**The Rosewood Stata BCS 2559**  
**Profit & Loss Budget vs. Actual**  
**August through December 2017**

	Aug - Dec 17	Budget	% of Budget
<b>Ordinary Income/Expense</b>			
Income			
Move in/out Fees	325.00		
Strata Fees	29,899.22	71,758.00	41.7%
Fines	200.00		
<b>Total Income</b>	<b>30,424.22</b>	<b>71,758.00</b>	<b>42.4%</b>
<b>Gross Profit</b>	<b>30,424.22</b>	<b>71,758.00</b>	<b>42.4%</b>
Expense			
COMMON			
Uncollectable Strata Fees	54.50		
Transfer of Surplus - Common	839.00	839.00	100.0%
Bank Charges	82.27	200.00	41.1%
CHOA	88.00	160.00	55.0%
Fire Safety	0.00	600.00	0.0%
Insurance	5,080.38	12,500.00	40.6%
Landscaping	4,441.39	9,450.00	47.0%
Landscape Other	0.00	3,500.00	0.0%
Management Fees	4,872.05	11,693.00	41.7%
Office & Postage	279.48	550.00	50.8%
Maintenance & Repairs	131.25	3,000.00	4.4%
Snow Removal	0.00	500.00	0.0%
Professional Fees	56.00	500.00	11.2%
WCB	0.00	50.00	0.0%
Window Washing/Line Painting	0.00	1,100.00	0.0%
<b>Total COMMON</b>	<b>15,924.32</b>	<b>44,642.00</b>	<b>35.7%</b>
APARTMENT			
Transfer of Surplus- Apt	-3,575.00	-3,575.00	100.0%
Alarm Monitoring	188.68	400.00	47.2%
Dryer Vents	0.00	1,400.00	0.0%
Fire Safety Inspection	0.00	800.00	0.0%
Gas	990.57	3,000.00	33.0%
Hydro 1 (Apt 948/846)	696.26	2,800.00	24.9%
Janitorial	1,400.25	4,500.00	31.1%
Repairs & Maintenance- Apt	979.57	5,200.00	18.8%
Telephone	499.30	1,200.00	41.6%
Window Cleaning	0.00	2,000.00	0.0%
<b>Total APARTMENT</b>	<b>1,179.63</b>	<b>17,725.00</b>	<b>6.7%</b>
TOWNHOUSE			
Transfer of Surplus - Townhouse	-1,874.00	-1,874.00	100.0%
Dryer Vents	0.00	1,100.00	0.0%
Fire Safety Inspection	0.00	800.00	0.0%
Hydro 2 (T/H 921)	130.68	500.00	26.1%
Repairs & Maintenance- TH	1,240.60	2,000.00	62.0%
Window Cleaning	0.00	1,865.00	0.0%
<b>Total TOWNHOUSE</b>	<b>-502.72</b>	<b>4,391.00</b>	<b>-11.4%</b>
Contingency Reserve Expense	2,083.35	5,000.00	41.7%
<b>Total Expense</b>	<b>18,684.58</b>	<b>71,758.00</b>	<b>26.0%</b>
<b>Net Ordinary Income</b>	<b>11,739.64</b>	<b>0.00</b>	<b>100.0%</b>
<b>Net Income</b>	<b>11,739.64</b>	<b>0.00</b>	<b>100.0%</b>

STRATA CORPORATION BCS 2559 "The Rosewood"

**MINUTES OF THE ANNUAL GENERAL MEETING**

Held Wednesday, September 27<sup>th</sup>, 2017

The Rosewood Common Room

Present: 9 Strata Lots  
Proxy: 5 Strata Lots  
Total: 14 Strata Lots

Holywell Properties: John Rathbone

Minutes: John Rathbone

1. **Call to Order:** The meeting was called to order at 7:03 PM. Voting cards were distributed. Jennifer MacInnes made a motion for John Rathbone of Holywell Properties to chair the meeting; seconded by Strata Lot #15. Motion carried.
2. **Proof of Quorum:** Nine strata lots were represented in person and five strata lots were represented by proxy. Eleven strata lots were required to obtain quorum. Quorum was met.
3. **Proof of Notice of Meeting:** John Rathbone of Holywell Properties presented the proof of notice. Notice of the AGM was sent out via Canada Post on September 6<sup>th</sup>, 2017.
4. **Approval of the Agenda:** Strata Lot #32 made a motion to approve the agenda as circulated; seconded by Strata Lot #13. Motion carried.
5. **Approval of the Minutes of the Annual General Meeting Held September 28th, 2016 and Special General Meeting Held May 31, 2017:** Strata Lot #16 made a motion to approve the minutes as circulated; seconded by Strata Lot #19. Motion carried with all in favour.
6. **Report on Insurance Coverage:** Management reviewed the current insurance policy provided by HUB International. The policy runs to September 1<sup>st</sup>, 2018, with replacement coverage for \$6,909,100 and the premium was \$12,500. There is \$5,000,000 in General Liability and \$5,000,000 in Directors and Officers coverage.

The Strata Corporation must obtain property insurance on common property, common assets, buildings shown on the Strata Plan and fixtures built or installed on a Strata Lot, if the fixtures are built or installed by the Owner's Developer as part of the original construction of the Strata Lot. The definition of fixtures includes items attached to a building, including floor and wall coverings and electrical and plumbing fixtures, but does not include, if they can be removed without damage to the building, refrigerators, stoves, dishwashers, microwaves, washers, dryers, or other items.

Strata Lot Owners are responsible for their contents, any improvements made to the Strata Lot and general liability coverage within their Strata Lot. Owners are urged to check with their insurance broker to ensure they are protected from an insurance claim deductible filed against

the Strata Corporation insurance policy which is charged back to the Strata Lot for a claim which originated inside the Strata Lot. As the insurance deductibles vary depending on the type of peril, it is suggested that Owners check with their insurance agent regarding the Strata Corporations deductible coverage as per the policy attached to the notice of this AGM and to ensure Owners protection for loss of use in the event of the property is put out of use (i.e. fire, flood, earthquake, etc.).

**Owners are reminded to ensure they have their own insurance coverage for contents, any alterations or upgrades to their strata lot, liability and a deductible extension.** If any insurance claims arise from within a strata lot, that strata lot owner can be held responsible for the deductible, whether there was negligence or not. For this reason, owners should ensure they have proper coverage via the deductible extension, in the event a claim arises from within their Strata Lot.

## **7. Resolution: Parking Space Change**

After receiving many parking complaints this year, council has decided to allow one handicap space (the furthest away from the entrance) to become a visitor's space. It only necessary to have one handicap spaces for every one hundred parking spaces. Also, if owners / tenants would not park their vehicles in the visitors spaces this help alleviate the problem.

WHEREAS pursuant to s. 71 of the Strata Property Act, S.B.C 1998, c. 43 (the "Act") the strata corporation must not make a significant change in the use or appearance of common property or land that is a common asset unless(a) the change is approved by a resolution passed by a 3/4 vote at an annual or special general meeting, or(b) there are reasonable grounds to believe that immediate change is necessary to ensure safety or prevent significant loss or damage.

BE IT RESOLVED by a 3/4 vote of THE OWNERS, STRATA PLAN BCS 2559 (the "Strata Corporation"), pursuant to s. 71 of the Act, that the Strata Corporation approves the change of the one handicap space to a visitor space for creating an additional visitors space in the area in front of the apartment building as shown on the attached parking map.

Strata Lot #32 made a motion to approve the resolution; seconded by Strata Lot #9. Motion carried with all in favour.

## **8. Review and Approval, By a ¾ Vote, the Resolution to Waive the Depreciation Report:**

The Rosewood's Depreciation Report was completed in July 2014. The Strata Property Regulations require that a depreciation report is completed every three years unless waived by a ¾ vote at a general meeting. The Council is planning to complete upgrades including painting over the next year and they would like to have this completed prior to the depreciation report being undertaken. It is for this reason that they are proposing the strata corporation waive the requirement to obtain a depreciation report update for a period of one year.

WHEREAS pursuant to s.94 of the Strata Property Act, S.B.C 1998, c. 43 (the "Act"), a strata corporation by ¾ vote and at annual or special general meeting may waive the requirement to obtain a depreciation report.



***BE IT RESOLVED*** by a  $\frac{3}{4}$  vote of THE OWNERS, STRATA PLAN BCS 2559 (the "Strata Corporation"), pursuant to s.94 of the Act, that the Strata Corporation approves to waive the requirement to undertake a depreciation report.

Strata Lot #32 made a motion to approve the resolution; seconded by Strata Lot #9. Motion carried with all in favour.

**9. Treasurer Report: None.**

**10. Review and Approval of the Proposed Budget for the 2017/2018 Fiscal Period:**

Management reviewed the proposed budget with the ownership in the amount of \$71,758, which translates to an increase in strata fees over last fiscal year. The common deficit and individual types surpluses were all applied to this year's budget. The budget proposed a \$5,000 contribution through monthly strata fees and a lump sum transfer of \$3,000 from the operating account to the CRF.

**WHEREAS** the year ended in a surplus of \$4,810. Council is transferring the apartment and townhouse surplus to their 2017 / 18 budget respectively.  
Council is also recommending transferring \$3,000.00 to the Contingency Reserve Fund from the operating account.

**BE IT THEREFORE RESOLVED** by a Majority Vote Resolution of The Owners, Strata Plan BCS 2559 The Rosewood, to approve the Budget as presented.

Management reviewed the proposed budget with the ownership in the amount of \$71,758, which translates to an increase in strata fees over last fiscal year. The common deficit and individual types surpluses were all applied to this year's budget. The budget proposed a \$5,000 contribution through monthly strata fees and a lump sum transfer of \$3,000 from the operating account to the CRF.

Strata Lot #13 made a motion to approve the budget as presented; seconded by Strata Lot #18. Motion carried with 12 voting in favour and 2 opposed.

**11. Other Business:**

- a. **Fireplaces** -The owners should be arranging for their fireplaces to be inspected annually by a qualified company.
- b. **Drainage apartments entrance walkway** - A lot of the rain is coming from the adjacent property. Drainage is a problem.
- c. **Dog Bylaw**- Needs to be enforced more. Complaints stating which unit and the date and time of occurrence should be sent to the property manager
- d. **Noise Bylaw** – Complaints stating which unit and the date and time of occurrence should be sent to the property manager.
- e. **Mailboxes**- Excess mail should not be left on the ground anywhere of the Rosewood property. If residents do not wish to have junk mail delivered to their mailbox, there is a form that you can get from Canada Post to have them stop delivering the junk mail.

**12. Election of the Strata Council for the 2017/2018 Period:** After year(s) of service, Paula Robertson, Jennifer MacInnes and David Hallstead have stepped down from the strata council. The ownership extended thanks to them for their dedication of time and energy while serving on council.

There was no one nominated by the owners or anyone who volunteered to be one the 2017/2018 Strata Council. This is a requirement of every Strata to have a minimum of 3 (three) council members to a maximum of 7 (seven). If no one volunteers to be on strata council the Strata will have to request that an administrator be legally appointed as your council at the Strata's expense.

**13. Adjournment:** The meeting was adjourned at 8:06 PM.

STRATA CORPORATION BCS 2559 "The Rosewood"  
**MINUTES OF THE STRATA COUNCIL MEETING**  
Held Monday, January 30<sup>th</sup>, 2017 in the Rosewood Common Room

Present: Jennifer Hansen, Jennifer MacInnes, Jesse McLean, David Hallstead  
Regrets: Paula Robertson

Holywell Properties: Erin Storey  
Minutes: Erin Storey

- 1. Call to Order:** The meeting was called to order at 7:01 PM.
- 2. Approval of the Agenda:** A motion was made and seconded to approve the agenda as amended. The motion carried with all in favour.
- 3. Review and Approval of Previous Council Meeting Minutes:** A motion was made and seconded to approve the minutes from the council meeting held November 7<sup>th</sup>, 2016. Carried.
- 4. Business Arising from Previous Minutes:**
  - a. **Lobby Furniture:** A contractor was hired to remove furniture items in the lobby. New furniture will be selected after the painting is complete.
  - b. **Bike Storage:** No feedback was received from owners regarding bike storage. Management will secure pricing for purchase and installation of racks.
  - c. **Form K's:** Of the 13 known rentals, only one unit has not submitted a form K. A follow up notice letter will be sent to this owner before fines are applied.
  - d. **Derelict Blinds:** Management sent a note to the owner of Strata Lot #19 requesting repair or replacement of the damaged blinds in their unit.
- 5. Review and Acceptance of the Financial Statements for the Period Ending December 31<sup>st</sup>, 2016:** The strata council reviewed the financial statements for the month ending December 31<sup>st</sup>, 2016. The chequing account held \$11,972, the contingency reserve fund (CRF) held \$38,135 in savings and \$25,401 in 3 year escalator fund. The special levy fund held \$99.74 and will be transferred to the CRF savings account per the Strata Property Act. The strata corporation ended December with a \$9,524 surplus. Two owners' fees are in arrears. Warning letters were issued and two \$100 fines have been applied to Strata Lot #17 for fees in arrears. A motion was made and seconded to file a lien if the account is not brought up to date before February 15, 2017. Carried. A warning letter will be issued to the other strata lot in arrears.
- 6. Correspondence:**
  - a. **Damage to Apartment Building:** A resident reported vandalism in the apartment building including smashed drywall, and dark liquid spills on a thermostat, walls and in the lobby. This owner requested Council's consideration to install security cameras.

## 7. Maintenance:

- a. **Fences:** Tabled until spring.
- b. **Painting:** Council reviewed quotes provided by the Paintin' Gals and Coast Wide Painting. A motion was made and seconded to accept Coast Wide's quote of \$7,500 to paint hallways, ceilings, lobby, and doors inside the apartment. Management will clarify details in the townhouse painting quotes which will be discussed at the next meeting.
- c. **Fire Safety Plan:** Management is still waiting for Elite to provide a quote.
- d. **10-year Warranty Review:** Management will secure quotes for a 10-year structural warranty inspection.
- e. **Snow Removal:** In the fall, Bonniebrook Industries was provided with instructions for regular snow removal and salt application at Rosewood. Council members would like to thank resident volunteers who have assisted with shoveling and salting.
- f. **Sanitary Clean Outs:** During the snow removal process, sanitary clean out caps were damaged in front of some townhouses. This is because the caps do not sit flush to the ground and the contractors were not able to see them under the snow. A motion was made and seconded to replace the broken caps with ones that sit flush to the ground so they cannot be damaged by vehicles. Carried.
- g. **Gyprock Fix:** Backhome Works was hired to re-attach the door closer on the second floor of the apartments and put a new piece of gyprock in the hole at the bottom of the stairwell.
- h. **Townhouse Lighting:** Reports were received that exterior townhouse lights are sometimes on during daytime hours. The townhouse lights are activated by a sensor located near the electrical room. This sensor could be relocated to a brighter area by an electrician if needed.
- i. **Apartment Lighting:** Backhome works was hired to install light diffusers and replace several burnt out bulbs inside and outside the building. A ballast was also replaced.
- j. **Dumpster Dumping:** A BBQ, chair, and TV stand were dumped at the dumpster. These items were delivered to Gibsons Recycling Depot and dumping costs were paid by the strata corporation. A propane tank was also recently deposited at the dumpster and removal will be paid for by the strata. Council discussed the installation of cameras and additional signage at the dumpster to help prevent dumping. Owners are also reminded to close and properly secure the bin after each use.
- k. **Exterior Clean Up:** Owners reported that garbage, papers and stickers are accumulating on the property during the months when the landscapers are not on site. Jennifer Hansen advised she may know someone who can take care of this as needed and will advise.

## 8. New Business:

- a. **Record Approval of Decisions by Email since the November Meeting:** none

- b. **Water Back Up Claim:** On January 1<sup>st</sup> 2017 resident reported water backing up out of laundry drain in their unit caused by a blockage in the common plumbing pipes. The water may have originated within unit 304, causing a drain back up in unit 203 and a leak into unit 104. The water caused significant damage to the units and the strata corporation will be responsible for the \$5,000 deductible.
  - c. **Moves:** Owners in the apartment buildings are reminded that all moves (including change of ownership and tenancies) are required to pay the \$75 move in and move out fees. Please report all moves to your property manager.
  - d. **CHOA Seminar:** On March 30<sup>th</sup>, 2017, representatives from CHOA are hosting a seminar in Sechelt. Topics to be discussed are meetings, bylaws, alterations and running through a mock-AGM.
  - e. **Security Cameras:** Management will secure a quote for the purchase and installation of security cameras (garbage, parking areas, lobby, hallways, stairways) after receiving several reports of suspicious activity and damage in the apartment building.
  - f. **Apartment Security:** Council members agreed that the entry code for the apartment buildings must be changed regularly to maintain security. Residents will be informed when this is done.
- 9. Council Resignation:** Jesse McLean advised he will be resigning from Council in March due to the sale of his home. Council thanked Jesse for the time he served on Council. Remaining council members will look to invite a replacement for Jesse after March.
- 10. Next Meeting:** The next council meeting will be held on Monday March 27th, 2017 at 7:00 PM.
- 11. Adjournment:** The meeting was adjourned at 7:57PM.

STRATA CORPORATION BCS 2559 "The Rosewood"  
**MINUTES OF THE STRATA COUNCIL MEETING**  
Held Wednesday, March 29<sup>th</sup>, 2017 in the Rosewood Common Room

Present: Jennifer MacInnes, David Hallstead Paula Robertson

Regrets: Jennifer Hansen, Jesse McLean,

Holywell Properties: Erin Storey, John Rathbone

Minutes: John Rathbone

- 1. Call to Order:** The meeting was called to order at 7:05 PM.
- 2. Telus:** Representatives from Telus were inquiring whether the strata wishes to have Telus install their fibre optics lines into each apartment unit. There would be no cost to the strata but all units would have to participate because of the way this building has been structured. Anyone interested in having access to this service please contact the strata council.
- 3. Approval of the Agenda:** A motion was made and seconded to approve the agenda as amended. The amended agenda was approved with all in favour.
- 4. Review and Approval of Previous Council Meeting Minutes:** A motion was made and seconded to approve the minutes from the council meeting held January 30<sup>th</sup>, 2017. All in favour.
- 5. Business Arising from Previous Minutes:**
  - a. **Lobby Furniture:** Council has decided that they will wait and see if there can be 2 months without any vandalism taking place in the apartment building before any decision of refurnishing the lobby will be made.
  - b. **Bike Storage:** Management gave council a wide price range of \$500 to \$2,500 for bike rack storage. There are assorted designs and sizes. Council will decide on the number of bike spaces needed and where they wish the rack placed.
  - c. **Form K's:** Of the 13 known rentals, only one unit has not submitted a form K. Management to send notice letter to this owner before fines are applied.
  - d. **Security -Cameras – Dumpster & Vandalism to the Apartment & Intercom:** Management has solicited Security Plus for a full camera security system quote. The apartment commercial telephone entry system instructions are at the Holywell Properties office. Council will be determining the times and dates of the intercom codes to prevent further vandalism. Council members agreed that the entry code for the apartment buildings must be changed regularly to maintain security. Residents will be informed when this is done.

- 6. Review and Acceptance of the Financial Statements for the Period Ending December 31<sup>st</sup>, 2016:** The strata council reviewed the financial statements for the months ending January 31<sup>st</sup>, 2017 and February 28, 2017. The February chequing account held \$18,713, the contingency reserve fund (CRF) held \$35,219 in savings and \$25,910 in 3-year escalator fund. The strata corporation ended February with a \$12,296 surplus. No owners' strata fees are in arrears.
- 7. Correspondence: Parking-** A resident reported parking violations. Please refer to The Rosewoods Parking Bylaws that are at the end of the minutes.
- 8. Maintenance:**
- a. **Fences:** Condition of the fences will be reviewed during the annual walkaround by council.
  - b. **Painting:** Council was informed by Management that the Painting Gals have withdrawn their quote for the exterior painting (as one member of the Painting Gals is unable to perform the work necessary now). Management will contact the Coast Wide Homecare and Painting (the ones who recently painted the apartment interior) regarding their townhouse painting quote.
  - c. **Fire Safety Plan:** Management is still waiting for Elite to provide a quote. Recently Management has sent Elite the Site plans.
  - d. **10-year Warranty Review:** Management has been in contact with 2 structural engineers with one declining to quote. The original structural engineer has not returned Managements calls for the 10-year structural warranty inspection.
  - e. **Lights -Townhouse:** Some of the light sensors are to be moved to a more efficient location. Management will contact an electrician for this work
  - f. **Sanitary Clean Outs:** During the snow removal process, sanitary clean out caps were damaged in front of some townhouses. Management has located a company that will be able to do this work. The raised piping in the garden area will be addressed by our gardening contractor.
  - g. **Dumpster Dumping:** Council (David) will consider having lock clips put on our dumpster to keep bears out. Recently a mattress was left by the Dumpster. The disposal company will not take any large items such as barbeques, furniture-chairs, sofas, TV's or mattresses etc. Many items can be dropped off at Gibsons Recycling Depot 1012 Venture Way, Gibsons. Please contact them at (604) 740-1425.
  - h. **Exterior Clean up:** Management will arrange for the removal of the moss on the roof over the apartment entrance. Everyone is encouraged to pick up and dispose properly of any litter found on our property. Council discussed on whether to pay a student to perform this function. Some of the litter is from owners leaving their unwanted mail on top of the mail boxes. Owners can contact the Gibsons post office to cancel receipt of the flyers etc. Council will discuss with our Landscapers/Gardener to reduce the hedge in front of the left side of the apartment building by 2 feet in height.

**9. New Business:**

- a. **Record Approval of Decisions by Email since the November Meeting:** none
- b. **Parking:** Handicap spaces -Vehicles without a handicap parking permit will be towed. Management to contact a towing company that will be used. Signage that this will be done is important. Management will arrange for towing upon council's authorization. Management to determine how many handicap spaces are required with the idea of making one space a visitors parking spot.  
In addition, some residents have been parking in ways that are inconveniencing other residents trying to reach their own parking areas via the access lanes and no parking zones. Consideration for other residents should be encouraged. Warning letter's will be issued. Please refer to The Rosewoods Parking Bylaws that are at the end of the minutes.
- c. **Noise/Nuisance Bylaw Reminder:** One resident during the cold weather spell would leave his vehicle running.
- d. **Strata Manager Change:** John Rathbone is our new Strata Manager replacing Kerry Storey both are from Holywell Properties.
- e. **Water Accumulation on 1<sup>st</sup> Floor Side Walk:** This concrete walkway is accumulating excess water during our rainy days. This leaves puddles on the walkway as the water does not run off. Council and management will explore possible remedies to achieve a viable solution.
- f. **Lights Out:** Lights are out in front of the common room. Management will have the lights replaced.

**10. Council Resignation:** Both Jennifer Hansen and Jesse McLean have now resigned from council. Council have appreciated their contributions.

**11. Next Meeting:** The next council meeting will be held on Wednesday April 26th, 2017 at 7:00 PM.

**12. Adjournment:** The meeting was adjourned at 8:48PM.

**BCS 2559 The Rosewood's  
Parking and Storage Bylaw**

(9) An owner, tenant or occupant must not:

(a) permit any oversized, commercial or recreational vehicles (including, but not exhaustively, boats, trailers and campers) to enter or be parked or stored on common property, limited common property or land that is a common asset; (b) store unlicensed or uninsured vehicles on the common property, limited common property or on land that is a common asset; (c) store a vehicle without providing proof of insurance to the strata corporation on the commencement date of the storage; (d) park in any parking stall other than that assigned to the owner, tenant or



occupant's strata lot or to the owner, tenant or occupant through an arrangement with another owner; (e) after washing a vehicle, leave dirt, refuse, or excess water at the washing area. (f) not park or store any vehicle that drips oil or gasoline. An owner, tenant or occupant with a leaking vehicle must remove any dripped oil, gasoline or other automotive residue.

(10) An owner, tenant, occupant or visitor must: (a) not permit a vehicle to be parked or left unattended in a manner that interferes with parking stalls, access lanes or no parking zones; (b) Activate the vehicle's headlights and not exceed 10 km/hour when operating a vehicle in the parking areas,

(11) An owner must not sell, rent, or licence the use of parking stalls to any person other than another owner, tenant or occupant.

(12) Any vehicle parked in violation of any of bylaws 3(9)(a) through (f) or 3(10)(a) through (b) or 3(11) will be subject to removal by a towing company authorized by the strata council, and all costs associated with such removal will be charged to the owner of the strata lot.

STRATA CORPORATION BCS 2559 "The Rosewood"  
**MINUTES OF THE STRATA COUNCIL MEETING**  
Held Wednesday, April 26<sup>th</sup>, 2017 in the Rosewood Common Room

Present: Jennifer MacInnes, Paula Robertson  
Regrets: David Hallstead

Holywell Properties: John Rathbone  
Minutes: John Rathbone

- 1. Call to Order:** The meeting was called to order at 7:04 PM.
- 2. Approval of the Agenda:** A motion was made and seconded to approve the agenda. The agenda was approved with all in favour.
- 3. Review and Approval of Previous Council Meeting Minutes:** A motion was made and seconded to approve the minutes from the council meeting held March 29<sup>th</sup>, 2017. All in favour.
- 4. Business Arising from Previous Minutes:**
  - a. **Bike Storage:** Bike Storage is on hold until there is **no** vandalism and a camera recording security system is approved and installed.
  - b. **Form K's:** Of the 13 known rentals, only one unit has not submitted a form K. Management sent notice letter to this owner before fines are applied.
  - c. **Security -Cameras – Dumpster & Vandalism to the Apartment & Intercom:** Management has solicited Security Plus for a full camera security system quote. The quote was for the supply and installation of cameras near the main entry looking at the parking lot. And at the far end looking towards the trash disposal areas. There will be camera's in the apartment stairways as well as the hallways. A video recorder will record information off all these camera's. The cost is estimated between \$4,000 to \$5,000 Council has agreed to hold a Special General Meeting(SGM) to vote on the cost through the CRF the other options would be a special levy. Council cannot move forward with other projects until they feel secure the resident/owners can feel safe in their own homes.
  - d. **Apartment Entry Code:** The apartment commercial telephone entry system instructions are at the Holywell Properties office. Management to see if there can be a separate code for assigned to each apartment.
  - e. **Parking Issues:** Handicap parking - management to issue warning letter to strata lot 24 about their visitors parking in the handicap spaces. Government of BC indicated that there should be one handicapped space per 100 parking spaces.
  - f. **Garbage by Dumpster:** There are still residents putting items beside the dumpster which the disposal company will not dispose of. This is an extra expense to the strata to have it hauled away. The addition of the security camera will eliminate this situation as the Strata will be able to charge the cost back to the strata resident.

**5. Review and Acceptance of the Financial Statements for the Period Ending March 31<sup>st</sup>, 2017:** The strata council reviewed the financial statements for the months ending March 31,2017. The March chequing account held \$20,191, the contingency reserve fund (CRF) held \$31,498 in savings and \$25,910 in 3-year escalator fund. The strata corporation ended February with a \$12,646 surplus. No owners' strata fees are in arrears.

**6. Correspondence:** Vehicle leaving Oil Spot -see new business.

**7. Maintenance:**

- a. **Fences:** Council has tabled any repairs for now.
- b. **Painting:** Management has contact the Coast Wide Homecare and Painting (the ones who recently painted the apartment interior) regarding their townhouse painting quote which was for the white trim.
- c. **Fire Safety Plan:** Management received (from Elite Fire Protection) the fire safety plan that was prepared in 2011. Council will review and update the plan.
- d. **10-year Warranty Review:** Management has received one quote for \$3,500.00 and is waiting for the second quote from the original structural engineer for the 10-year structural warranty inspection.
- e. **Lights -Townhouse:** Some of the light sensors are to be moved to a more efficient location. Management contacting an electrician for this work
- f. **Sanitary Clean Outs:** Management had located the company that will be able to do this work and had quoted on the work. As they have not responded management is looking for another contractor.
- g. **Dumpster Dumping:** Management contacted and had the disposal company exchange containers to one with a metal lid (to keep the local bear(s) out of) The disposal company will not take any large items such as barbeques, furniture- chairs, sofas, TV's or mattresses etc. Many items can be dropped off at Gibsons Recycling Depot 1012 Venture Way, Gibsons. Please contact them at (604) 740-1425.
- h. **Exterior Clean up:** Management will arrange for the removal of the moss on the roof over the apartment entrance. Everyone is encouraged to pick up and dispose properly of any litter found on our property. Council agreed to pay a student to perform this function once a week. If anyone knows of a student who would like to take on this work please have them contact John @ Holywell properties 604-885-3460 Ext 112.  
Some of the litter is from owners leaving their unwanted mail on top of the mail boxes. Owners can contact the Gibsons post office to cancel receipt of the flyers etc.

**8. New Business:**

- a. **Record Approval of Decisions by Email since the March 27th Meeting:** none
- b. **Automobile Oil Leak:** Management reviewed and will monitor if it worsens.
- c. **Unauthorised access to The Rosewood from Poplar Lane:** A gate has been built to allow access from a backyard resident on Poplar Lane. Management to contact the gardener for additional coverage (blockage).

**9. Next Meeting:** The next council meeting is TBD.

**10. Adjournment:** The meeting was adjourned at 7:52PM.

STRATA CORPORATION BCS 2559 "The Rosewood"  
**MINUTES OF THE STRATA COUNCIL MEETING**  
Held Tuesday, August 29<sup>th</sup>, 2017 in the Rosewood Common Room

Present: Paula Robertson, David Hallstead  
Regrets: Jennifer MacInnes

Holywell Properties: John Rathbone  
Minutes: John Rathbone

- 1. Call to Order:** The meeting was called to order at 7:01 PM.
- 2. Approval of the Agenda:** A motion was made and seconded to approve the agenda. The agenda was approved with all in favour.
- 3. Review and Approval of Previous Council Meeting Minutes:** A motion was made and seconded to approve the minutes from the council meeting held April 26<sup>th</sup>, 2017. All in favour.
- 4. Business Arising from Previous Minutes:**
  - a. **Security Camera's-** Security Plus to install camera surveillance system this week as per the May 31 SGM approved CRF expenditure.
  - b. **Apartment Entry Code:** The apartment commercial telephone entry system instructions are at the Holywell Properties office. Management has the apartment entrance code instructions. Management will give to council the instructions.
  - c. **Parking Issues:** Council agree to fine strata lot # 27 (unit 301) for not moving their vehicle when requested several times. Council agreed to issue a warning letter to strata lot 16 for driving too fast through the complex. Council agreed to change one handicap space back to a visitor's spot at the AGM.
  - d. **Garbage by Dumpster:** - Because of the bear problems and the lack of initiative from the conservation officer to have the bear removed, council agreed to have management source quotes for a chain link fence. Management stated the we have the most bear proof bin now that the disposal company has. Having a lock on the bin would work but residents have not in the past put the lock back on securely. Residents must not leave garbage out for the bears to feed on.
  - e. **Drain Covers Strata Lots 1-8.** Management will have to engage a machine shop to prepare the required plate covers. Other companies having agreed to do it have not followed through.
  - f. **Poplar Lane Gate (by Strata Lot 16)** – Management to issue letter asking the owner not to trespass on the Rosewood property and not to trim our hedge.

**5. Review and Acceptance of the Financial Statements for the Period Ending July 31<sup>st</sup>, 2017:** The strata council reviewed the financial statements for the year ending July 31, 2017. The July 31 chequing account held \$17,282, the contingency reserve fund (CRF) held \$37,176 in savings and \$25,910 in 3-year escalator fund. The strata corporation ended July with a \$4,810 surplus. No owners' strata fees are in arrears.

**6. Correspondence: 1)** Owners of 610 Shaw Road inquired whether the maple tree in the corner across from SL 8 can be cut back or cut down. View/light into yard is impaired. Council instructs management to contact the tree services professional. Hedges currently going through into their property. Council agreed to let 610 Shaw trim the hedge on his side of the fence.

2) **Strata Lot 7-** Lamp shade by Garage needs replacing – management to look arrange replacement.

3) **Strata Lot 9** -Council agreed that there is no point of putting additional plant (even low growing ones) as they would only get damaged and die. This property does not have a lot of room for vehicles (disposal and others) to maneuver around that corner.

**7. Maintenance:**

- a. **Fences:** – Council decided that they would repair as needed. Management will have someone look at the townhouse gates. A reminder to townhouse owner to keep their yards tidy and trimmed.
- b. **Painting:** The apartment was painted. The townhouses had the company withdraw as they could no longer perform the work necessary because of health reasons. Management is sourcing additional quotes to fall within the budgeted amount.
- c. **Fire Safety Plan:** Elite Fire Protection to have inspection report to council shortly.
- d. **10-year Warranty Review:** - Management has received two quotes. Council agreed to use the lowest quote from a local firm. Management to arrange for the inspection prior to the February 25, 2019 expiry date and suggested next June.
- e. **Lights -Townhouse:** Some of the light sensors are to be moved to a more efficient location. Management contacted a local electrician for this work
- f. **Sanitary Clean Outs:** Management has located a machine shop company that will be able to make the covers.
- g. **Dumpster Dumping:** Council wishes to emphasize that because of the bear problem please do not leave any garbage outside of the bin and ensure the top is closed when you are finished.
- h. **Exterior Clean up:** Management will engage the janitorial to be part of this service.

**8. New Business:**

**a. Record Approval of Decisions by Email since the April 26th Meeting:**

- 1) Approve Gutters and Moss removal Quote
- 2) Approve Parking Line Painting Quote.
- 3) Approve Strata Lot Repairs – water damage from back up from main drainage line.

b. **Janitorial** - Management to source new agreement for the apartment janitorial which will include exterior cleanup once a week as well.

c. **Parking** – BC Hydro vehicle has been moved from visitors parking.

d. **Townhouse backyards.** - Management will review the bylaws surrounding maintenance of the backyards re common property and limited common property and report back at the next council meeting.

e. **Insurance renewal** – Council agreed to renewal.

f. **AGM & Budget** – After review council approved the 2017/ 18 budget.

g. **AGM** – Council set date for AGM for Wednesday September 27th.

**9. AGM is Scheduled for Wednesday September 27<sup>th</sup>, 2017 at 7:00 PM in the meeting room at the Rosewood's apartment building.**

**10. Next Meeting:** The next council meeting is TBD after the AGM.

**11. Adjournment:** The meeting was adjourned at 8:20 PM.

STRATA CORPORATION BCS 2559 "The Rosewood"  
**MINUTES OF THE STRATA COUNCIL MEETING**  
Held Wednesday, November 8<sup>th</sup>, 2017 in the Rosewood Common Room

Present: Mary Kenny, David Hallstead in person and Barbara Kelly, Robert Heighton via conference call  
Regrets: None  
Holywell Properties: John Rathbone  
Minutes: John Rathbone

1. **Call to Order:** The meeting was called to order at 7:05 PM.
2. **Approval of the Agenda:** A motion was made and seconded to approve the agenda. The agenda was approved with all in favour.
3. **Review and Approval of Previous Council Meeting Minutes:** A motion was made and seconded to approve the minutes from the council meeting held August 29<sup>th</sup>, 2017. All in favour.
4. **Appointment of Strata Council Executive:**

**Mary Kenny – President**  
**David Hallstead – Vice President**  
**Robert Heighton - Treasurer**

5. **Business Arising from Previous Minutes:**
  - a. **Security Camera's-** Security Plus's Ian Martin demonstrated the camera surveillance system for council. Council agreed that it will be valuable security tool for the Strata.
  - b. **Apartment Entry Code:** The apartment commercial telephone entry system instructions are at the Holywell Properties office. Management has the apartment entrance code instructions. Management will give to council the instructions.
  - c. **Parking Issues:** Council confirmed to change the handicap space furthest away from the front entrance of the apartment building to a visitor's spot as approved at the most recent AGM. **Reminder – Council wishes to remind everyone that visitors parking stalls are NOT for Owners.**
  - d. **Garbage by Dumpster:** - Because of the bear problems and the lack of initiative from the conservation officer to have the bear removed, council agreed to have management source quotes for a chain link fence. Management stated the we have the most bear proof bin now that the disposal company has. Having a lock on the bin would work but residents have not in the past put the lock back on securely. Residents must not leave garbage out for the bears to feed on. The fence enclosure will have to have a top on it. Management to attain quotes.



**Reminder – Townhouses 9-16 garbage pickup day is Wednesday. Garbage pails are to be left out by the fire hydrant just down from the large garbage bin.**

- e. **Drain Covers Strata Lots 1-8.** Management has contacted Sechelt Plumbing and is awaiting their reply. Other companies having agreed to do it have not followed through.
  - f. **Poplar Lane Gate (by Strata Lot 16)** – Management to arrange a fence type blockage the owner not to trespass on the Rosewood property and not to trim our hedge.
  - g. **Strata Lot 18 - Restoration.** Management stated that the previous restoration was done (a couple of years ago) without replacement to the whole flooring. Flooring replaced was just the hallway to the end of the kitchen counter. Management stated that there were no documents indicating that this had not been agreed to by both the council and the strata lot owner. The strata lot owner now indicates that more of the flooring should have been replaced so to have the flooring match. Strata lot owner now wishes the all the flooring replaced this time. Strata council agreed to have management arrange flooring quotes for the addition flooring now being requested. Council will then review and give their decision.
  - h. **Trees-** Management to arrange for an arborist to review the trees that may need to be removed, trimmed or replaced.
- 6. Review and Acceptance of the Financial Statements for the Period Ending October 31<sup>st</sup>, 2017:** The strata council reviewed the financial statements for the year ending July 31, 2017. The October 31 chequing account held \$8,821, the contingency reserve fund (CRF) held \$38,723 in savings and \$25,910 in 3-year escalator fund. The strata corporation ended October with a \$8,960 surplus. Council moved to accept the financial statements. All in favour.
- 7. Correspondence: 1) None**
- 8. Maintenance:**
- a. **Fences:** – Council decided that they would repair as needed. Management had someone look at the townhouse gates. This contractor stated that it should just a cross member brace. Management to arrange when the weather is better.  
**Reminder to townhouse owners to keep their yards tidy and trimmed.**
  - b. **Painting:** The apartment was painted. The townhouses had the company withdraw as they could no longer perform the work necessary because of health reasons. Management is sourcing additional quotes to fall within the budgeted amount. Painting will be scheduled for next spring.
  - c. **10-year Warranty Review:** - Management has received two quotes. Council agreed to use the lowest quote from a local firm. Management to arrange for the inspection prior to the February 25, 2019 expiry date and suggested next June.

- d. **Lights -Townhouse:** Some of the light sensors are to be moved to a more efficient location. Management contacted a local electrician for this work
- e. **Sanitary Clean Outs:** Management has contacted Sechelt Plumbing.
- f. **Dumpster Dumping:** Council wishes to emphasize that because of the bear problem please do not leave any garbage outside of the bin and ensure the top is closed when you are finished.
- g. **Exterior Clean up:** Management will engage the janitorial to be part of this service.

**9. New Business:**

- a. **Record Approval of Decisions by Email since the August 29th Meeting:** None
- b. **Janitorial** – J&J Total Cleaners have been engaged for the apartment janitorial which will include exterior cleanup once a week as well.
- c. **Noise Complaints** – Should be forwarded with the unit#, date and time to [john@hollywell.ca](mailto:john@hollywell.ca)
- d. **Gas Fireplaces- REMINDER** – Owners should be having their gas fireplaces inspected yearly by a firm who are qualified to do so. This should be done as soon as practical. Some firms that can perform this service are:

Thomas Heating & Electric  
Gibsons, BC · (604) 886-7111  
Open until 4:00 PM

Sechelt Fireplace & Gas Centre  
Sechelt, BC · (604) 885-7171  
Open until 4:30 PM

**10. Next Meeting:** The next council meeting is TBD.

**11. Adjournment:** The meeting was adjourned at 8:27 PM.

STRATA CORPORATION BCS 2559 "The Rosewood"

**MINUTES OF THE SPECIAL GENERAL MEETING**

Held Wednesday, May 31<sup>st</sup>, 2017

The Rosewood Common Room

Present: 6 Strata Lots  
Proxy: 6 Strata Lots  
Total: 12 Strata Lots

Holywell Properties: John Rathbone

Minutes: John Rathbone

1. **Call to Order:** The meeting was called to order at 7:03 PM. Voting cards were distributed. Strata Lot 32 made a motion for John Rathbone of Holywell Properties to chair the meeting; seconded by Strata Lot #26. Motion carried.
2. **Calling of Roll and Certification of Proxies:** Six strata lots were represented in person and six strata lots were represented by proxy. Eleven strata lots were required to obtain quorum. Quorum was met.
3. **Filing of Proof of Notice of Meeting:** John Rathbone of Holywell Properties presented the proof of notice. Notice of the SGM was sent out via Canada Post on May 11<sup>th</sup>, 2017.
4. **Approval of Minutes of the Annual General Meeting Held September 28<sup>th</sup>, 2016:** Strata Lot #12 made a motion to approve the minutes as circulated; seconded by Strata Lot #9. Motion carried with all in favour.
5. **Review and Approval, by a Majority Vote, The Resolution for Installation of Security Cameras:** After having to address many occurrences of theft and vandalism, the strata council have decided to install a security camera system. With the increasing cost of cleaning and repairing of damaged walls, doors, furniture and replacement from the theft/damage of the items like fire extinguishers; furniture etc. council finds it necessary to take measures to protect the Rosewood's common property and the residents/owners. Many owners/residents have expressed their concerns that this is has been happening.

WHEREAS pursuant to s. 96 of the Strata Property Act, S.B.C 1998, c. 43 (the "Act"), a strata corporation must not spend money from the contingency reserve fund unless first approved by a resolution passed by a majority vote at an annual or special general meeting, if the expenditure is related to the repair, maintenance or replacement, as recommended in the most current depreciation report;

**BE IT RESOLVED** by a  $\frac{3}{4}$  vote of THE OWNERS, STRATA PLAN BCS 2559 (the "Strata Corporation"), pursuant to s. 96 of the Act, that the Strata Corporation approves the expenditure of up to \$5,000 (five thousand dollars) from the Contingency Reserve for the purchase and the

*installation of a security camera system in the areas of the apartment building and townhouses as required.*

Strata Lot #6 made a motion to approve the resolution; seconded by Strata Lot #12. Motion carried with 11 voting in favour with one abstention. The resolution is approved.

- 6. Review and Approval, by a Majority Vote, The Resolution for a Structural Engineering Inspection:** Our 10-year building warranty coverage will be expiring soon, a structural engineering inspection is necessary in order for the strata to submit claims if warranted.

WHEREAS pursuant to s. 96 of the Strata Property Act, S.B.C 1998, c. 43 (the "Act"), a strata corporation must not spend money from the contingency reserve fund unless first approved by a resolution passed by a majority vote at an annual or special general meeting, if the expenditure is related to the repair, maintenance or replacement, as recommended in the most current depreciation report;

***BE IT RESOLVED*** by a 3/4 vote of THE OWNERS, STRATA PLAN BCS 2559 (the "Strata Corporation"), pursuant to s. 96 of the Act, that the Strata Corporation approves the expenditure of up to \$4,000 (four thousand dollars) from the Contingency Reserve for having a structural engineering inspection of the Rosewood buildings.

Strata Lot #32 made a motion to approve the resolution; seconded by Strata Lot #13. Motion carried with all in favor. The resolution is approved unanimously

**7. Other Business:**

- a. **Parking:** Discussion of the parking in general and the towing of vehicles parked in the handicapped parking spots. Strata Council has been dealing with this problem. It may take a redesigning of the parking spots.
- b. **Snow Removal:** Owners discussed the problems they experienced this past winter. The long winter caused lots of problems because the Sunshine Coast does not have enough qualified operators to handle this type of winter snowfall. Some owners suggested that the owners/residents could have spread salt that was in the electrical room.

- 8. Termination:** Motion by Strata Lot 32 to adjourn seconded Strata Lot 13. The meeting was adjourned at 7:35 PM.