Depreciation Report | Project 8770.000

Skyline, 924 Esquimalt Road, Victoria, BC

To: Strata Plan EPS988
c/o Proline Management Ltd.
201 - 20 Burnside Road West
Victoria BC V9A 1B3

Site Visit: February 11, 2016
Submitted: June 28, 2016 by
RDH Building Science Inc.
3795 Carey Road #500
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1 Introduction

RDH Building Science Inc. (RDH) was retained by Strata Plan EPS988 (the Owners) to prepare a Depreciation Report (the Report) for the building known as Skyline, which is located at 924 Esquimalt Road, Victoria, BC. The Report considers the common property and limited common property components (the Assets) that the Strata Corporation is responsible to maintain, repair, and replace.

The Report is intended to help the Owners, the strata council, and the management team make informed decisions about the allocation of resources to the common property Assets (such as roofs, fences, and paving).

This Report meets the requirements stipulated in the current Strata Property Act and Regulations. The Report includes a physical inventory of the common property assets; estimated costs for capital expenditures over a 30 year horizon; and four funding models. Refer to the appendices for RDH's qualifications and information on errors and omissions insurance. In accordance with the requirements of the Act, RDH declares that there is no relationship between the employees at RDH and the Owners.

A site visit was completed on February 11, 2016, and the financial data is based on the 2015/2016 fiscal year. A draft report was distributed to the strata council and strata management on April 27, 2016. Feedback from the strata council, received on June 17, 2016, was incorporated into the report, and the final report was issued on June 28, 2016.

The Depreciation Report is a synopsis of a significant volume of data and has two parts: the summary and the appendices. The summary is intended to provide an overview of the Depreciation Report. The appendices provide detailed information to support the summary report. The appendices include a glossary of terms. Words that are *italicized* are defined in the glossary.

In addition to the Report, the supporting data are available to authorized users through RDH's interactive Building Asset Management Services (BAMS) software, posted on a secure website. The data is owned by the Strata Corporation and can be printed and/or exported on request. RDH has developed the interactive software tool to enable Owners to proactively manage their funding requirements and maintenance obligations, and a variety of other services in addition to the Depreciation Report are available.

As the physical and financial status of the Assets changes, the Report will require updating. The Strata Property Act requires updates to the Report every three years; however, the Strata Corporation can choose to update portions of the Report to reflect changes to their financial status and completed work more frequently at their discretion.

2 Skyline

Skyline is a 3-year-old strata complex, with one building that is typically of wood-framed construction.

The principal systems in the building include the building enclosure (the separation of the interior from exterior space), electrical (the electrical, communications and security equipment), mechanical (heating and plumbing), elevator, fire safety (sprinklers, fire detection, and egress equipment), interior finishes, amenities, and site work. The Assets within each system are described in detail in Appendix B.

Key physical parameters of Skyline are summarized in Table 2.1.

TABLE 2.1 KEY PHYSICAL PARAMETERS

Date of first occupancy (approximate)	2013
Gross floor area, including the parking garage (ft²)	56,100
Stories above grade	6
Total number of strata lots	58

Figure 2.1 North Elevation photograph of 924 Esquimalt Road.

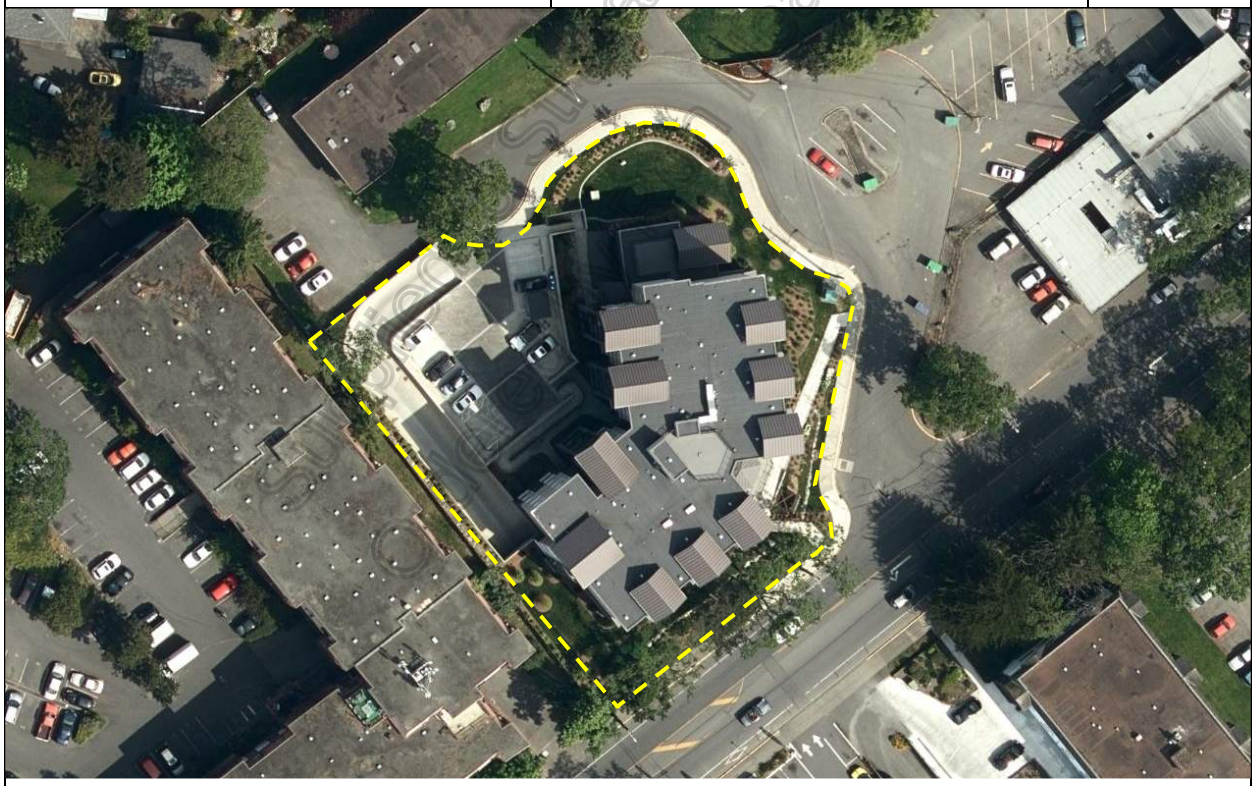


Figure 2.2 Aerial photograph of 924 Esquimalt Road, showing site boundary (© CRD Atlas 2015).

3 Assessments

Depreciation Reports combine two distinct types of analysis: a *physical assessment,* and a *financial assessment.* The assessments are used to determine what the Strata Corporation owns, what condition the Assets are in, what the strata is responsible for, and the *capital costs* associated with the Assets.

3.1 Physical Assessment

The physical assessment has two parts: an inventory and an evaluation.

The *Asset Inventory* identifies "the common property, the common assets and those parts of a strata lot or limited common property, or both, that the Strata Corporation is responsible to maintain or repair under the Act, the Strata Corporation's bylaws or an agreement with an owner" (*Strata Property Act Regulation,* BC Reg 43/2000, Ch. 6.2). In other words, it identifies what the Strata Corporation owns and must repair and maintain. The Asset Inventory is included as an appendix to this report.

The evaluation is used to forecast common repairs, replacements and maintenance activities that "usually occur less often than once a year or that do not usually occur" (*Strata Property Act Regulation*, BC Reg 43/2000, Ch.6.2). In other words, the evaluation predicts only events that occur at intervals greater than one year.

The evaluation is typically based on:

- A review of historical documentation such as minutes and invoices,
- Discussions with Strata Corporation representatives,
- A visual review of the building, limited to a sample of readily accessible Assets, and
- A review of other technical information such as construction drawings, previous investigations or reports, and maintenance manuals.

Destructive testing, disassembly, and performance testing are not included in the physical evaluation; this report does not replace a Warranty Review or Condition Assessment. Please visit www.rdh.com for additional information on Warranty Reviews and Condition Assessments.

Failure of some Assets may be concealed, for example, buried infrastructure such as sanitary drainage lines or building enclosure assets such as cladding. For Assets with the potential for concealed failure, a number of tools are used to assign a reasonable expected service life including the typical performance of the asset in other, similar properties; the performance history reported by the Strata Corporation; the original drawings; and any previous investigation reports commissioned by the Strata Corporation. It is expected that the Strata Corporation will need more detailed reviews as Assets approach the end of their service lives. Allowances for additional reviews or investigations are included as appropriate. Recommendations taken from any additional reviews should be incorporated into future Depreciation Report updates.

Skyline is relatively young, and aside from addressing any deficiencies from the original construction, few renewals have taken place. On February 11, 2016, two representatives of RDH Building Science Inc. visited the site to visually review the Assets. While the Depreciation Report does not constitute a maintenance review or condition assessment, some observations regarding the general condition, design, and construction of the Assets were made as part of the visual review. Table 3.1 includes examples of some observations made during the site review.

TABLE 3.1 OBSERVATIONS BY SYSTEM	
SYSTEM	OBSERVATION
Building Enclosure	→ There are large and moderate overhangs at most areas that protect the cladding and windows on upper floors from direct exposure to rain and sun.
Fire Safety	→ Items are stored on top of the wood lockers in the common storage room.
Mechanical	→ Few cleanouts were observed on the perimeter drainage or exterior storm drainage systems.
Interior Finishes	→ The interior finishes are in good condition.

3.2 Financial Assessment

The financial assessment estimates the future costs associated with the Assets, and examines how future funding requirements will be affected by current financial practises. More specifically, the financial assessment identifies:

- → The opening balance in the *Contingency Reserve Fund* (CRF).
- → The estimated value of capital expenditures, expressed in *Current Year Dollars* (CYD).
- → The estimated future value of capital expenditures, expressed in *Future Year Dollars* (FYD). These costs are calculated by applying an inflation rate (2% per year) to the current costs.

The future value of major maintenance and renewals costs can be compared against the building reproduction cost. The building reproduction cost is the cost to reproduce the building in similar materials, in accordance with the most recent insurance appraisal.

The financial assessment begins with a review of the current financial situation of the Strata Corporation. Table 3.2 below summarizes the key financial parameters reviewed as part of the financial assessment.

TABLE 3.2 KEY FINANCIAL PARAMETERS	
PARAMETER	INITIAL STUDY (2016)
Fiscal year end	September 30 2016
Building reproduction cost	$11,793,000
Operating fund (excluding CRF contribution)	$148,725
Annual CRF contribution	$14,873
Opening Balance of the CRF*	$49,774

**The CRF balance is current as of the beginning of the current fiscal year.*

Depreciation Reports include capital costs only: the costs for activities that occur at intervals greater than one year. Activities that occur annually or more frequently than once a year are considered operating expenses and are not included in the Depreciation Report funding models and calculations.

Capital costs can be distributed into three general categories:

→ *Catch-up costs*. The cost to complete any deferred maintenance and renewals

→ *Keep-up costs*. The cost to complete planned cyclical maintenance and renewals

→ *Get-ahead costs*. The cost to adapt, upgrade and improve

The Depreciation Report is based on keep-up costs. Get-ahead costs (improvements) may also be included, but only if they are required to meet changing codes or standards.

Costs are considered *Class D* estimates (±50%), as defined by the Association of Professional Engineers and Geoscientists of British Columbia (APEGBC), or unless noted otherwise. Unless otherwise noted, soft costs, such as consulting fees and contingency allowances are not included, because these costs are highly dependent on the scope of work for a particular project.

The cost estimates in the Depreciation Report are a starting point for the capital planning process, and can help Strata Corporations make preliminary decisions about how and when to implement projects. These cost estimates will be refined as the Strata Corporation makes decisions such as what is included or excluded in a project, and if Assets will be improved or changed.

The current value of many major maintenance and renewal activities is calculated by multiplying the quantity of an Asset by standard unit rates (for example, the cost per square foot or cost per linear foot). Quantities are measured from the construction documents provided and visual observations on site. The unit rates are based on historical information, construction trends, information from contractors, and other sources as appropriate. Unit rates will fluctuate over time. Basic unit rates are adjusted for the relative complexity of the property. A detailed list of activities and their associated costs is provided in the appendices of this report. The major maintenance and renewal costs included in Appendix D are for events forecasted within the 30-year planning horizon. Events beyond the horizon are excluded.

4 Expenditures

Maintenance refers to activities that preserve the Assets, to ensure the Assets will last their predicted service lives and perform as expected. *Renewal* refers to the replacement or refurbishment of an Asset at the end of its useful service life.

Major maintenance refers to maintenance that occurs at intervals greater than one year, for example, every 18 months, two years, five years, etc. (less frequently than once a year). Major maintenance typically includes activities such as testing and inspecting, and is considered a capital expense. Minor maintenance includes maintenance activities that occur once a year or more frequently such as quarterly or monthly. The costs associated with *major maintenance and renewals* are included in the Depreciation Report funding models. Costs associated with minor maintenance are included in the Strata Corporation's operating fund and not in this report.

4.1 Major Maintenance and Renewals Expenditures

Skyline is now approximately three years old, and has not yet replaced many Assets. As the building ages, few significant renewal expenditures can be anticipated in the next 10 years. Table 4.1 below summarizes all major maintenance and renewal costs by system, including costs forecast for the next 30 years.

TABLE 4.1 CAPITAL EXPENDITURES SUMMARY BY SYSTEM

SYSTEM	10 YEAR CAPITAL COSTS	10 YEAR CAPITAL COSTS (WITH 2% INFLATION)	30 YEAR CAPITAL COSTS	30 YEAR CAPITAL COSTS (WITH 2% INFLATION)
Building Enclosure	$83,000	$94,000	$700,000	$980,000
Electrical	$16,000	$19,000	$68,000	$96,000
Mechanical	$11,000	$13,000	$83,000	$120,000
Elevator	$0	$0	$180,000	$280,000
Fire Safety	$15,000	$18,000	$60,000	$86,000
Interior Finishes	$53,000	$61,000	$250,000	$370,000
Amenities	$0	$0	$6,500	$11,000
Sitework	$7,800	$8,700	$28,000	$39,000
Building Total	**$185,800**	**$213,700**	**$1,375,500**	**$1,982,000**

Approximately 12% of the Strata Corporation's capital expenditures will occur in the next 10 years. The distribution of estimated capital expenditures over the next 10 years is shown in Figure 4.1 below.

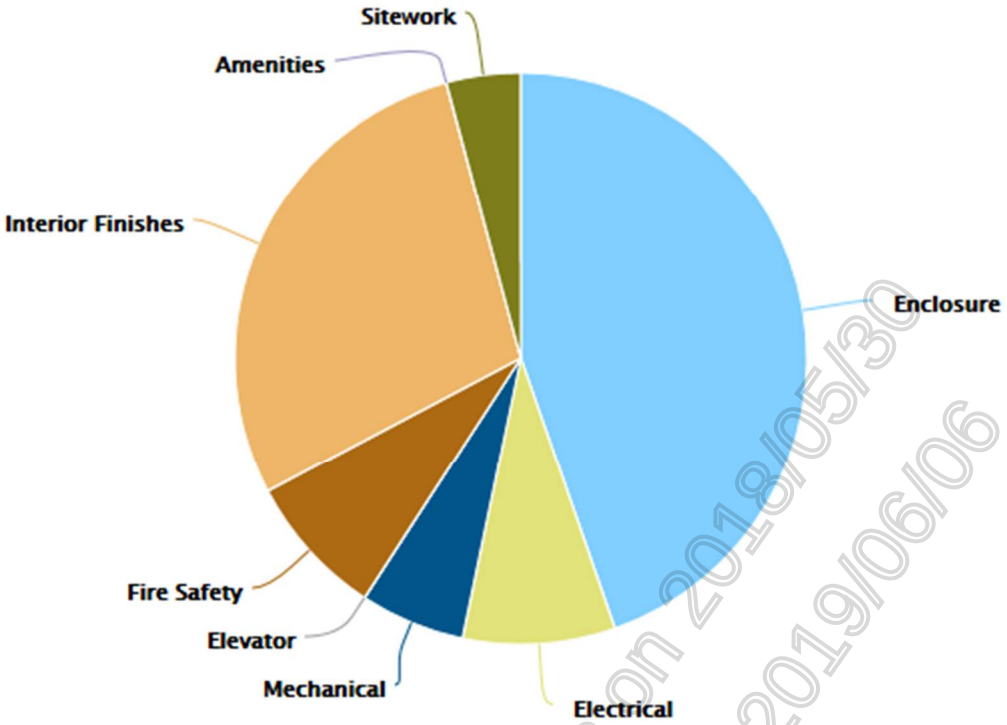


Figure 4.1 Distribution of estimated capital expenditures over 10 years by system.

Section 5 discusses the timing and size of renewal projects forecast for the next 30 years. A detailed list of each major maintenance and renewal activity, including the frequency and costs, expressed both in current year dollars (CYD) and in future year dollars including inflation rates (FYD), is available to Strata Corporation owners.

5 Major Maintenance and Renewals Planning Horizons

There are three common planning horizons, used for making different types of capital planning decisions:

- ***Strategic*** (30 years): The average service life of many of Assets is approximately 25 years (such as roofs) so a long-range view captures most renewal projects. In some cases, an asset may be replaced more than once in the 30 year horizon.
- ***Tactical*** (5-10 years): Many residential Owners will own their strata lot for less than 10 years; the tactical plan captures projects that may occur while current Owners still have an interest in the Strata Corporation.
- ***Operational*** (1 year): The annual operating period encompasses one fiscal cycle (12 months). Typically the budget is presented and approved at the annual general meeting (AGM) and will include any capital expenditures paid from the CRF, as well as the CRF contributions for the year. As a minimum, the decision on the CRF contribution should consider projects forecast for the next five to ten years.

5.1 Strategic Planning Horizon

Estimated major maintenance and renewal costs over the next 30 years are shown on the graph below (Figure 5.1). The red bars represent the estimated value of capital costs.

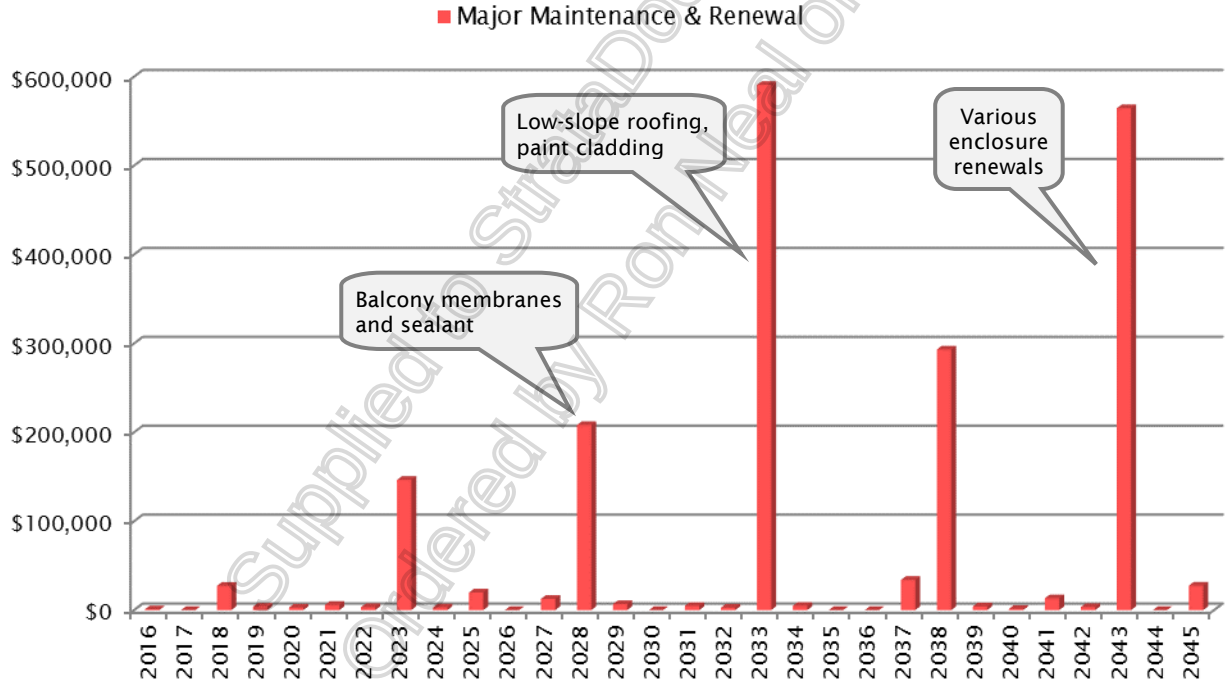


Figure 5.1 Strategic Forecast (30 Years) showing the approximate timing and value of capital expenditures

Each bar on the graph represents a collection of different major maintenance and renewal activities, each with different values. The labels on the graph summarize significant renewal expenditures forecast for that year. Detailed information about each year, including a description of the maintenance and renewal activities and estimated costs, is also available through the online version of the Depreciation Report, available through BAMS (please contact the strata council for additional information).

The strategic plan represents an estimate of future projects. The actual timing of projects will likely vary. Assets may be replaced earlier or later, depending on the quality of maintenance, in-service conditions and other factors. The Strata Corporation can anticipate changes to the strategic plan with each update of the Depreciation Report.

5.2 Tactical Planning Horizon

The graph below shows the projected major maintenance and renewal costs for the next ten years (Figure 5.2). Commonly, building managers refer to a five year tactical plan; however, a ten year plan allows the Strata Corporation to see a wider range of projects.

The bars indicate the years in which an event (or bundle of events) is most likely to occur as well as the total magnitude of major maintenance and renewal costs for that year and the costs broken down by system. Labels summarize renewals and major maintenance activities forecast for that year. The costs associated to correct any warranty defects are not included, nor are soft costs associated with project implementation, such as site access, design, or contract administration.

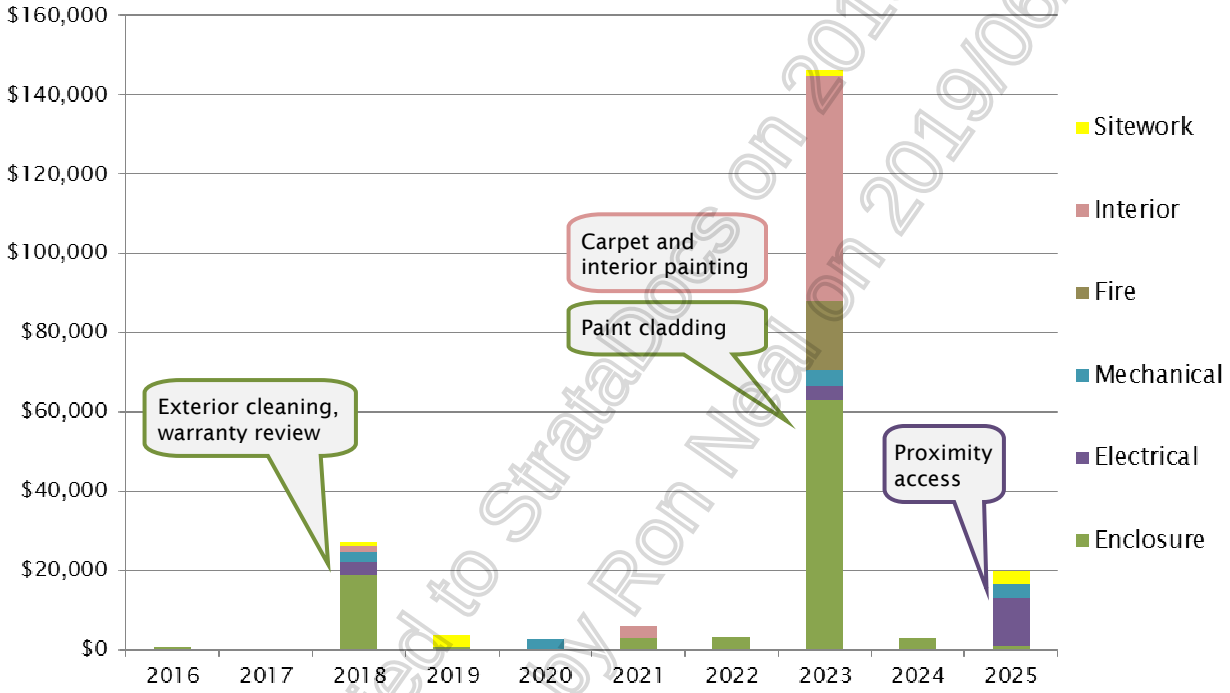


Figure 5.2 Tactical Forecast (10 years), showing the approximate timing and value of capital expenditures

The tactical plan above represents one of many possible approaches to planning major maintenance and renewal activities. The Strata Corporation can use this initial plan as a tool, a starting point to identify probable projects, priorities, and strategies. The actual cost, timing, and scope of projects will be determined by the Strata Corporation and may be reflected in updates to the Depreciation Report.

To help the Strata Corporation start the project planning process, Table 5.1 below categorizes some of the activities forecast for the next 10 years into different management strategies: Major maintenance, condition-based renewals, and time-based renewals. The list below is not comprehensive; more detailed information is available in the appendices and the online software.

TABLE 5.1 SUMMARY OF KEY PROJECTS WITHIN THE 10-YEAR TACTICAL PLAN
CATEGORY AND ACTIVITIES
Major Maintenance Major maintenance projects are intended to preserve the assets to achieve their full design life, and typically occur on a regular, predictable basis. → 2018: Cleaning of building enclosure assets: stone cladding, metal roofing, soffits. (5-year cycle.) → 2018: Conduct infrared scanning of electrical distribution system to verify that terminations are sound and operating temperatures of all conducting parts are within allowable limits. Correct any conditions contributing to overheating if it occurs. → 2018: Drainage system inspection: sanitary, perimeter/foundation, and site sewer: Insert video cameras into main lines to conduct pipe inspection (5-year cycle). → 2019: Re-coat/re-paint wood fencing (6-year cycle). → 2021: Re-coat wood columns at main entrance, fascias and gable roof members, and steel doors. → 2023: Re-coat fibre-reinforced cement board cladding. → 2023: Interior Finishes: Replace carpet in corridors. Re-paint wall surface and trim in corridors. → 2023: Perform 5-year extended warranty review in sufficient time prior to expiration of warranty period for certain portions of the work. Prepare list of any deficiencies for correction
Condition Based Renewals Assets are kept in service as long as possible, but the intent is to replace them before they fail. Condition-based strategies require Assets be periodically reviewed in detail, potentially with some testing, in order to predict when failure is likely. The actual timing of renewals in this category may be determined by the results of an assessment, or by other project planning considerations. → 2020: Replace overhead gate motor and drive unit → 2023: Dry Sprinklers, Wet System (on building exterior): Replace all heads, or submit representative sample of heads for testing by recognised testing agency, to the satisfaction of the authority having jurisdiction, in accordance with NFPA 25. → 2025: Cyclical replacement of failed or damaged general purpose exhaust fans, as required.
Time Based Renewals Assets are replaced on a regular, time-based schedule. This strategy is used when there is low tolerance for failure or out of service conditions. Components, materials or assemblies are typically replaced or refurbished at fixed intervals. Assets that have not been assessed are also included in time-based. → 2025: Modernize components of the proximity access control system, excluding field wiring, as required by technological obsolescence.

In addition to the three categories mentioned above, the Strata Corporation may also elect to replace some Assets only once they have failed, or upon imminent failure. This strategy is known as *run to failure*. This strategy is only appropriate when failure does not create a safety hazard, will not result in damage to other property, and does not affect the operations of the building. The Strata Corporation should still have funds available to replace assets within this category.

5.3 Operational Planning Horizon

Aside from the correction of some warranty defects that have been referred to the developer, there are no significant renewal projects or major maintenance projects forecast for the next fiscal year.

5.4 Project Implementation

The projects identified in the previous section represent a preliminary step that is only intended to help the Strata Corporation identify, prioritize and plan projects. Most significant renewal projects identified in the Depreciation Report will subsequently go through four basic steps before implementing the work: Assessment, Design, Documentation, and Quotation.

- → Assessment – Determines what work must be done, what should be done and what could be done in general terms. The evaluation will help the Strata Corporation understand the risks and opportunities associated with deferring or implementing renewals work.
- → Design – Refines the recommendations from the evaluation, and defines what work will be done in a specific project. The Design may include recommendations for different project strategies such as phasing or bundling projects, or may include recommendations for upgrades.
- → Documentation – Describes the project in enough technical detail to get competitive pricing.
- → Quotation – Obtains competitive pricing from different contractors or service providers to perform the work described in the documents, including alternate prices for optional work.

The time period for each step can range from a few days to a few months or more, depending on the scale of the project under consideration. The budget and scope of work will be refined in each step. Most estimates currently included in the Depreciation Report are considered Class D (±50%) due to the lack of information regarding specific projects and are based on a number of general assumptions regarding scopes of work.

The Owners can implement projects in a variety of ways, including:

- → *Targeted Projects*. These projects are localized to particular portions of the building. Different exposure conditions and wear patterns may require that only some sections of the building require renewal at one point in time.
  Example: the carpets in stairwells would be replaced at a different time to the hallway carpets due to additional wear in high traffic locations.
- → *Phased Projects*. These projects are carried out in multiple stages rather than as a single coordinated project. Phased projects can reduce the financial burden by spreading the costs over a longer time period.
  Example: the sealant could be renewed on one elevation in the first year and then on the other elevations in subsequent years.
- → *Comprehensive Projects*. These projects are implemented as one coordinated undertaking. Comprehensive projects may allow the Strata Corporation to leverage the best economies of scale, shorten the overall duration, and lower the overall costs.
  Example: all wood trim is repainted in all locations around the building at the same time.
- → *Bundled Projects*. These projects bundle or combine various related renewals activities (e.g. renewals that are located in close physical proximity, or that require the same type of trade workers). Bundled projects may allow the Strata Corporation to leverage economies of scale and lower the overall costs, improve the quality of the work, and incorporate upgrades.
  Example: the exterior wood trim and cladding are repainted when the sealant is replaced.

The scope of the Depreciation Report does not compare different implementation methods.

6 Funding Scenarios

The physical and financial assessments were used to create a tentative schedule and budget for forecasted major maintenance and renewal projects. Within this section *funding scenarios*, also known as *funding models*, based on different annual contributions to the contingency reserve fund (CRF) are presented.

The process of developing funding scenarios for a Depreciation Report is outlined below in Figure 6.1.

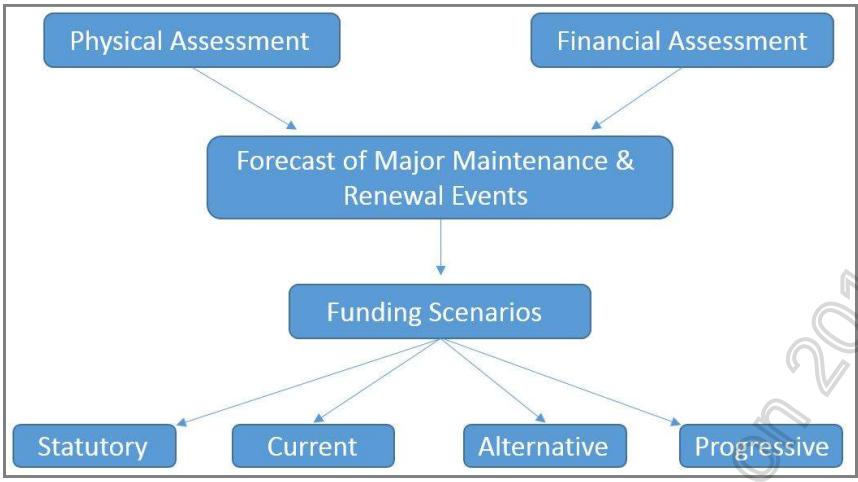


Figure 6.1 Depreciation Report Processes

Strata council can use the funding scenarios provided to develop a funding scenario that fits with their current goals.

The Strata Corporation can use the funding scenarios as benchmarks to develop an appropriate funding strategy, based on their tolerance for risk and desired standard of care for the property. RDH provides the tools so the Owners can determine a CRF contribution that suits their needs.

6.1 Minimum Funding Requirements

The Strata Property Act Regulations dictates that if the CRF closing balance is less than 25% of the operating fund, then the Strata Corporation must contribute either the difference between the balance and 25% of the operating fund, or up to 10% of the operating fund (*Strata Property Act Regulation*, BC Reg 43/2000, Ch. 6.1). Table 6.1 below shows the calculation to confirm the Strata Corporation meets the minimum requirements set out in the Strata Property Act Regulation.

TABLE 6.1 MINIMUM FUNDING REQUIREMENT CALCULATION

PARAMETER	VALUE
2015/16 operating fund (excluding CRF contribution)	$ 148,725
→ 25% of the operating fund	$ 37,181
→ 10% of the operating fund	$ 14,873
2014/15 CRF closing balance	$ 49,774
2015/16 CRF Contribution	$ 14,873
Will the CRF closing balance exceed 25% of the operating fund at the end of the fiscal year?	Yes
Does the CRF contribution exceed 10% of the operating fund?	Yes

Although the Strata Corporation meets the statutory minimum contribution to the CRF, it is important to note that the statutory guideline is not a good measure of the financial preparedness of the corporation. If the Owners wish to avoid special levies, or to reduce the number and size of the levies, then increases to the CRF contributions will need to be made over the upcoming years.

6.2 Funding Scenario Comparison

The funding scenarios below compare the financial impact of different funding levels over the next 30 years. The scenarios serve as a sensitivity analysis that allow the Strata Corporation to evaluate how changes to the contingency reserve fund impact the number and size of special levies. The actual size and timing of special levies will be affected by how the Strata Corporation chooses to implement the renewal projects.

While there are many different scenarios that can be generated, Table 6.2 compares the following four:

- → ***Statutory***. The CRF allocation required to meet the statutory requirements in BC, as described in section 6.1 above. The statutory scenario represents the lower bound for the CRF allocation amount.
- → ***Current (2015/2016)***. The CRF allocation that was approved by the Owners at the last Annual General Meeting. The current allocation is also known as the status quo.
- → ***Alternate***. An increase from the status quo. The alternate is just one of many possible scenarios for a new funding level in the next fiscal year.
- → ***Progressive***. This is the annual allocation that would have been set aside since the first year of operations to ensure that the reserve balance would have been sufficient to avoid any special assessments over a 30-year period. The progressive reserve allocation is an idealistic target that typically represents an upper bound for the amount allocated to the CRF.

TABLE 6.2 COMPARISON OF DIFFERENT FUNDING SCENARIOS

	STATUTORY	CURRENT	ALTERNATE	PROGRESSIVE
Annual CRF allocation	$14,873	$14,873	$25,000	$96,000
Percent of progressive reserve	15 %	15 %	26 %	100 %
CRF contribution per average strata lot				
Per month	$21.37	$21.37	$35.92	$137.93
Per year	$256.42	$256.42	$431.03	$1,655.17
Approximate number of special levies (over 30 years)	5	5	4	0
Approximate value of special levies (over 30 years)	$1.6 M	$1.5 M	$1.2 M	$0.0 M
Assumed rate of inflation	2 %	2 %	2 %	2 %
Assumed interest rate earned on CRF balance	0 %	0 %	0 %	0 %

The following sections of the report provide more detailed information about each funding scenario, including a graph showing the closing balance of the CRF, annual CRF contributions, and the approximate value of special levies. Tables with ten years of cash flow data are also provided.

The appendices to the report include 30 years of cash flow data for each funding scenario.

6.3 Statutory Funding Scenario

The first scenario is based on the minimum funding level required by the Strata Property Act Regulation, as described in section 0 above. The scenario is based on a variable annual CRF contribution over the 30-year planning horizon; when the CRF closing balance is greater than 25% of the current operating fund, no funds are deposited into the CRF.

TABLE 6.3 STATUTORY FUNDING SCENARIO: CASH FLOW TABLE

FISCAL YEAR	CRF OPENING BALANCE	RESERVE CONTRIBUTION	SPECIAL LEVY	RESERVE INCOME	RENEWAL COSTS	CRF CLOSING BALANCE
2016	$49,774	$0	$0	$0	$820	$48,954
2017	$48,954	$0	$0	$0	$0	$48,954
2018	$48,954	$0	$0	$0	$27,270	$21,684
2019	$21,684	$14,873	$0	$0	$3,670	$32,887
2020	$32,887	$4,295	$0	$0	$2,700	$34,481
2021	$34,481	$2,700	$0	$0	$5,750	$31,431
2022	$31,431	$5,750	$0	$0	$3,220	$33,961
2023	$33,961	$3,220	$109,219	$0	$146,400	$0
2024	$0	$14,873	$0	$0	$2,900	$11,973
2025	$11,973	$14,873	$0	$0	$19,680	$7,165

The graph below shows the annual contribution to the CRF, the closing balance of the CRF, and the size of the special levies forecast for the next 30 years.

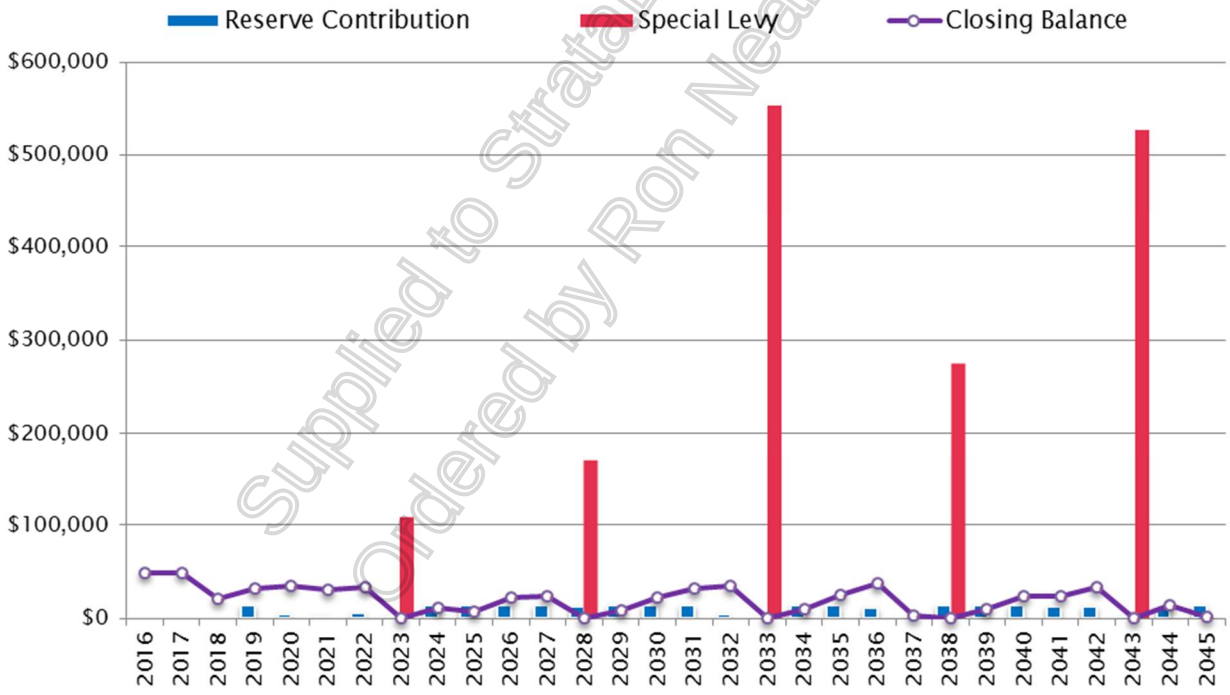


Figure 6.2 CRF balance, contribution and special levies based on the statutory minimum funding.

The minimum CRF contributions required by the Strata Property Act Regulation will result in numerous special levies, and is generally not considered adequate as a long-term funding strategy.

6.4 Current (2015/16) Funding Scenario

The current funding scenario is based on the CRF contribution approved by the Owners at the last annual general meeting (2015). The scenario is based on a fixed annual CRF contribution (with no increases).

TABLE 6.4 CURRENT (2015/16) FUNDING SCENARIO: CASH FLOW TABLE

FISCAL YEAR	CRF OPENING BALANCE	RESERVE CONTRIBUTION	SPECIAL LEVY	RESERVE INCOME	RENEWAL COSTS	CRF CLOSING BALANCE
2016	$49,774	$14,873	$0	$0	$820	$63,827
2017	$63,827	$14,873	$0	$0	$0	$78,699
2018	$78,699	$14,873	$0	$0	$27,270	$66,302
2019	$66,302	$14,873	$0	$0	$3,670	$77,504
2020	$77,504	$14,873	$0	$0	$2,700	$89,677
2021	$89,677	$14,873	$0	$0	$5,750	$98,799
2022	$98,799	$14,873	$0	$0	$3,220	$110,452
2023	$110,452	$14,873	$21,076	$0	$146,400	$0
2024	$0	$14,873	$0	$0	$2,900	$11,973
2025	$11,973	$14,873	$0	$0	$19,680	$7,165

The graph below shows the annual contribution to the CRF, the closing balance of the CRF, and the size of the special levies forecast for the next 30 years.

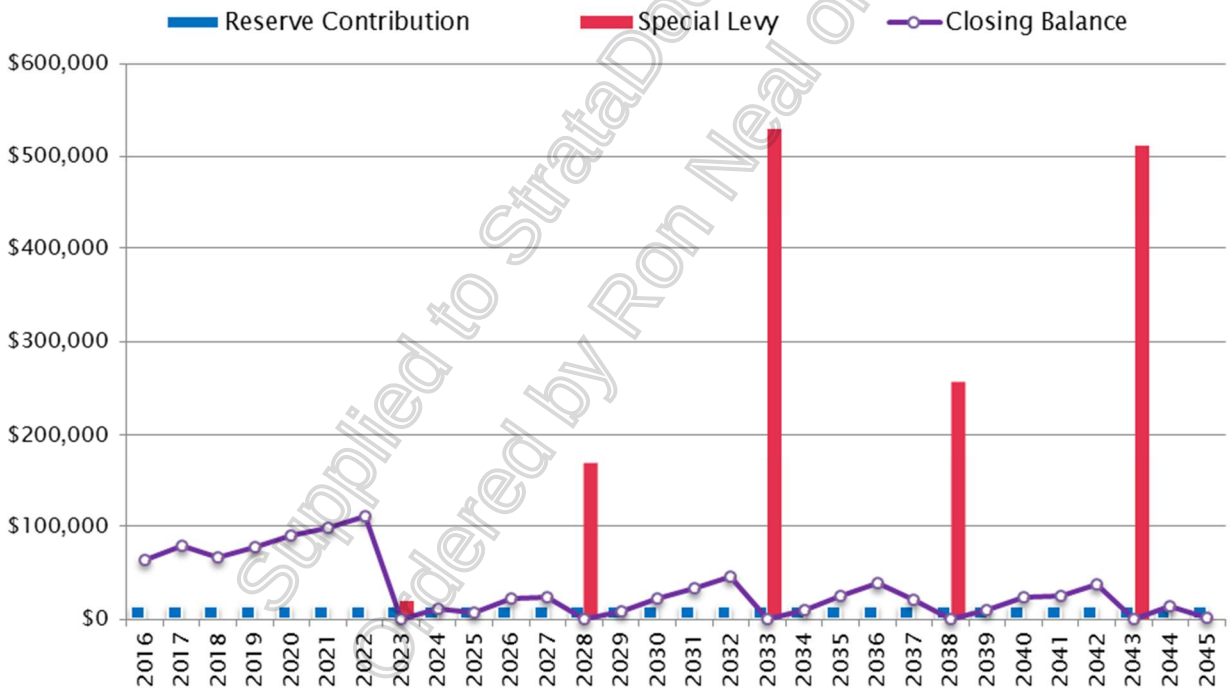


Figure 6.3 CRF balance, contribution, and special levies based on the current funding.

The Strata Corporation is making the minimum contributions to the CRF. If the Strata Corporation wishes to reduce the number and size of special levies, then increases will need to be made over the upcoming years.

6.5 Alternate Funding Scenario

The alternate funding scenario is based on a fixed annual CRF contribution that is $10 higher per unit per month than the current funding level.

TABLE 6.5 ALTERNATE FUNDING SCENARIO: CASH FLOW TABLE

FISCAL YEAR	CRF OPENING BALANCE	RESERVE CONTRIBUTION	SPECIAL LEVY	RESERVE INCOME	RENEWAL COSTS	CRF CLOSING BALANCE
2016	$49,774	$25,000	$0	$0	$820	$73,954
2017	$73,954	$25,000	$0	$0	$0	$98,954
2018	$98,954	$25,000	$0	$0	$27,270	$96,684
2019	$96,684	$25,000	$0	$0	$3,670	$118,014
2020	$118,014	$25,000	$0	$0	$2,700	$140,314
2021	$140,314	$25,000	$0	$0	$5,750	$159,564
2022	$159,564	$25,000	$0	$0	$3,220	$181,344
2023	$181,344	$25,000	$0	$0	$146,400	$59,944
2024	$59,944	$25,000	$0	$0	$2,900	$82,044
2025	$82,044	$25,000	$0	$0	$19,680	$87,364

The alternate funding scenario eliminates some of the smaller levies, but it is not adequate to offset all the special levies over the 30-year planning horizon. The graph below shows the annual contribution to the CRF, the closing balance of the CRF, and the size of the special levies forecast for the next 30 years.

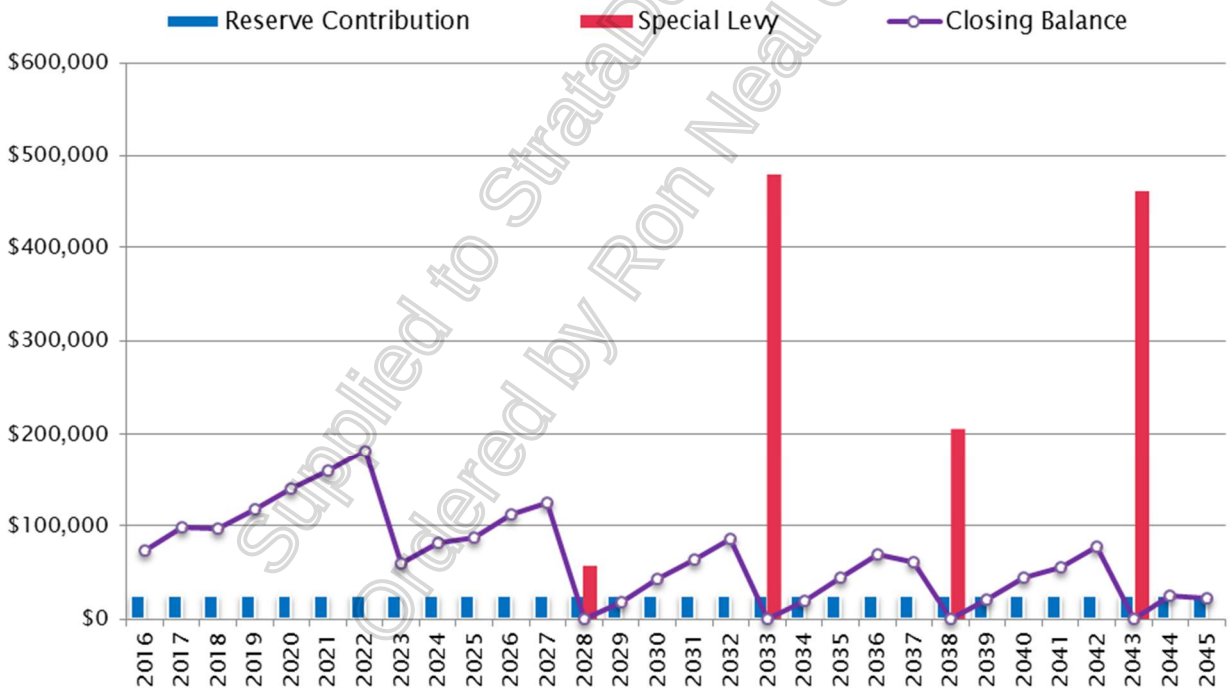


Figure 6.4 CRF balance, contribution and special levies based on the alternate CRF allocation.

6.6 Progressive Funding Scenario

The progressive funding scenario is based on a fixed annual CRF contribution.

TABLE 6.6 PROGRESSIVE FUNDING SCENARIO: CASH FLOW TABLE

FISCAL YEAR	CRF OPENING BALANCE	RESERVE CONTRIBUTION	SPECIAL LEVY	RESERVE INCOME	RENEWAL COSTS	CRF CLOSING BALANCE
2016	$49,774	$96,000	$0	$0	$820	$144,954
2017	$144,954	$96,000	$0	$0	$0	$240,954
2018	$240,954	$96,000	$0	$0	$27,270	$309,684
2019	$309,684	$96,000	$0	$0	$3,670	$402,014
2020	$402,014	$96,000	$0	$0	$2,700	$495,314
2021	$495,314	$96,000	$0	$0	$5,750	$585,564
2022	$585,564	$96,000	$0	$0	$3,220	$678,344
2023	$678,344	$96,000	$0	$0	$146,400	$627,944
2024	$627,944	$96,000	$0	$0	$2,900	$721,044
2025	$721,044	$96,000	$0	$0	$19,680	$797,364

The progressive reserve would eliminate all special levies over the 30-year planning horizon. The graph below shows the annual contribution to the CRF and the closing balance of the CRF forecast for the next 30 years.

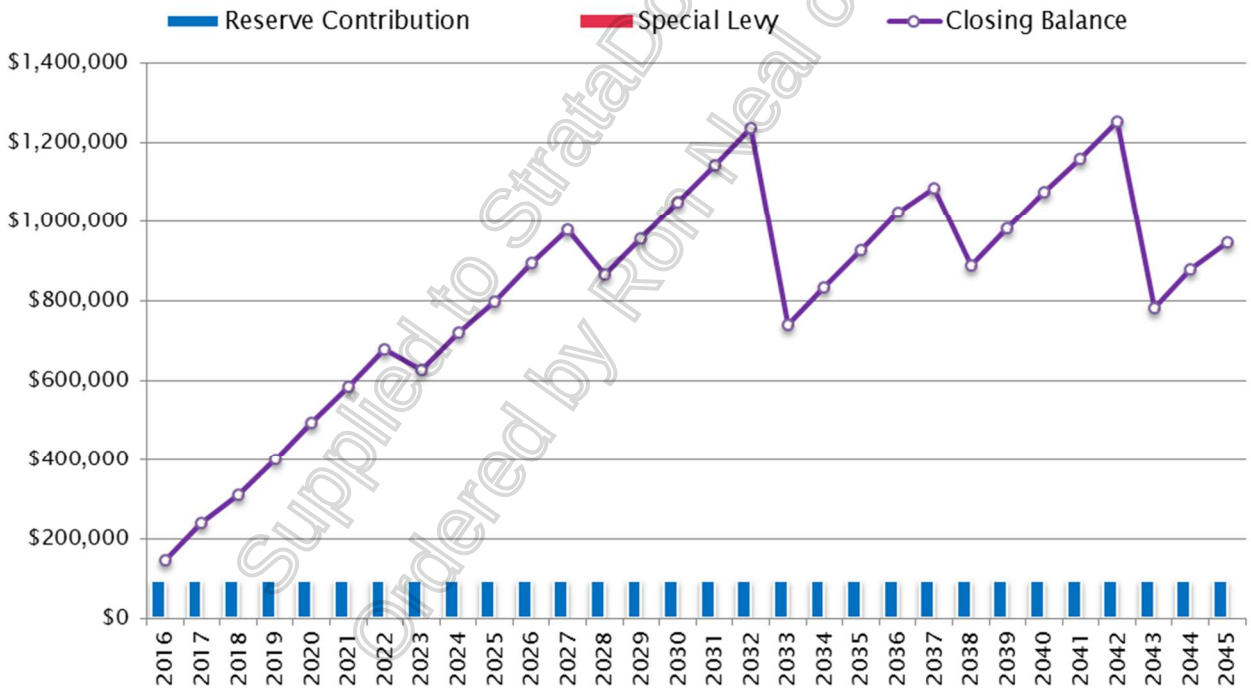


Figure 6.5 CRF balance, contribution and special levies based on a progressive reserve allocation.

7 Next Steps

The Depreciation Report identifies the predictable major maintenance and renewal expenditures that Skyline is likely to encounter over the next 30 years. Estimated timelines have been provided to assist the Strata Corporation with the planning process; however the Depreciation Report should be considered a first step when planning for renewals. Funding scenarios have been developed to provide the Strata Corporation with an objective basis for determining appropriate CRF contributions.

Skyline is a 3-year-old building, and several significant enclosure assets will likely need major maintenance in the next 10 years. It is possible that the Strata Corporation will be able to avoid special levies in this time period if increases to the CRF contribution are made.

The recommendations below are intended to aid the Strata Corporation in the next steps of the renewals planning process.

Recommendations

- **Asset Replacement Policy**. Using the Asset Inventory, develop an asset replacement policy. The policy would assign replacement strategies (run-to-failure, condition-based, or time-based) to assets.
- **Maintenance Plan**. Using the Asset Inventory, develop a maintenance plan, or commission a maintenance plan through RDH. The maintenance plan should provide the Strata Corporation with information on how and when to implement different maintenance activities.
- **Operating vs. Capital Costs**. Identify those small capital items that are generally funded from the annual operating budget, such as exterior lighting etc. Update the Depreciation Report accordingly.
- **Project Planning**. The following projects have been identified as highest priority, and the Strata Corporation should consider completing these projects prior to the update of the Depreciation Report in three years' time.
  - Infrared scanning of the electrical distribution system.
  - Review the drainage lines by video scope.

Yours truly,

RDH Building Science Inc.

Appendix A

Glossary of Terms

Glossary

Annual Contribution – Funds allocated to the Reserve Fund each fiscal year. Sometimes referred to as the Annual Allocation. Determining the appropriate size of the Annual Allocation is aided with a Reserve Study (a Depreciation Report in B.C.).

Asset – An integrated assembly of multiple physical components, which requires periodic maintenance, repair and eventual renewal. Typical examples of assets are: roofs, boilers and hallway carpets.

Catch-up Costs – The costs associated with the accumulated backlog of deferred maintenance associated with the assets.

Chronological Age – The age of an asset relative to its date of installation (current year minus year of installation).

Classes of Cost Estimates – Until a project is actually constructed, a cost estimate represents the best judgement of the professional according to their experience and knowledge and the information available at the time. Its completeness and accuracy is influenced by many factors, including the project status and development stage. Estimates have a limited life and are subject to inflation and fluctuating market conditions. The precision of cost estimating is categorized into the following four classes and are as defined in guidelines prepared by the Association of Professional Engineers and Geoscientists of B.C. The percentage figures in parentheses refer to the level of precision or reliability of the cost estimates.

- → **Class A Estimate** (±10-15%): A detailed estimate based on quantity take-offs from final drawings and specifications. It is used to evaluate tenders or as a basis of cost control during day-labour construction.
- → **Class B Estimate** (±15-25%): An estimate prepared after site investigations and studies have been completed, and the major systems defined. It is based on a project brief and preliminary design. It is used for obtaining effective project approval and for budgetary control.
- → **Class C Estimate** (±25-40%): An estimate prepared with limited site information and based on probable conditions affecting the project. It represents the summation of all identifiable project elemental costs and is used for program planning, to establish a more specific definition of client needs and to obtain preliminary project approval.
- → **Class D Estimate** (±50%): A preliminary estimate which, due to little or no site information, indicates the approximate magnitude of cost of the proposed project, based on the client's broad requirements. This overall cost estimate may be derived from lump sum or unit costs for a similar project. It may be used in developing long term capital plans and for preliminary discussion of proposed capital projects.

Closing Balance – Alternatively referred to as the Starting Balance. The balance of funds remaining in the reserve account at the end of a fiscal period (Fiscal year end, calendar year or study period). The Closing Balance becomes the Opening Balance for the subsequent fiscal period.

Contingency Costs – An allowance for unexpected or unforeseen costs that may impact monies required for projects to maintain or replace assets. (Not to be confused with costs of Renewal or Major Maintenance projects which are paid for out of the Reserve Fund (otherwise known the Contingency Reserve Fund.)

Contribution Threshold - A dollar value which dictates the size of the Contingency Reserve Fund (CRF) contribution based on whether the accumulated CRF balance is greater than or less than the specified dollar value. For example, the Strata Property Act indicates that if the closing balance of the CRF at the end of the fiscal year is less than 25% of the operating budget for the next fiscal year, then the CRF contribution for the next fiscal year should be a minimum of 10% of the operating budget. In this case, the threshold is 25% of the operating budget.

Current Dollars – Dollars in the year they were actually received or paid, unadjusted for price changes.

Effective Age – An assessment of the age of an asset relative to its condition and how that condition may have accelerated or decelerated the chronological age of the asset (service life minus remaining service life).

Funding Model – A mathematical model used to establish an appropriate funding level for sustaining the assets in a building. Running a number of scenarios out of the funding model using different parameters (such as inflation rates and interest rates) can serve as a sensitivity analysis to determine the financial impact of different funding levels.

Future Dollars – The projected cost of future asset renewal projects, which accounts for inflation and escalation factors.

Get Ahead Costs – These are costs associated with adaptation of the building to counter the forces of retirement associated with different forms of obsolescence, such as:

- Functional obsolescence
- Legal obsolescence
- Style obsolescence

Some of the costs in this category are discretionary spending that result in either a change or an improvement to the existing strata building. This category includes projects to alter the physical plant for changes in use, codes and standards. Some typical examples include:

- Energy retrofits
- Code retrofits
- Hazardous material abatement
- Barrier free access retrofits
- Seismic Upgrades

Keep-up Costs – The monies required for renewal projects as each asset reaches the end of its useful service life. If an asset is not replaced at the end of its useful service life

and is kept in operation, through targeted repairs, then these costs get reclassified into the "catch-up" category.

Major Maintenance – Any maintenance work for common expenses that usually occurs less often than once a year or that do not usually occur. Major maintenance provides for the preservation of assets to ensure that they achieve their full intended service life.

Next Renewal Year - The forecasted date of asset replacement or renewal.

Opening Balance – Alternatively referred to as the Starting Balance. The amount of money in an account at the beginning of a fiscal period. Opening balances are derived from the balance sheet and are used in cash flow calculations in the Funding Model.

Operating Costs – Frequently recurring expenses that arise during the course of a single fiscal year and are paid from the operating budget as opposed to the Reserve Fund.

Operational Plan/Horizon (1 year) – The annual operating period encompasses one fiscal cycle (12 months). The Reserve Contribution in the operating budget should reflect the majority of the projects in the Tactical Plan (5 years) and ideally should also contemplate elements of the Strategic Plan (30 years).

Percent Funded – The ratio, at a particular point of time (typically the beginning of the fiscal year), of the actual or projected Reserve Fund balance to the accrued Reserve Fund balance, expressed as a percentage. For example: If the 100% funded balance is $100,000 and there is $76,000 in the Reserve Fund, the Reserve Fund is 76% funded.

Since funds can typically be allocated from one asset to another with ease, this parameter has no real meaning on an individual reserve component basis. The purpose of this parameter is to identify the relative strength or weakness of the entire Reserve Fund at a particular point in time. The value of this parameter is to provide a more stable measure of Reserve Fund strength, since cash in reserve may mean very different things to different governing bodies or Owner groups.

- **Poor Level.** When the Percent Funded falls to 0% - 30%, the current reserves may be considered to be at a 'poor' level. At this funding level, Special Levies are common. This is also commonly known as the Unfunded or Special Levy Model. The Owner Group does not have a Reserve Fund balance that will cover expected renewal costs and the only recourse is to raise funds by Special Levies to cover those costs when they become due.
- **Fair Level.** If the Percent Funded level is 31 to 70% then the current reserve may be considered to be in a mid-range level.
- **Good Level.** If the Percent Funded level is 70% or higher this is likely to be considered 'strong' because cash flow problems are rare.

Renewal – The replacement of an Asset as it reaches the end of its useful service life.

Renewal Cost – The cost required to replace an Asset, which is paid from the Reserve Fund, Special Levy or combination thereof.

Reserve Contribution – See Annual Contribution.

Reserve Fund – Also known as the Contingency Reserve Fund (CRF). The account in which the accumulated Annual Contributions are deposited and from which costs are withdrawn for Renewal projects and Major Maintenance projects.

Reserve Income – The interest earned from investing the money deposited in the Reserve Fund.

Reserve Study – Also referred to as a Reserve Fund Study or Depreciation Report in BC.

- → A long-range financial planning tool that identifies the current status of the Owners' Reserve Fund and recommends a stable and equitable funding plan to offset the costs of anticipated future major expenditures associated with replacement of the assets and major maintenance.
- → The purpose of the Reserve Study is to provide a plan for appropriate funding for renewal and major maintenance work.
- → While Reserve Studies provide analysis of the timing, costs and funding for renewal projects, they should ideally be supported by a maintenance plan that assists the Owners to plan for maintenance activities so that assets achieve their predicted service lives.

Service Life - The estimated period of time over which an asset (and its components or assembly) provides adequate performance and function.

Special Levy – Also referred to as a "Special Assessment". A financial levy to be paid by the Owner group to finance large-scale projects for major maintenance, repairs, renewal and rehabilitation of an asset, which occur as result of a shortfall in available funds and requires special decision making and approval procedures. A Reserve Study contains funding scenarios that assist the Owners in long-range financial planning.

Statutory Funding Model - A funding model which uses the Strata Property Act and Regulations to determine the minimum amount of money to contribute to the Contingency Reserve Fund on an annual basis.

Strategic Horizon – The longest of the three planning horizons, which typically covers the full study period of 30 years and identifies the long-term needs of the assets.

Style Obsolescence – When an asset is no longer desirable because it has fallen out of popular fashion, its style is obsolete. Some assets, particularly interior furnishings, reflect fashion cycles and can become out-dated.

Tactical Plan/Horizon – A period of planning for asset Renewal projects and Major Maintenance projects, which typically extends five years from the current year.

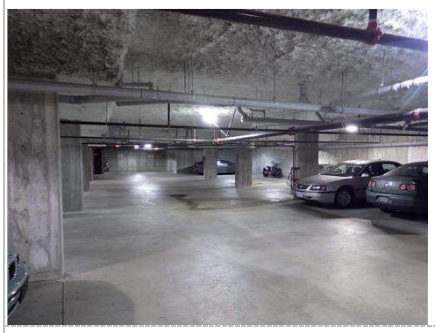
Appendix B

Asset Inventory

Skyline
Asset Inventory - 2016

Structural

Struct 01 - Concrete Foundation & Parkade Structure



Location

Foundation and parkade.

Description

Cast-in-place concrete building foundation and underground parking structure.

Information

Service Life:	100
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2113

Struct 02 - Wood Frame Structure

Location

Superstructure.

Description

Wood framed walls, floors, and roof structure. Two wood columns at the main entrance.

Information

Service Life:	100
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2113

Enclosure

Roofs & Decks

Encl 01 - Exposed SBS Membrane Roof

Location

Main low-sloped roof and lower roof at East side of building.

Description

Bituminous and modified bituminous membrane at low-slope roof. (Conventional assembly would include insulation and overlay board.) Common deck area at access door constructed with pressure treated framing on pedestals, synthetic wood decking and guard rails. (Guard rails are considered separately under asset Encl 04)

Information

Service Life:	20
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2033

Encl 02 - Sheet Metal Roof

Location

All sloped roofs.

Description

Pre-finished sheet steel panels with concealed fasteners and underlayment applied over (insulated) sheathing at sloped roof. Typically, gutters are provided at roof eaves to manage rainwater.

Information

Service Life:	40
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2053

Encl 03 - Aluminum Panel Soffit

Location
Underside of roof eaves and balconies.

Description
Perforated aluminum panel soffit.

Information

Service Life:	40
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2053

Fall Protection

Encl 04 - Guardrail Glazed Aluminum

Location
Balcony and roof deck perimeters.

Description
Aluminum posts and glass infill panels functioning as a protective barrier at the open sides of balconies and decks.

Information

Service Life:	40
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2053

Walls

Encl 05 - Cultured Stone Wall - Drained

Location
Secondary building cladding at lower levels.

Description
Cultured stone applied with mortar onto base coat.

Information

Service Life:	50
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2063

Encl 06 - Fibre-Reinforced Cement Board Cladding

Location
Principal cladding system, on all elevations.

Description
Fibre-reinforced cement board cladding, lap siding and horizontal panel configurations, installed on wood strapping over building paper and wood sheathing. Asset also includes associated wood trims at gables and flashing.

Information

Service Life:	40
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2053

Glazing Systems

Encl 07 - Vinyl Framed Window

Location
All elevations and all levels of the building.

Description
Starline vinyl framed windows with double insulating glazing units and fixed, awning operators.

Information

Service Life:	40
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2053

Encl 08 - Unit Skylight

Location
Rooftop.

Description
Individual unit skylights with double glazed insulating glazing units.

Information

Service Life:	30
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2043

Doors

Encl 09 - Aluminum Frame Lobby Door

Location
Lobby entrance doors.

Description
Outswing aluminum-framed doors with fixed IGU's and low-profile thresholds, top lites, and electric strike and hardware.

Information

Service Life:	30
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2043

Encl 10 - Steel Swing Door

Location
Emergency egress doors.

Description
Hollow steel slab swing door.

Information

Service Life:	40
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2053

Encl 11 - Vinyl Frame Glazed Swing Door

Location
Balconies and decks.

Description
Outswing vinyl frame swing door with insulating glazing units and top lite.

Information

Service Life:	40
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2053

Balconies

Encl 12 - Exposed Vinyl Balcony Membrane

Location
Balconies.

Description
Sheet vinyl membrane applied over wood balcony sheathing.

Information

Service Life:	15
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2028

At and Below Grade

Encl 13 - Below Grade SBS Waterproofing

Location
Surrounding building, below grade.

Description
Concealed Asset. Two-ply SBS membrane on concrete parkade roof slab, overburdened with landscaping and paved decks and walkways.

Information

Service Life:	40
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2053

Parking Garage

Encl 14 - Sectional Overhead Door - Metal

Location
Parking garage entrance.

Description
Pre-finished metal sectional overhead gate [with motor drive and hardware, covered in Mechanical Assets].

Information

Service Life:	25
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2038

Skyline
Asset Inventory - 2016

General & Inspections

Encl 15 - General & Inspections

Location

Throughout the site.

Description

Miscellaneous interior and exterior components, such as service penetrations and interface details, not related to any particular assembly. Warranty and general reviews.

Information

Service Life:	75
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2088

Encl 16 - Sealant

Location

Interfaces and service penetrations at the exterior walls, roofs, and other locations.

Description

Sealant of various types located at joints between building enclosure assemblies, as well as around components and penetrations within building enclosure assemblies.

Information

Service Life:	15
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2028

Electrical

Distribution

Elec 01 - Electrical Distribution

Location

Electrical Room.

Description

1600A, 208-120V, 3 phase service. Square D distribution switchgear, panelboards, breakers and wiring to several local sub-panels and mechanical loads. May include Tech cable or conduit systems.

Information

Service Life:	40
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2053

Light Fixtures

Elec 02 - Exterior Light Fixtures

Location

Various locations on exterior of building and throughout soft landscaping.

Description

A mixture of wall-mounted, soffit recessed, and lamp standards with compact fluorescent lights, metal halide, PAR halogen fixtures and fluorescent accent lights.

Information

Service Life:	15
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2028

Elec 03 - Interior Light Fixtures

Location
All common areas throughout the building.

Description
A variety of fixture types, including fixed surface and recessed. A variety of lamp types, including fluorescent, compact fluorescent, halogen, incandescent, LED, etc. for interior direct, indirect and accent lighting applications. A variety of light fixture controls, including switches, timers, dimmers, and photocells.

Information

Service Life:	20
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2033

Security

Elec 04 - Enterphone System

Location
Lobby and rear entrances.

Description
Linear, flush-mounted, enterphone panels with associated key pads and display panels.

Information

Service Life:	25
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2038

Elec 05 - Proximity Access Control

Location
Lobby, parking garage, and rear entrance.

Description
Local proximity access control system components include fob devices for building occupants, fob readers, RTE sensors, electric strikes and door controllers. Network level components include door control panel, communication boards, backup batteries, RTE board, conduit, cable and connectors.

Information

Service Life:	12
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2025

Elec 06 - Security Surveillance

Location
Strategically located throughout the site.

Description
Cameras, multiplexer, monitors and storage media to deter and track activity on and within building premises.

Information

Service Life:	14
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2027

Mechanical

Controls and End Devices

Mech 01 - Gas Detection - Parking Garage

Location

Mounted to walls throughout the parking garage.

Description

Gem-II electronic sensing devices for detection of dangerous gases, carbon monoxide (CO) and propane (C3H8) produced by vehicles and to activate the exhaust fans accordingly.

Information

Service Life:	15
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2028

Mech 02 - Heat Tracing - Freeze Protection

Location

Throughout the parking garage.

Description

Heat trace controller for piping systems exposed to freezing (self regulating heater cable with parallel circuit heater strip and outer thermoplastic elastomer jacket)

Information

Service Life:	15
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2028

Plumbing & Drainage

Mech 03 - Drainage - Perimeter and Foundation

Location

Perimeter of building.

Description

PVC perforated piping forming part of a sub-surface foundation drainage system around the perimeter of buildings and underground structures.

Information

Service Life:	40
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2053

Mech 04 - Drainage - Sanitary

Location

Connected to waste fixtures throughout the building.

Description

PVC DWV piping, with mechanical and glued joints, p-traps, and fittings.

Information

Service Life:	50
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2063

Mech 05 - Drainage - Storm - Internal

Location

Throughout the building.

Description

Trench drains, catch basins and associated piping systems for rainwater runoff.

Information

Service Life:	40
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2053

Mech 06 - Piping - Domestic Water Distribution

Location

From service entry to fixtures throughout the buildings.

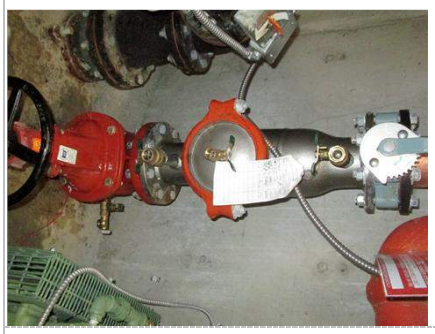
Description

Mixture of K/L copper and Aquatherm for vertical/horizontal mains system and pex distribution piping runouts within the suites. Soldered, glued and propress connections.

Information

Service Life:	35
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2048

Mech 07 - Valves - Cross Connection & Backflow Prevention



Location

Mechanical room.

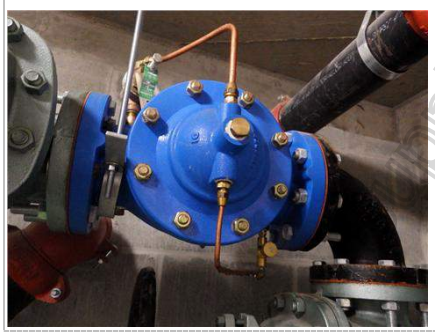
Description

Various types and sizes of backflow prevention valves, including check valves on domestic water, fire, and irrigation systems.

Information

Service Life:	20
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2033

Mech 08 - Valves - Plumbing Flow Control and Directional



Location

Mechanical rooms.

Description

Various types and sizes of valves, including pressure reducing valves, isolation valves, two-way and three way valves, circuit flow control valves and check valves to regulate the flow of water through domestic plumbing systems.

Information

Service Life:	20
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2033

Mech 09 - Tank - Expansion -DHW - Diaphragm

Location
Mechanical room

Description
Amtrol Therm-X-Trol floor-mounted diaphragm expansion tank for domestic water system.

Information

Service Life:	20
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2033

Heating

Mech 10 - Electric Baseboard

Location
Common corridors, lobbies, fitness building, and service rooms.

Description
Dimplex 750W wall-mounted electric convector baseboard heaters for localized space heating; integral thermostat control.

Information

Service Life:	40
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2053

Ventilation

Mech 11 - Exhaust Fan - Small Service - Cabinet

Location
Storage, elevator, and other various rooms within the building and parking garage.

Description
Direct drive fans, ceiling and cabinet fans, and transfer fans.

Information

Service Life:	12
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2025

Mech 12 - Exhaust Fan Parkade - Inline

Location
Parking garage.

Description
Centrifugal inline exhaust fan suspended from structure.

Information

Service Life:	20
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2033

Mech 13 - Fabricated Outdoor Corridor Pressurization Unit

Location
Main roof.

Description
Delhi 9215 belt-driven centrifugal cabinet supply fan with filter section to supply tempered corridor pressuriation to the building.

Information

Service Life:	20
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2033

Mech 14 - Coil - Electric - Duct Heater

Location
Roof, adjacent to corr press fan

Description
Thermolec 35 kw electric duct heater, duct-mounted with SCR controller and duct stat sensor .

Information

Service Life:	17
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2030

Other

Mech 15 - Overhead Gate Motor

Location
Parking garage.

Description
Liftmaster, 1/2 HP AC motor and door operator mechanism. Gate included in Enclosure Assets.

Information

Service Life:	7
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2020

Elevator

Elev 01 - Traction Elevators

Location
Elevator machine room

Description
Gearless traction Kone EcoSystem geared side mount passenger elevator with 2500 lbs capacity, 200 fpm rated speed.

Information

Service Life:	25
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2038

Elev 02 - Elevator Cabs & Hoistway

Location
Elevator shaft.

Description
Single front opening doors, car buttons and hall buttons, infrared door protection, Cab interior includes tile flooring, stainless finishes and LED lighting.

Information

Service Life:	15
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2028

Fire Safety

Controls

Fire 01 - Fire Alarm Panel - Addressable

Location
Electrical room in south corner of parking garage.

Description
Mircom FA - 1000 Series main control panel and remote annunciator panel with passive graphic outside main entrance.

Information

Service Life:	20
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2033

Detection

Fire 02 - Fire Detection & Alarm

Location
Throughout building.

Description
Smoke detectors, heat detectors, flow switches, tamper switches, horns, pull stations and other fixed apparatus field devices to detect fire and smoke conditions and initiate timely response.

Information

Service Life:	20
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2033

Suppression

Fire 03 - Dry Sprinkler Compressor

Location
Mechanical room.

Description
Swan SP-114 compressor to maintain the pressure of air in the dry fire sprinkler lines.

Information

Service Life:	14
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2027

Fire 04 - Sprinkler & Standpipe - Wet

Location
Throughout heated spaces.

Description
Pendant sprinkler heads, flow switches and indicating devices, gauges, steel distribution lines.

Information

Service Life:	50
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2063

Fire 05 - Sprinkler System - Dry

Location
Throughout unheated spaces.

Description
Exposed dry sprinklers, upright and sidewall sprinkler heads, steel piping.

Information

Service Life:	50
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2063

Fire 06 - Sprinkler Valve Assembly - Dry

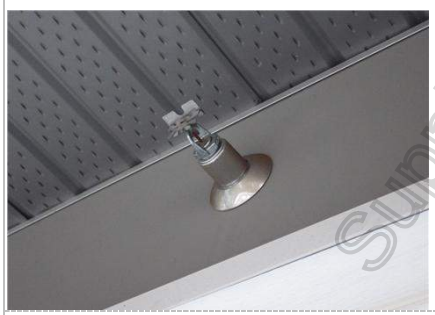
Location
Mechanical room.

Description
Fire Lock NXT S/768 dry sprinkler valve, trim and gauges, steel piping.

Information

Service Life:	40
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2053

Fire 07 - Dry Sprinklers - Wet System



Location
Building exterior.

Description
Dry sidewall sprinklers on a wet distribution system, extending from a heated space to unheated coverage area.

Information

Service Life:	30
Installed Year:	2013
Chronological Age:	3
Effective Age:	23
Next Renewal Year:	2023

Fire 08 - Portable Fire Extinguisher

Location
Throughout the building, typically three per floor.

Description
Wall mounted, manually operated, 5lbs ABC/multipurpose type, pressurized vessels for controlled discharge of chemicals to extinguish small fires.

Information

Service Life:	24
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2037

Egress

Fire 09 - Emergency Egress Equipment

Location
Throughout common areas.

Description
Emergency lighting; Unit battery packs; LED exit signs.

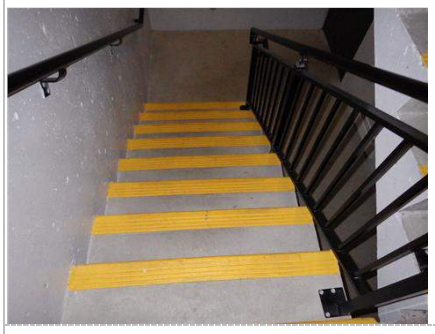
Information

Service Life:	20
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2033

Interior Finishes

Floors

Finish 01 - Painted Concrete Flooring



Location
Stair treads in stairwells to parking garage, and traffic delineation in the parking areas.

Description
Paint on exposed concrete floor surfaces.

Information

Service Life:	10
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2023

Finish 02 - Sheet Carpet

Location
Common corridors and stairwells.

Description
Synthetic, low level loop, textile sheet floor covering glued over floor substrate.

Information

Service Life:	10
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2023

Walls

Finish 03 - Ceramic Tile Flooring

Location
Parts of main lobby and rear entrance lobby.

Description
Ceramic tile on mortar bed and substrate with grout.

Information

Service Life:	25
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2038

Finish 04 - Interior Painting

Location
Common areas.

Description
Primers and multiple pigmented coating finishes applied to interior gypsum wallboard and mill work trim details.

Information

Service Life:	10
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2023

Architectural Woodwork

Finish 05 - Baseboard, Molding and Casing

Location
Common areas.

Description
Linear components out of painted wood or composite. Includes synthetic cove at wall to floor interface.

Information

Service Life:	40
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2053

Doors

Finish 06 - Interior Swing Door

Location
Common areas.

Description
Unit doors and hollow metal swing door, some with glazing panels, in circulation spaces. Hung in framed opening including hardware.

Information

Service Life:	30
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2043

Amenities

Amen 01 - Wood Storage Locker

Location
Storage rooms in parking garage

Description
Wood framed general purpose storage locker with swing door and hardware.

Information

Service Life:	30
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2043

Amen 02 - Bicycle Rack

Location

At rear building entrance.

Description

Floor mounted, steel frame bicycle rack.

Information

Service Life:	30
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2043

Amen 03 - Central Mailboxes

Location

Lobby.

Description

Flush mounted, front loading, brushed aluminum finish.

Information

Service Life:	30
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2043

Amen 04 - Public Signage

Location

Various locations in common areas and throughout site.

Description

Variety of permanently displayed information placards in the common areas of the building, displaying unit numbers, room identification, and instructions.

Information

Service Life:	25
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2038

Sitework

Hard Landscaping

Site 01 - Concrete Paving Driveway

Location

Driveway at entrances to parking garage, walkways, and ramp to main entrance

Description

Concrete pavement with curbs, cast with control and construction joints, onto compacted gravel base. Concrete finish consists of broom finish.

Information

Service Life:	40
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2053

Site 02 - Interlocking Unit Paving Driveway/Walkway

Location
Rear surface parking and at main entrance.

Description
Precast concrete unit pavers without curbs, combination of chip seal joint filler and jointing sand, bedding sand, and onto compacted gravel base, or on pedestals above podium waterproofing.

Information

Service Life:	40
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2053

Site 03 - Wood Fencing

Location
West site perimeter

Description
6 feet high wood fence with posts, solid panels, and lattice panels.

Information

Service Life:	20
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2033

Site 04 - Exterior Metal Railings

Location
Exterior ramp and stairs.

Description
Tubular painted exterior metal railing some with picket infill.

Information

Service Life:	50
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2063

Soft Landscaping

Site 05 - Irrigation System

Location
Throughout site. Controller in main electrical room.

Description
Controller with time clock, network of pipes, valves, and irrigation heads distributed around the soft landscaping.

Information

Service Life:	15
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2028

Site 06 - Soft Landscaping

Location
Surrounding building.

Description
Lawn, ground cover, shrubs, perennials and small trees.

Information

Service Life:	15
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2028

Site Services

Site 07 - Electrical Site Services

Location

Blow grade along property line.

Description

Underground secondary distribution conduits and services from vault and individual pad mounted transformers to building electrical rooms.

Information

Service Life:	50
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2063

Site 08 - Underground Drainage Services - Storm

Location

Running below grade between building and city connection near South East corner of site.

Description

Concealed asset. Storm sewer from building and catch basins to property line.

Information

Service Life:	80
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2093

Site 09 - Underground Sewer Services - Sewer

Location

Running below grade between building and city connection near South East corner of site.

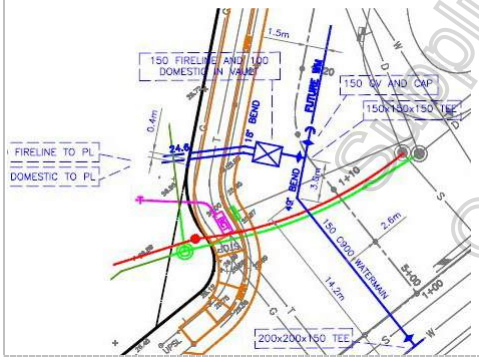
Description

Concealed asset. Sanitary sewer system from the building to the property line, including all appurtenances.

Information

Service Life:	80
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2093

Site 10 - Underground Water Services with PVC/Copper and Ductile Piping



Location

Below grade near entrance to Carlton Terrace.

Description

Fire and domestic water supplies, from the property line to the building.

Information

Service Life:	50
Installed Year:	2013
Chronological Age:	3
Effective Age:	3
Next Renewal Year:	2063

Appendix C

Asset Service Life Summary

Skyline

Asset Service Life Summary - 2016

Asset Ref	Asset Name	Chronological Age	Estimated Remaining SL
Struct 01	Concrete Foundation & Parkade Structure	3	97
Struct 02	Wood Frame Structure	3	97
Encl 01	Exposed SBS Membrane Roof	3	17
Encl 02	Sheet Metal Roof	3	37
Encl 03	Aluminum Panel Soffit	3	37
Encl 04	Guardrail Glazed Aluminum	3	37
Encl 05	Cultured Stone Wall - Drained	3	47
Encl 06	Fibre-Reinforced Cement Board Cladding	3	37
Encl 07	Vinyl Framed Window	3	37
Encl 08	Unit Skylight	3	27
Encl 09	Aluminum Frame Lobby Door	3	27
Encl 10	Steel Swing Door	3	37
Encl 11	Vinyl Frame Glazed Swing Door	3	37
Encl 12	Exposed Vinyl Balcony Membrane	3	12
Encl 13	Below Grade SBS Waterproofing	3	37
Encl 14	Sectional Overhead Door - Metal	3	22
Encl 15	General & Inspections	3	72
Encl 16	Sealant	3	12
Elec 01	Electrical Distribution	3	37
Elec 02	Exterior Light Fixtures	3	12
Elec 03	Interior Light Fixtures	3	17
Elec 04	Enterphone System	3	22
Elec 05	Proximity Access Control	3	9
Elec 06	Security Surveillance	3	11
Mech 01	Gas Detection - Parking Garage	3	12
Mech 02	Heat Tracing - Freeze Protection	3	12
Mech 03	Drainage - Perimeter and Foundation	3	37
Mech 04	Drainage - Sanitary	3	47
Mech 05	Drainage - Storm - Internal	3	37
Mech 06	Piping - Domestic Water Distribution	3	32
Mech 07	Valves - Cross Connection & Backflow Prevention	3	17
Mech 08	Valves - Plumbing Flow Control and Directional	3	17
Mech 09	Tank - Expansion -DHW - Diaphragm	3	17
Mech 10	Electric Baseboard	3	37
Mech 11	Exhaust Fan - Small Service - Cabinet	3	9
Mech 12	Exhaust Fan Parkade - Inline	3	17
Mech 13	Fabricated Outdoor Corridor Pressurization Unit	3	17
Mech 14	Coil - Electric - Duct Heater	3	14
Mech 15	Overhead Gate Motor	3	4
Elev 01	Traction Elevators	3	22
Elev 02	Elevator Cabs & Hoistway	3	12

Skyline

Asset Service Life Summary - 2016

Asset Ref	Asset Name	Chronological Age	Estimated Remaining SL
Fire 01	Fire Alarm Panel - Addressable	3	17
Fire 02	Fire Detection & Alarm	3	17
Fire 03	Dry Sprinkler Compressor	3	11
Fire 04	Sprinkler & Standpipe - Wet	3	47
Fire 05	Sprinkler System - Dry	3	47
Fire 06	Sprinkler Valve Assembly - Dry	3	37
Fire 07	Dry Sprinklers - Wet System	3	7
Fire 08	Portable Fire Extinguisher	3	21
Fire 09	Emergency Egress Equipment	3	17
Finish 01	Painted Concrete Flooring	3	7
Finish 02	Sheet Carpet	3	7
Finish 03	Ceramic Tile Flooring	3	22
Finish 04	Interior Painting	3	7
Finish 05	Baseboard, Molding and Casing	3	37
Finish 06	Interior Swing Door	3	27
Amen 01	Wood Storage Locker	3	27
Amen 02	Bicycle Rack	3	27
Amen 03	Central Mailboxes	3	27
Amen 04	Public Signage	3	22
Site 01	Concrete Paving Driveway	3	37
Site 02	Interlocking Unit Paving Driveway/Walkway	3	37
Site 03	Wood Fencing	3	17
Site 04	Exterior Metal Railings	3	47
Site 05	Irrigation System	3	12
Site 06	Soft Landscaping	3	12
Site 07	Electrical Site Services	3	47
Site 08	Underground Drainage Services - Storm	3	77
Site 09	Underground Sewer Services - Sewer	3	77
Site 10	Underground Water Services with PVC/Copper and Ductile Piping	3	47

Appendix D

Depreciation Report Costing

Skyline

Depreciation Report Costing - 2016

Enclosure

	Description	Next Event	Frequency (events in 30 years)	cost per event (no inflation)	30 Year Cost (no inflation)	30 Year Cost (inflation)
Roofs & Decks						
Encl 01 - Exposed SBS Membrane Roof						
J01	Perform condition assessment of roof, associated components, service penetrations and interfaces.	2024	1 x (1)	$2,500	$2,500	$2,900
R01	Common roof decks: Replace decking and associated components such as pedestals.	2033	20 Yrs (1)	$14,400	$14,400	$20,000
R02	Replace SBS membrane roof assembly and associated component such as drains and flashing.	2033	20 Yrs (1)	$210,600	$210,600	$290,000
Encl 02 - Sheet Metal Roof						
J01	Clean all exterior surfaces of metal roofs.	2018	5 yrs (5)	$2,950	$14,750	$20,500
J02	Replace damaged gutters and rainwater leaders as required.	2023	10 Yrs (2)	$0	$0	$0
J03	Review and touch up paint on metal roof and flashing as required.	2018	5 yrs (5)	$148	$738	$1,030
Encl 03 - Aluminum Panel Soffit						
J01	Clean exterior soffit surfaces to remove atmospheric dirt, vegetative growth and other stains.	2016	3 Yrs (10)	$816	$8,160	$10,790
Fall Protection						
Encl 04 - Guardrail Glazed Aluminum						
R01	Remove and re-install sections of guardrail in conjunction with balcony waterproofing membrane renewal, including inspect and re-certify guardrail. Cost covered in membrane renewal event.	2028	15 Yrs (2)	$0	$0	$0
R02	Prepare and re-finish glazed aluminum guardrails	2033	20 Yrs (1)	$22,000	$22,000	$31,000
Walls						
Encl 05 - Cultured Stone Wall - Drained						
J01	Clean exterior surfaces of cultured stone cladding to remove vegetation growth and other atmospheric staining.	2018	5 yrs (5)	$8,100	$40,500	$56,400
Encl 06 - Fibre-Reinforced Cement Board Cladding						
R01	Re-coat fibre-reinforced cement board cladding.	2023	10 Yrs (3)	$54,600	$163,800	$232,000
R02	Re-coat wood columns at main entrance, fascias and gable roof members.	2021	8 Yrs (4)	$2,250	$9,000	$12,800
Glazing Systems						
Encl 08 - Unit Skylight						
J01	Install cap bead over glazing tape on exterior of glazing.	2028	15 Yrs (1)	$0	$0	$0
J02	Replace any failed insulating glazing units (IGUs) with condensation or misting between the panes of glass. [Refer to manufacturer's warranty if applicable.]	2017	2 Yrs (14)	$0	$0	$0

Skyline

Depreciation Report Costing - 2016

Enclosure

	Description	Next Event	Frequency (events in 30 years)	cost per event (no inflation)	30 Year Cost (no inflation)	30 Year Cost (inflation)
R01	Replace unit skylights and associated components.	2043	30 Yrs (1)	$2,100	$2,100	$3,600
Doors						
Encl 09 - Aluminum Frame Lobby Door						
R01	Replace aluminum frame lobby doors.	2043	30 Yrs (1)	$6,000	$6,000	$10,000
Encl 10 - Steel Swing Door						
R01	Repaint steel door finish.	2021	8 Yrs (4)	$500	$2,000	$2,850
Encl 11 - Vinyl Frame Glazed Swing Door						
J01	Replace or repair gasket and weatherstripping, as required.	2017	2 Yrs (15)	$0	$0	$0
J02	Replace insulating glazing units (IGUs) with condensation or misting between panes of glass. [Refer to manufacturer's warranty if applicable.]	2017	2 Yrs (15)	$0	$0	$0
Balconies						
Encl 12 - Exposed Vinyl Balcony Membrane						
R01	Replace vinyl balcony membrane and associated components.	2028	15 Yrs (2)	$61,500	$123,000	$178,000
Parking Garage						
Encl 14 - Sectional Overhead Door - Metal						
J01	Re-paint overhead gate.	2023	10 Yrs (2)	$110	$220	$280
R01	Replacement of sectional overhead door and associated hardware.	2038	25 Yrs (1)	$1,200	$1,200	$1,900
General & Inspections						
Encl 15 - General & Inspections						
J01	Update depreciation report. Considered an operating expense.	2019	3 Yrs (9)	$0	$0	$0
J02	Perform 5-year extended warranty review in sufficient time prior to expiration of warranty period for certain portions of the work. Prepare list of any deficiencies for correction.	2018	1 x (1)	$7,000	$7,000	$7,300
Encl 16 - Sealant						
J01	Review condition of sealant at all locations and undertake localized repairs or replacement as required.	2022	5 yrs (5)	$2,000	$10,000	$13,800
R01	Replace sealants at interfaces between building enclosure assemblies, and at penetrations through assemblies in accordance with sealant renewals plan.	2028	15 Yrs (2)	$29,000	$58,000	$86,000
				Enclosure - 30 Year Capital Costs	**$695,968**	**$981,150**

Skyline

Depreciation Report Costing - 2016

Electrical

	Description	Next Event	Frequency (events in 30 years)	cost per event (no inflation)	30 Year Cost (no inflation)	30 Year Cost (inflation)
Distribution						
Elec 01 - Electrical Distribution						
J01	Conduct infrared scanning to verify that terminations are sound and operating temperatures of all conducting parts are within allowable limits. Correct any conditions contributing to overheating if it occurs.	2018	5 yrs (6)	$3,000	$18,000	$24,200
Light Fixtures						
Elec 02 - Exterior Light Fixtures						
R01	Replace photocell time clocks for exterior lights, excluding field wiring.	2019	6 Yrs (5)	$0	$0	$0
R02	Replace exterior light fixtures. Replacement due to failure will likely be completed as part of regular maintenance. Comprehensive replacement would likely be completed in conjunction with an exterior re-cladding project. Cost shown is an allowance for targeted renewal.	2028	15 Yrs (2)	$3,250	$6,500	$9,600
Elec 03 - Interior Light Fixtures						
R01	Cyclical replacement of lighting controls (timers, motion sensors, etc.) as required.	2019	6 Yrs (5)	$0	$0	$0
R02	Replace light fixtures in the parkade. Replacement due to failure will likely be completed as part of regular maintenance. Cost shown is an allowance for targeted renewal.	2033	20 Yrs (1)	$625	$625	$880
R03	Replace interior light fixtures. Replacement due to failure will likely be completed as part of regular maintenance. Comprehensive replacement would likely be completed in conjunction with an interior renovation project. Cost shown is an allowance for targeted renewal.	2033	20 Yrs (1)	$3,000	$3,000	$4,200
Security						
Elec 04 - Enterphone System						
R01	Replace enterphone panels, excluding field wiring.	2038	25 Yrs (1)	$12,000	$12,000	$19,000
Elec 05 - Proximity Access Control						
R01	Replace media in recording device to maintain continuous records from proximity access control devices. Retain records in secure archive for period determined by policy.	2019	6 Yrs (5)	$0	$0	$0

Electrical

	Description	Next Event	Frequency (events in 30 years)	cost per event (no inflation)	30 Year Cost (no inflation)	30 Year Cost (inflation)
R02	Modernize components of the proximity access control system, excluding field wiring, as required by technological obsolescence.	2025	12 Yrs (2)	$10,000	$20,000	$27,000
Elec 06 - Security Surveillance						
R01	Modernize components of the security surveillance system, excluding field wiring, as required by technological obsolescence.	2027	14 Yrs (2)	$4,000	$8,000	$11,600
				Electrical - 30 Year Capital Costs	**$68,125**	**$96,480**

Mechanical

	Description	Next Event	Frequency (events in 30 years)	cost per event (no inflation)	30 Year Cost (no inflation)	30 Year Cost (inflation)
Controls and End Devices						
Mech 01 - Gas Detection - Parking Garage						
R01	Cyclical replacement of gas detection sensors.	2028	15 Yrs (2)	$4,500	$9,000	$13,400
Mech 02 - Heat Tracing - Freeze Protection						
R01	Cyclical replacement of components of electric heat tracing cable, including control module and pipe insulation.	2028	15 Yrs (2)	$5,000	$10,000	$14,800
Plumbing & Drainage						
Mech 03 - Drainage - Perimeter and Foundation						
J01	By means of pipe camera service, visually inspect underground piping runs. Look for build up of silts and dirt fines, tree roots, and other obstructions. Look for standing water indicating saturated soil conditions or impermeable conditions. Clear lines, as required.	2018	5 yrs (6)	$1,360	$8,160	$11,000
Mech 04 - Drainage - Sanitary						
J01	Insert video cameras into main lines to conduct pipe inspection.	2018	5 yrs (6)	$1,000	$6,000	$8,000
J02	Auger lateral drain lines.	2023	10 Yrs (3)	$1,000	$3,000	$4,200
Mech 06 - Piping - Domestic Water Distribution						
J01	Comprehensive third party testing and inspection of the copper domestic water distribution system.	2045	1 x (1)	$10,000	$10,000	$18,000
Mech 07 - Valves - Cross Connection & Backflow Prevention						
R02	Cyclical replacement of cross connection & back flow prevention valves, as required.	2033	20 Yrs (1)	$6,000	$6,000	$8,400
Mech 08 - Valves - Plumbing Flow Control and Directional						
R01	Cyclical replacement of valves, as required.	2033	20 Yrs (1)	$6,000	$6,000	$8,400

Skyline

Depreciation Report Costing - 2016

Mechanical

	Description	Next Event	Frequency (events in 30 years)	cost per event (no inflation)	30 Year Cost (no inflation)	30 Year Cost (inflation)
Mech 09 - Tank - Expansion -DHW - Diaphragm						
R01	Cyclical replacement of hot water expansion tanks, as required.	2033	20 Yrs (1)	$1,500	$1,500	$2,100
Ventilation and Air-conditioning						
Mech 11 - Exhaust Fan - Small Service - Cabinet						
R01	Cyclical replacement of failed or damaged general purpose exhaust fans, as required.	2025	12 Yrs (2)	$3,000	$6,000	$8,100
Mech 12 - Exhaust Fan Parkade - Inline						
R01	Cyclical replacement of motors, fan blades and bearings on supply and exhaust fans, as required.	2016	3 Yrs (10)	$0	$0	$0
R02	Rebuild of supply and exhaust fans, as required.	2033	20 Yrs (1)	$4,000	$4,000	$5,600
Mech 13 - Fabricated Outdoor Corridor Pressurization Unit						
R01	Cyclical replacement of pulleys and motors and vibration isolation, as required.	2021	8 Yrs (4)	$0	$0	$0
R02	Cyclical rebuild or replacement of make-up air units.	2033	20 Yrs (1)	$3,000	$3,000	$4,200
Mech 14 - Coil - Electric - Duct Heater						
R01	Cyclical replacement of electric duct heater.	2030	17 Yrs (1)	$0	$0	$0
Other						
Mech 15 - Overhead Gate Motor						
R01	Replace motor and drive unit.	2020	7 Yrs (4)	$2,500	$10,000	$13,500
				Mechanical - 30 Year Capital Costs	**$82,660**	**$119,700**

Elevator

	Description	Next Event	Frequency (events in 30 years)	cost per event (no inflation)	30 Year Cost (no inflation)	30 Year Cost (inflation)
Traction						
Elev 01 - Elevators						
R01	Replace elevator controls and drive, gearless machines, suspension means	2038	25 Yrs (1)	$130,000	$130,000	$200,000
Elev 02 - Elevator Cabs & Hoistway						
R02	Replace door operator.	2038	25 Yrs (1)	$20,000	$20,000	$31,000
R03	Replace elevator operating and signal fixtures, including cab phones.	2028	15 Yrs (2)	$15,000	$30,000	$45,000
				Elevator - 30 Year Capital Costs	**$180,000**	**$276,000**

Fire Safety

	Description	Next Event	Frequency (events in 30 years)	cost per event (no inflation)	30 Year Cost (no inflation)	30 Year Cost (inflation)

Skyline

Depreciation Report Costing - 2016

Fire Safety

	Description	Next Event	Frequency (events in 30 years)	cost per event (no inflation)	30 Year Cost (no inflation)	30 Year Cost (inflation)
Controls						
Fire 01 - Fire Alarm Panel - Addressable						
R01	Replace battery packs. [0% renewal cost reflects that ongoing replacements, as needed, are funded from the operating budget.]	2018	5 yrs (6)	$0	$0	$0
R02	Replace fire alarm annunciator panels and control panel, excluding field wiring and field devices.	2033	20 Yrs (1)	$10,000	$10,000	$14,000
Detection						
Fire 02 - Fire Detection & Alarm						
R01	Cyclical replacement of speakers, heat detectors, smoke detectors and related modules, excluding field wiring. [0% renewal cost reflects that ongoing replacements, as needed are funded through the annual operating budget.]	2033	20 Yrs (1)	$0	$0	$0
Suppression						
Fire 03 - Dry Sprinkler Compressor						
R01	Replace fire sprinkler compressor.	2027	14 Yrs (2)	$1,500	$3,000	$4,400
Fire 04 - Sprinkler & Standpipe - Wet						
R01	Phased replacement of sprinkler zone control valves, as required.	2033	20 Yrs (1)	$0	$0	$0
R02	Renew compromised portions of piping, gaskets, connections, valves, devices and trim to maintain required function.	2023	10 Yrs (3)	$5,610	$16,830	$23,900
Fire 05 - Sprinkler System - Dry						
R01	Replace damaged sprinkler heads, hangers and leaking gaskets, cages, sway-braces, drains etc as required.	2018	5 yrs (6)	$110	$660	$890
Fire 07 - Dry Sprinklers - Wet System						
R01	Replace all heads, or submit representative sample of heads for testing by recognised testing agency, to the satisfaction of the authority having jurisdiction, in accordance with NFPA 25.	2023	10 Yrs (3)	$9,300	$27,900	$40,000
Fire 08 - Portable Fire Extinguisher						
J01	Conduct hydrotest on fire extinguishers.	2025	12 Yrs (2)	$0	$0	$0
R01	Cyclical replacement of fire extinguishers.	2037	12 Yrs (1)	$1,600	$1,600	$2,400
Egress						
Fire 09 - Emergency Egress Equipment						
R01	Cyclical replacement of emergency lighting and LED exit signs. [$0 renewal cost reflects that ongoing replacement, as needed, is funded from the operating budget].	2033	15 Yrs (1)	$0	$0	$0
			Fire Safety - 30 Year Capital Costs		**$59,990**	**$85,590**

Interior Finishes

	Description	Next Event	Frequency (events in 30 years)	cost per event (no inflation)	30 Year Cost (no inflation)	30 Year Cost (inflation)
Floors						
Finish 01 - Painted Concrete Flooring						
R01	Re-paint concrete floor surfaces in high-traffic locations.	2023	10 Yrs (3)	$240	$720	$1,030
Finish 02 - Sheet Carpet						
R01	Renew carpet in stairwells.	2028	15 Yrs (2)	$15,300	$30,600	$45,000
R02	Renew carpet in common corridors.	2023	10 Yrs (3)	$32,700	$98,100	$140,000
Walls						
Finish 03 - Ceramic Tile Flooring						
J01	Clean tile grout.	2018	5 yrs (5)	$1,460	$7,300	$9,600
R01	Replace ceramic wall tiles.	2038	25 Yrs (1)	$6,570	$6,570	$10,000
Finish 04 - Interior Painting						
R01	Re-paint interiors wall in stairwells, as required.	2028	15 Yrs (2)	$10,000	$20,000	$30,000
R02	Re-paint wall surface and trim in corridors, including and preparation of substrate.	2023	10 Yrs (3)	$14,900	$44,700	$63,000
Doors						
Finish 06 - Interior Swing Door						
J01	Re-paint or re-finish door and frame in high-traffic locations as required.	2021	8 Yrs (3)	$2,406	$7,219	$9,400
R01	Replace interior swing door as required.	2043	30 Yrs (1)	$38,500	$38,500	$66,000
				Interior Finishes - 30 Year Capital Costs	**$253,709**	**$374,030**

Amenities

	Description	Next Event	Frequency (events in 30 years)	cost per event (no inflation)	30 Year Cost (no inflation)	30 Year Cost (inflation)
Specialties						
Amen 01 - Wood Storage Locker						
R01	Reconstruct wood storage lockers, as required.	2043	30 Yrs (1)	$3,000	$3,000	$5,100
Furnishings						
Amen 02 - Bicycle Rack						
R01	Replace bicycle racks, as required.	2043	30 Yrs (1)	$500	$500	$850
Amen 03 - Central Mailboxes						
R01	Replace central mail boxes as required.	2043	30 Yrs (1)	$1,000	$1,000	$1,700
Amen 04 - Public Signage						
R01	Replace damaged and outdated signage, as required.	2038	25 Yrs (1)	$2,000	$2,000	$3,100
				Amenities - 30 Year Capital Costs	**$6,500**	**$10,750**

Skyline

Depreciation Report Costing - 2016

Sitework

	Description	Next Event	Frequency (events in 30 years)	cost per event (no inflation)	30 Year Cost (no inflation)	30 Year Cost (inflation)
Hard Landscaping						
Site 01 - Concrete Paving Driveway						
R01	Renew parking stalls demarcation and paint on curbs.	2018	5 yrs (6)	$1,000	$6,000	$8,000
Site 03 - Wood Fencing						
R01	Re-coat/re-paint wood fencing.	2019	6 Yrs (5)	$2,600	$13,000	$18,100
R03	Replace wood perimeter fencing.	2033	20 Yrs (1)	$6,500	$6,500	$9,100
Site 04 - Exterior Metal Railings						
R01	Repaint all exterior handrails.	2028	15 Yrs (2)	$520	$1,040	$1,550
Soft Landscaping						
Site 05 - Irrigation System						
R01	Cyclical replacement of components of irrigation sprinkler system, as required. Annual maintenance of the system is performed on an annual and semi-annual schedule and paid for as part of the operating budget. Significant system replacements/re-design would likely involve a design development process therefore renewal costs are not included at this stage.	2028	15 Yrs (2)	$0	$0	$0
Site 06 - Soft Landscaping						
R01	Renovate sections of the soft landscaping, as required. It is assumed that regular replacements are completed as part of the annual landscaping contract and paid for as part of the operating budget. Significant landscape replacements/re-design would likely involve a design development process therefore renewal costs are not included at this stage.	2028	15 Yrs (2)	$0	$0	$0
Site Services						
Site 08 - Underground Drainage Services - Storm						
J01	Review underground drainage piping by video camera for inspection of condition and performance. Cost included with Site 09 - Site Sewer Service.	2018	5 yrs (6)	$0	$0	$0
J02	Powerflush underground drainage piping to clear and remove any buildup of debris. Cost included with Site 09 - Site Sewer Service.	2023	10 Yrs (3)	$0	$0	$0
Site 09 - Underground Sewer Services - Sewer						
J01	Review underground drainage piping by video camera for inspection of condition and performance.	2018	5 yrs (6)	$200	$1,200	$1,620
J02	Powerflush underground sanitary drains to remove buildup and debris.	2023	10 Yrs (3)	$200	$600	$850
				Sitework - 30 Year Capital Costs	**$28,340**	**$39,220**

Appendix E

Funding Scenario Cash Flow Tables

STATUTORY FUNDING SCENARIO: CASH FLOW TABLE (30 YEARS)

FISCAL YEAR	CRF OPENING BALANCE	RESERVE CONTRIBUTION	SPECIAL LEVY	RESERVE INCOME	RENEWAL COSTS	CRF CLOSING BALANCE
2016	$49,774	$0	$0	$0	$820	$48,954
2017	$48,954	$0	$0	$0	$0	$48,954
2018	$48,954	$0	$0	$0	$27,270	$21,684
2019	$21,684	$14,873	$0	$0	$3,670	$32,887
2020	$32,887	$4,295	$0	$0	$2,700	$34,481
2021	$34,481	$2,700	$0	$0	$5,750	$31,431
2022	$31,431	$5,750	$0	$0	$3,220	$33,961
2023	$33,961	$3,220	$109,219	$0	$146,400	$0
2024	$0	$14,873	$0	$0	$2,900	$11,973
2025	$11,973	$14,873	$0	$0	$19,680	$7,165
2026	$7,165	$14,873	$0	$0	$0	$22,038
2027	$22,038	$14,873	$0	$0	$12,500	$24,410
2028	$24,410	$12,771	$170,859	$0	$208,040	$0
2029	$0	$14,873	$0	$0	$6,650	$8,223
2030	$8,223	$14,873	$0	$0	$0	$23,095
2031	$23,095	$14,086	$0	$0	$4,600	$32,581
2032	$32,581	$4,600	$0	$0	$2,700	$34,481
2033	$34,481	$2,700	$553,409	$0	$590,590	$0
2034	$0	$14,873	$0	$0	$4,800	$10,073
2035	$10,073	$14,873	$0	$0	$0	$24,945
2036	$24,945	$12,236	$0	$0	$0	$37,181
2037	$37,181	$0	$0	$0	$33,860	$3,321
2038	$3,321	$14,873	$274,816	$0	$293,010	$0
2039	$0	$14,873	$0	$0	$4,100	$10,773
2040	$10,773	$14,873	$0	$0	$1,300	$24,345
2041	$24,345	$12,836	$0	$0	$13,200	$23,981
2042	$23,981	$13,200	$0	$0	$3,300	$33,881
2043	$33,881	$3,300	$527,189	$0	$564,370	$0
2044	$0	$14,873	$0	$0	$0	$14,873
2045	$14,873	$14,873	$0	$0	$27,490	$2,255

CURRENT (2015/16) FUNDING SCENARIO: CASH FLOW TABLE (30 YEARS)

FISCAL YEAR	CRF OPENING BALANCE	RESERVE CONTRIBUTION	SPECIAL LEVY	RESERVE INCOME	RENEWAL COSTS	CRF CLOSING BALANCE
2016	$49,774	$14,873	$0	$0	$820	$63,827
2017	$63,827	$14,873	$0	$0	$0	$78,699
2018	$78,699	$14,873	$0	$0	$27,270	$66,302
2019	$66,302	$14,873	$0	$0	$3,670	$77,504
2020	$77,504	$14,873	$0	$0	$2,700	$89,677
2021	$89,677	$14,873	$0	$0	$5,750	$98,799
2022	$98,799	$14,873	$0	$0	$3,220	$110,452
2023	$110,452	$14,873	$21,076	$0	$146,400	$0
2024	$0	$14,873	$0	$0	$2,900	$11,973
2025	$11,973	$14,873	$0	$0	$19,680	$7,165
2026	$7,165	$14,873	$0	$0	$0	$22,038
2027	$22,038	$14,873	$0	$0	$12,500	$24,410
2028	$24,410	$14,873	$168,758	$0	$208,040	$0
2029	$0	$14,873	$0	$0	$6,650	$8,223
2030	$8,223	$14,873	$0	$0	$0	$23,095
2031	$23,095	$14,873	$0	$0	$4,600	$33,368
2032	$33,368	$14,873	$0	$0	$2,700	$45,540
2033	$45,540	$14,873	$530,178	$0	$590,590	$0
2034	$0	$14,873	$0	$0	$4,800	$10,073
2035	$10,073	$14,873	$0	$0	$0	$24,945
2036	$24,945	$14,873	$0	$0	$0	$39,818
2037	$39,818	$14,873	$0	$0	$33,860	$20,830
2038	$20,830	$14,873	$257,308	$0	$293,010	$0
2039	$0	$14,873	$0	$0	$4,100	$10,773
2040	$10,773	$14,873	$0	$0	$1,300	$24,345
2041	$24,345	$14,873	$0	$0	$13,200	$26,018
2042	$26,018	$14,873	$0	$0	$3,300	$37,590
2043	$37,590	$14,873	$511,908	$0	$564,370	$0
2044	$0	$14,873	$0	$0	$0	$14,873
2045	$14,873	$14,873	$0	$0	$27,490	$2,255

ALTERNATIVE FUNDING SCENARIO: CASH FLOW TABLE (30 YEARS)

FISCAL YEAR	CRF OPENING BALANCE	RESERVE CONTRIBUTION	SPECIAL LEVY	RESERVE INCOME	RENEWAL COSTS	CRF CLOSING BALANCE
2016	$49,774	$25,000	$0	$0	$820	$73,954
2017	$73,954	$25,000	$0	$0	$0	$98,954
2018	$98,954	$25,000	$0	$0	$27,270	$96,684
2019	$96,684	$25,000	$0	$0	$3,670	$118,014
2020	$118,014	$25,000	$0	$0	$2,700	$140,314
2021	$140,314	$25,000	$0	$0	$5,750	$159,564
2022	$159,564	$25,000	$0	$0	$3,220	$181,344
2023	$181,344	$25,000	$0	$0	$146,400	$59,944
2024	$59,944	$25,000	$0	$0	$2,900	$82,044
2025	$82,044	$25,000	$0	$0	$19,680	$87,364
2026	$87,364	$25,000	$0	$0	$0	$112,364
2027	$112,364	$25,000	$0	$0	$12,500	$124,864
2028	$124,864	$25,000	$58,176	$0	$208,040	$0
2029	$0	$25,000	$0	$0	$6,650	$18,350
2030	$18,350	$25,000	$0	$0	$0	$43,350
2031	$43,350	$25,000	$0	$0	$4,600	$63,750
2032	$63,750	$25,000	$0	$0	$2,700	$86,050
2033	$86,050	$25,000	$479,540	$0	$590,590	$0
2034	$0	$25,000	$0	$0	$4,800	$20,200
2035	$20,200	$25,000	$0	$0	$0	$45,200
2036	$45,200	$25,000	$0	$0	$0	$70,200
2037	$70,200	$25,000	$0	$0	$33,860	$61,340
2038	$61,340	$25,000	$206,670	$0	$293,010	$0
2039	$0	$25,000	$0	$0	$4,100	$20,900
2040	$20,900	$25,000	$0	$0	$1,300	$44,600
2041	$44,600	$25,000	$0	$0	$13,200	$56,400
2042	$56,400	$25,000	$0	$0	$3,300	$78,100
2043	$78,100	$25,000	$461,270	$0	$564,370	$0
2044	$0	$25,000	$0	$0	$0	$25,000
2045	$25,000	$25,000	$0	$0	$27,490	$22,510

PROGRESSIVE FUNDING SCENARIO: CASH FLOW TABLE (30 YEARS)

FISCAL YEAR	CRF OPENING BALANCE	RESERVE CONTRIBUTION	SPECIAL LEVY	RESERVE INCOME	RENEWAL COSTS	CRF CLOSING BALANCE
2016	$49,774	$96,000	$0	$0	$820	$144,954
2017	$144,954	$96,000	$0	$0	$0	$240,954
2018	$240,954	$96,000	$0	$0	$27,270	$309,684
2019	$309,684	$96,000	$0	$0	$3,670	$402,014
2020	$402,014	$96,000	$0	$0	$2,700	$495,314
2021	$495,314	$96,000	$0	$0	$5,750	$585,564
2022	$585,564	$96,000	$0	$0	$3,220	$678,344
2023	$678,344	$96,000	$0	$0	$146,400	$627,944
2024	$627,944	$96,000	$0	$0	$2,900	$721,044
2025	$721,044	$96,000	$0	$0	$19,680	$797,364
2026	$797,364	$96,000	$0	$0	$0	$893,364
2027	$893,364	$96,000	$0	$0	$12,500	$976,864
2028	$976,864	$96,000	$0	$0	$208,040	$864,824
2029	$864,824	$96,000	$0	$0	$6,650	$954,174
2030	$954,174	$96,000	$0	$0	$0	$1,050,174
2031	$1,050,174	$96,000	$0	$0	$4,600	$1,141,574
2032	$1,141,574	$96,000	$0	$0	$2,700	$1,234,874
2033	$1,234,874	$96,000	$0	$0	$590,590	$740,284
2034	$740,284	$96,000	$0	$0	$4,800	$831,484
2035	$831,484	$96,000	$0	$0	$0	$927,484
2036	$927,484	$96,000	$0	$0	$0	$1,023,484
2037	$1,023,484	$96,000	$0	$0	$33,860	$1,085,624
2038	$1,085,624	$96,000	$0	$0	$293,010	$888,614
2039	$888,614	$96,000	$0	$0	$4,100	$980,514
2040	$980,514	$96,000	$0	$0	$1,300	$1,075,214
2041	$1,075,214	$96,000	$0	$0	$13,200	$1,158,014
2042	$1,158,014	$96,000	$0	$0	$3,300	$1,250,714
2043	$1,250,714	$96,000	$0	$0	$564,370	$782,344
2044	$782,344	$96,000	$0	$0	$0	$878,344
2045	$878,344	$96,000	$0	$0	$27,490	$946,854

Appendix F

RDH Qualifications

Maintenance and Planning (MaP)

Our Maintenance and Planning (MaP) group works with your owner group to plan and develop strategies for the long- and short-term needs of your building – everything from roof maintenance to boiler replacement. As the acronym suggests, our services are designed so that we can provide you with a comprehensive roadMaP for the management of your assets.

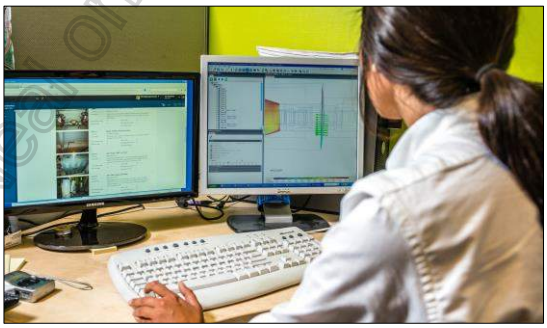
RDH staff have broad practical experience assisting building owners with all aspects of planning for the long term stewardship of their building(s). Our reserve fund analysts, engineers, architects, and technologists have a wide variety of formal training—including building science, structural engineering, and mechanical engineering. We believe that by using a team approach, we can ensure an appropriate level of thoroughness and quality. We have prepared hundreds of Depreciation Reports and are recognized as industry leaders.

Depreciation Reports

A depreciation report is a long-range financial planning tool. It's used to identify funding requirements for costs associated with future repair, renewal, and replacement projects. The report establishes where you need to focus resources and is a good place to start developing your roadMaP.

The first step in preparing the report is to compile an inventory of all of your building's assets (roofs, boilers, carpets, etc.). Using the inventory as a foundation, we estimate the remaining life of each asset, forecast the replacement costs in future-year dollars, and display the financial analysis with graphs and cash flow tables.

Building Asset Management Software



All of this information is accessible through our propriety online BAM software - we do the groundwork and provide the critical information so that you can leverage the software to track and report on maintenance, repair, and renewal activities. Alternatively, we can follow up and manage the activities on your behalf.

The software tool also empowers you to create your own funding scenarios so you can evaluate different funding levels and find a solution that works specifically for your building. Where a depreciation report identifies what items you need to spend money on and when you need to spend it, this tool helps you optimize the way you spend your money. Ultimately, we can help you track what work is completed vs. what is outstanding so that you are better able to produce reports and make informed decisions.

About Us

David Albrice, B.Sc. URP, CAMA, MIAM, ARP, PRA

Principal, Senior Specialist, Maintenance and Planning

- Certified Professional Reserve Analyst, APRA
- B.Sc. Urban and Regional Planning
- Associate Reserve Planner, REIC
- Project Manager on 100's of Facility Condition Assessments and Reserve Studies (Depreciation Reports)

Serge Desmarais, B.Arch. Architect AIBC, CP

Managing Principal, Senior Building Science Specialist

- Registered architect, AIBC, Certified Professional, UBC
- 30 years' experience in building design and construction capital renewal projects
- Technical lead for MaPs

Peter Fitch, C.Tech.

Senior Project Manager, Mechanical Specialist

- UBC/UBCM Certified Professional program (audit only)
- Member of Applied Science Technologists & Technicians of British Columbia
- 40 years' experience in the mechanical design field
- Technical review of asset inventories for MEFS and site assets

Harvey Goodman, P.Eng.

Building Science Specialist

- B.A.Sc., Civil Engineering
- Registered professional engineer, APEGBC
- 20 years' experience in building science consulting

Robin Breuer, A.Sc.T., RRO

Senior Building Science Technologist

- Dipl.T., Building Engineering Technology (Building Science Option)
- Registered Roof Observer, RCI Inc.
- 15 years' experience in building science consulting

Laureen Stokes, Dipl.T.

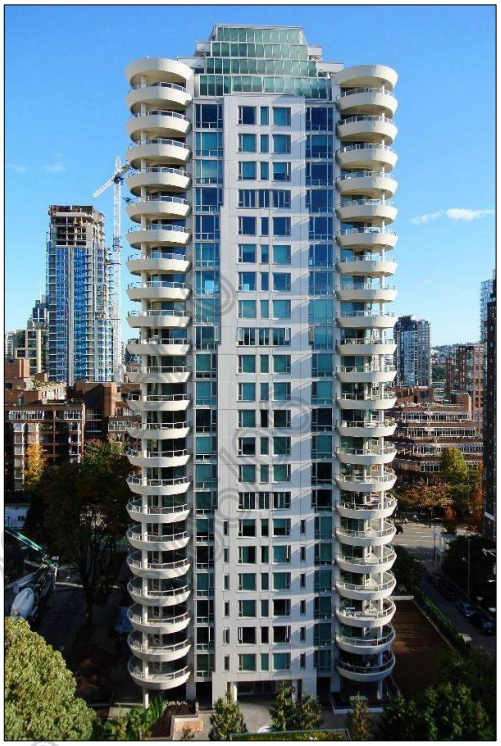
Associate, Regional Manager Maintenance and Planning

- Dipl.T., Architectural & Building Engineering Technology (Building Science Option)
- 5+ years' experience in building science consulting

Jason Dunn, B.Arch.Sc., CCCA

Associate, Project Manager

- B.Arch.Sc, Building Science Option
- Certified Construction Contract Administrator, CSC
- 10+ years' experience in building science consulting



Amy Montgomery, P.Eng., MASc., LEED® AP

Building Science Engineer

- M.A.Sc., Mechanical Engineering
- 8 years' experience in building asset reserve studies and energy modeling

Brandon Carreira, Dipl.T.

Maintenance and Planning Technologist

- Dipl.T., Architectural & Building Engineering Technology (Building Science Option)
- 4 years' experience in maintenance and planning consulting
- Prepared over 50+ depreciation reports and has been involved with 75+ MaP projects

Roma Santos, Dipl.T.

Maintenance and Planning Technologist

- Dipl.T., Architectural & Building Engineering Technology (Building Science Option)
- 3 years' experience in maintenance and planning consulting and has prepared 50+ depreciation reports

Jesse Listoen, Dipl.T.

Maintenance and Planning Technologist

- Dipl.T., Architectural & Building Engineering Technology (Building Science Option)
- 2+ years' experience in maintenance and planning consulting and has prepared 50+ depreciation reports

Roya Kiani Amin, B.Sc.

Maintenance and Planning Technologist

- B.Sc., Civil Engineering
- 5+ years' experience in architectural drafting
- 2+ years' experience in construction
- Prepares quantified + itemized lists of enclosure elements from architectural drawings
- Provides quantity estimating for depreciation reports in the Vancouver office

Nicola Alexander, B.Tech

Maintenance and Planning Technologist

- B.Tech., Architectural Science
- 2+ years' experience in maintenance and planning consulting and has prepared 50+ depreciation reports in the Victoria office

Megan Butland, Dipl.T

Building Science Technologist

- Dipl.T., Civil Engineering
- Certificate, Drafting
- Provides quantity estimating for depreciation reports in the Courtenay office

Administrators and Client Support

Vanessa Jumawan

Maintenance and Planning Coordinator

- 5+ years' experience in administration within engineering/architecture
- Preparation of depreciation report estimates and proposals

Anna Qiu

Maintenance and Planning Project Assistant

- Certificate, Business Administration
- 10+ years' experience in administration within engineering/architecture firms
- BAMs user account setup and maintenance

Software Support and Programmer

Matthew Branch, P.Eng.

Software Engineer

- B.Sc., Civil Engineering
- Registered professional engineer, APEGBC
- 13+ years' experience in engineering data analysis

Appendix G

Disclosures and Disclaimers,

Insurance Certificate

RDH
Making Buildings Better

3795 Carey Road #500
Victoria, BC V8Z 6T8

250 479 1110
rdhbe.com

Disclosures and Disclaimers

Condition of the Assets

The method of determining the physical condition of the assets is based on a visual review of a representative sampling of the assets in readily accessible locations, discussions with facility representatives, and review of readily available reference documents. No destructive testing or exploratory openings are carried out on any of the assets and the equipment is not disassembled, operated, or subject to re-commissioning tests. The physical review is not a full "condition assessment" since operating, testing, or exploratory openings are excluded from the scope of services.

Cost Estimating for Assets

- All estimates of costs are provided in future year dollars.
- All estimates of costs are Class D estimates intended for planning purposes and not for accounting or tender use. See Glossary of Terms for definition of Class D estimates.
- Actual costs will vary depending on several factors. The estimates assume economies of scale will be achieved by bundling work tasks together into larger renewal, repair, or rehabilitation projects. Small tasks performed individually may exceed the estimates presented.
- Soft costs, such as consulting services and contingency allowances are not included in the budget estimates. When developing cost estimates for projects in greater detail for budgeting, each project should include appropriate soft costs - such as Owner contingency, permit fees, engineering fees, etc. Depending on the sizes, scope and timing of individual projects, the magnitude of the soft costs will vary.
- Construction costs are subject to the vagaries of the marketplace. At the time of tender, costs may vary depending on the time of the year, contractor availability, and other factors.
- The estimates must be updated over time, further developed for scope of work and confirmed by competitive tender before any contracts are awarded.
- Detailed repair specifications are required to be prepared in order to confirm scopes of work and costs.
- The estimates do not include allowances for site specific access requirements or environmental concerns, which should be addressed on a project-by-project basis.
- Consideration may sometimes need to be given to costs arising from the impact of projects on occupancy use and facility operations.
- Replacement costs are typically based on like-for-like with a similar asset unless code or other circumstances require the replacement cost to include an upgrade.

Maintenance of the Assets:

The maintenance checklists are not exhaustive and are intended as a framework for the ongoing refinement of the maintenance program.

- Work must only be carried out by appropriately qualified personnel who have the necessary and sufficient knowledge about the maintenance tasks and maintenance intervals.
- The manufacturers' latest printed instructions should take precedence in the event of any conflict with the maintenance checklists.
- The Owners' maintenance staff and/or service contractors are responsible to verify what is contained in the manufacturers' documentation regarded recommended maintenance procedures and intervals.
- The maintenance checklists and maintenance intervals should be reviewed annually and adjusted, as required, to reflect the service environment, feedback from contractors, etc.

Specialist and Non-Specialist Reviews

Our personnel collect the asset inventory data for all the different systems, including mechanical, plumbing, fire safety, elevator, electrical, interior finishes, and sitework. Our scope of services is to identify the assets within each system, determine their age and report on their reasonable service life-cycles according to accepted industry standards. RDH personnel do not make observations with regard to specialty building system conditions unless specifically addressed in our proposal.

Forecasting the Useful Service Life of Assets

The service life of assets can be affected by a variety of circumstances, including the following:

- The quality of the maintenance conducted on an asset will affect the service life of the asset. Poor maintenance can lead to a reduced service life and may result in the premature failure of an asset.
- Insurable losses (force majeure), such as earthquakes, fires, and floods can shorten the life of an asset. These events are not considered in a Depreciation Report.
- Asset service life in a Depreciation Report is determined according to accepted industry standards.

Funding Models

The funding models for Depreciation Reports are based on a 30-year horizon and use "future year dollars termed" methodology. This methodology projects the costs (in future year dollars) over the planning horizon and not beyond the terminus year of the planning horizon. The current year is the starting year of the planning horizon. The term,

therefore, matches the initial horizon and does not respect a shifting horizon. This means that in year 1 the funding scenarios will look forward for 30 years.

For example, in 2012 the model looks forward to 2042. In year two, it will be accurate for 29 years, as it is only looking forward to year 2042. When an update study is performed in three years, the revised funding scenarios will look forward 30 years from 2015 to 2045. Renewal and major maintenance projects that occur beyond the 30-year planning horizon are not considered in the scenarios; that is, those projects that occur beyond 30 years are unfunded in the funding scenarios.

Ref. No. 320007358120 AMENDED

CERTIFICATE OF INSURANCE

Aon Reed Stenhouse Inc.
401 West Georgia Street, Suite 1200
PO Box 3228 STN. TERMINAL
Vancouver BC V6B 3X8
tel 604-688-4442 *fax* 604-682-4026

Amending Certificate No. : 320007355770

Re: Evidence of Insurance:

To Whom It May Concern

Insurance as described herein has been arranged on behalf of the Insured named herein under the following policy(ies) and as more fully described by the terms, conditions, exclusions and provisions contained in the said policy(ies) and any endorsements attached thereto.

Insured

RDH Building Science Inc.
224 West 8th Avenue
Vancouver, BC V5Y 1N5

Coverage

Commercial General Liability	**Insurer**	Zurich Insurance Company Ltd		
	Policy #	8611292		
	Effective	02-May-2015	**Expiry**	02-May-2016
	Limits of Liability	Bodily Injury & Property Damage, Each Occurrence $1,000,000 Products and Completed Operations, Aggregate $1,000,000 Non-Owned Automobile Liability $1,000,000 Policy may be subject to a general aggregate and other aggregates where applicable		
Professional Liability	**Insurer**	Lloyd's Underwriters		
	Policy #	QC1502155		
	Effective	02-May-2015	**Expiry**	02-May-2016
	Limits of Liability	Subject to aggregate where applicable		

Terms and / or Additional Coverage

Professional Liability
Limit: $2,000,000 Per Claim Limit / $4,000,000 Aggregate Limit

THE POLICY CONTAINS A CLAUSE THAT MAY LIMIT THE AMOUNT PAYABLE
OR, IN THE CASE OF AUTOMOBILE INSURANCE,
THE POLICY CONTAINS A PARTIAL PAYMENT OF LOSS CLAUSE

AON

Ref. No. 320007358120 AMENDED

CERTIFICATE OF INSURANCE

Commercial General Liability

Products and Completed Operations
Broad Form Property Damage
Cross Liability
Contractual Liability
Owners and Contractors Protective
Contractual Liability included

THIS CERTIFICATE CONSTITUTES A STATEMENT OF THE FACTS AS OF THE DATE OF ISSUANCE AND ARE SO REPRESENTED AND WARRANTED ONLY TO THE INSURED. OTHER PERSONS RELYING ON THIS CERTIFICATE DO SO AT THEIR OWN RISK.

Aon Reed Stenhouse Inc.

Dated : 14-January-2016
Issued By : McLean,Chris J.
Tel : 1-604-688-4442

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OR, IN THE CASE OF AUTOMOBILE INSURANCE,
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