

Darlington Arms Condominiums

Darlington Arms, Condominium Corporation #9811439

Established 15 May, 1998

Forty condo homes under one roof at 317 Fourteenth Avenue, S.W., Calgary

Reserve Fund Plan of the Darlington Arms Condominium Corporation

At the Board of Directors meeting of 21 November, 2002, it was resolved as follows:

MOVED by Director Leonard Krahn

SECONDED By Director Darcey Le Bray

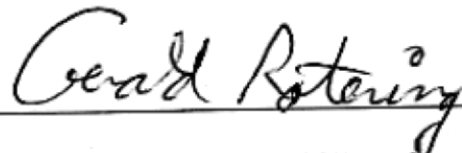
WHEREAS the Alberta Condominium Property Act, and Regulations 23 (4) and (5) require the adoption of a reserve fund "plan", subsequent to a reserve fund-needs study on behalf of a corporation,

and

WHEREAS our common property has been analysed by Calgary Condominium Consulting Ltd. (Emery Leraand), identifying future capital needs to properly maintain our building, including the opening amount which matches our current reserve, and first-year contributions which match our budgeted allocation to the reserve account,

BE IT RESOLVED THAT it is the plan of the corporation to follow the recommendations of the Reserve Fund Report dated September 2002, namely to make the annual contributions as the report suggests in coming years to fully fund the needed future expenditures.

AT THE VOTE, IT WAS RESOLVED UNANIMOUSLY.



Signed for the Board, Gerald Rotering, Chair

Adopted by Board resolution on November 21, 2002.

Reserve Fund Report

for

The Owners:

Condominium Plan No. 9811439

“Darlington Arms”

by

Calgary Condominium Consulting Ltd.

- Recommends \$56/suite/month contribution to reserve.

At Nov. 1/02 we are contributing a budgetted \$54.65, plus any operating surplus at year's end.

We are also ahead of the spending schedule on some items, such as boilers.

- These notes and editing of the text are by Gerald Rotering,
Board Chair, Nov. 2002.

Revised September 2002

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Introduction

As authorized by the Board of Directors of Darlington Arms (Condominium Corporation No. 9811439), Calgary Condominium Consulting Ltd. has completed the following "Reserve Fund Study". The dollar amounts quoted are not "hard" or exact, but rather the best projections that we can make based on the data available. It is intended to provide realistic guidance for establishing and maintaining a reserve fund for the complex.

By employing visual examination, reference to available drawings and records, and by contact with owners and management we have endeavoured to establish the condition, theoretical service life, age, cost, remaining life and quantity of each identifiable component or system in the complex. Components have been considered in four general classes, "site components" (such as paving), "building envelope components", "interior decor" and "mechanical systems".

It is recognized that as the project is built as a "conventional" condominium and the land and the structural components are owned in common. The boundary of one unit with another is the centre line of the wall between the respective units. The plan describing the boundaries of units with the common property did not contain any reference to windows and doors. This means that as registered, exterior windows and doors are part of the common property.

Limiting Conditions

All efforts have been made to assure that this study meets the requirements of the legislation which came into effect as of September 1, 2000.

Service lifetimes quoted by manufacturers and suppliers of the various components examined in this study should be taken as guidelines only. Varying service conditions and the quality of ongoing maintenance will decrease or extend the actual life of each item. It is also important to note that the method and specifications chosen for bidding replacements or major repairs can vary widely and can have a substantial influence on the end price. Quantities of materials quoted are either from actual measurements (usually rounded upward) or approximated where measurement was not a practical option. Available published data used to compile this study included;

1. **Condominium Plan 9811439**
2. **Site Map (included as page 3)**
3. **The By-laws of the Corporation, the Condominium Property Act of Alberta and regulation 168/2000**
4. **Archival documents from suppliers and consultants**
5. **Information provided by Bayview Management**

Information was also gathered by direct conversation with management and research into the properties of various materials. Value of materials and systems was established by inquiries made to appropriate contractors, reference to published price lists and a database of past material and labour quotations from other studies. It is important to note that most of the costs used are based on mid-range prices with both high and low quotations being rejected.

An extensive on site visual inspection of the site was completed. It is still important to note that short of destructive testing, hidden conditions may affect the service life of components and thus the time frame for some costs. Data provided in this study becomes less reliable with time. It is recommended that as per the regulations to the new Act that a visual inspection and financial update be completed at intervals of **no longer** than five years.

Qualifications

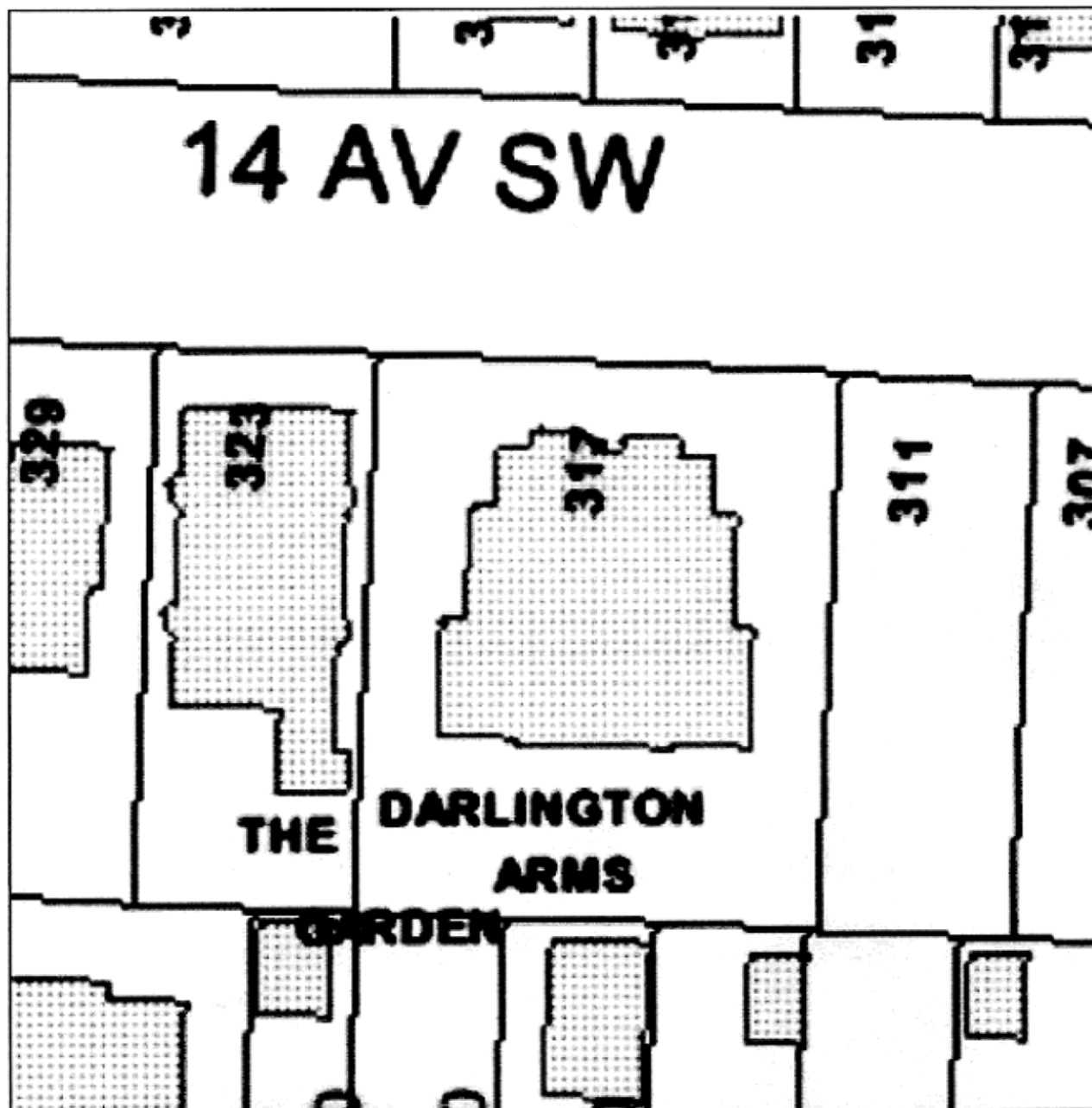
As per 23.(3)a. of regulation 168/2000, applicable to the new Act, a summary of the author's background and qualifications follow:

Emery Leraand, A.C.C.I.

General Manager of Calgary Condominium Consulting Ltd.

- Degree in mechanical engineering from **University of Alberta** in 1982
- Former **Realtor** specializing in residential condominium sales January, 1987 to April 1, 2000
- Sessional instructor for **Mount Royal College** for Real Estate 1000 (pre licencing course) teaching the section on condominium property
- Contributor to the development of the **Alberta Real Estate Association "Condominium Sales Course"**
- Primary presenter of the advanced credit **Condominium Sales Course** to Calgary **Realtors** through **AREA, Mount Royal College, CREB** and through individual real estate companies
- Co-author of "**The Calgary Condominium Guide**"
- Author of a **condominium apartment fee study** evaluating approximately 90 complexes (currently in the process of updating)
- Condominium owner since 1983
- Current board member of one condominium association, past member of others
- First court appointed administrator of a residential condominium in southern Alberta
- Past member of the board of directors of the **Canadian Condominium Institute (Southern Alberta Chapter)**
- Professional member of the **Canadian Condominium Institute (Southern Alberta Chapter)**, holding the designation **A.C.C.I.** (Professional Associate of the Canadian Condominium Institute)
- Author of numerous reserve fund studies for complexes ranging from six units to one hundred and fifty units
- Editor of a full colour consolidation of the past and present Alberta condominium legislation
- Over sixteen years of experience in the Calgary condominium field.

Site Plan



Site Components

Paving

Surface parking on the south side of the complex is actually on the roof of an extended portion of the underground garage. It is likely, but not confirmable without destructive testing, that the concrete slab is protected by a bituminous membrane below the asphalt surface. Any repair of the asphalt must be done with this in mind. A yearly crack filling program will help to protect both asphalt and membrane.



The surface comprises **some 5,300 sq. ft.** and was likely redone at the time of conversion of the building to condominium in 1998. No signs of leakage were noted on the underside of the slab and with maintenance, the surface should last another **16 years** on a **20 year cycle**. Cost to put a top lift on the pavement should be about **\$8,000**, but if work is required on the membrane this cost could triple very quickly. Budget **\$16,000** for surfacing and partial membrane replacement in **year 16**.

Paving Stones

Nearly **300 sq. ft.** of paving stones provide a front access walk to the building. The paving stones are serviceable and should be reset and replaced as needed from the maintenance budget **No separate budget** recommended at this time.



Non Structural Concrete

The underground garage is accessed by a ramp on the north west corner of the site and the surface parking by an on grade concrete drive on the east side of the building. These are in very poor condition. As this is primarily a cosmetic problem, the timing and method of repair are a bit flexible. Total area is about **2,800 sq. ft.** and the cost to replace should be **\$30,500**. Budget for **50% in year 3** and **50% in year 5** on a **35 year cycle**. A cheaper alternative would be a decorative asphalt cap, but in terms of durability you get what you pay for.



Fences

The Darlington Arms has **280 lineal ft.** of painted steel fencing surrounding portions of the building. It should last the economic life of the project, but occasional repair of post anchorage or other incidental damage is to be expected. Budget **\$600** every **8th** year starting in **year 6** for general repairs.

Fence Painting

The fences is currently painted with a black gloss enamel and should be redone in **year 4**. If properly prepared and painted with a good quality material, an **8 year** cycle should be achievable. Budget **\$6,000** to look after painting the fences, gates and the balcony rails as mentioned below.

Security Gate

The surface parking area at the south end of the building is secured by a powered sliding steel gate. At the time of field inspection the gate did not appear to be in use, a situation found in several other complexes. The climate in Calgary is not kind to this type of equipment. One device that is said to be helpful is a heater for the actuating mechanism. If there is not one in the unit, they are commercially available. Gates of this sort will cost **\$30,000 and up** to install and should be serviceable for an indefinite time period. Budget **\$1,500** every **6th** year starting in **year 2** for necessary repair. This is not for regular maintenance, as annual maintenance costs are not properly considered reserve items.



Exterior Electric Outlets and Lighting

About **60** duplex outlets and **12** outdoor lights are located on the balconies and around the perimeter of the building. Balcony lights appeared to be individual additions, improperly wired to the outlets below them. Weather resistant covers were not present on any of the observed balcony locations. These should be installed immediately. This is handyman work that should be done from the yearly maintenance budget. Most of the outlets are located on well sheltered balconies and replacements should last well.

The outlets and lights would currently cost in the order of **\$3,500** to replace. They should have an average remaining life of about **2 years** and an expected life of **25 plus years**. Some of the perimeter common lights are near new and will not need replacement on the first cycle.

Landscaping

The site is planted with very limited grassed areas and trees. These do not have a specific service life, and can last indefinitely with good care. Some costs will be incurred on a non-annual basis and a landscaping fund of **\$400** every **5th** year starting in **year 3** is recommended

Underground Services

1. Telephone

Lines were installed by Telus and should be maintained by them as long as they remain your service provider.

2. Cable

Lines were installed by Shaw Cable and should be maintained by them as long as they remain your service provider. A recent CRT ruling makes onsite wiring the property of the corporation, rather than your supplier. They may no longer feel obligated to provide no cost service. A satellite service providers has also arranged access to these cables.

3. Electric

It is suggested that the overall funding below be used for any breaks or damages in the services in the unlikely circumstance that the utility does not pay for such repairs.

4. Gas

Lines were installed by Atco Gas and should be maintained by them as long as they remain your service provider. Note that painting of manifolds for the meters is likely going to be left for the condominium corporation to look after. Atco Gas have announced that they are selling off their gas supply business (no effect on the delivery system) and it is not known if this will have eventual consequences for the maintenance of the supply lines and meters.

5. Water Supply

Supply and distribution pipes may last the life of the project or breaks could occur at any time. The age of the project makes it likely that the pipes are of ductile iron. It is assumed, but not confirmed, that city required backflow preventors are in place and that the inspection of these will be treated as an operating expense.

6. Sanitary Sewer and Storm Sewer

Piping should last the economic life of the project. Flushing of the sanitary system at regular intervals should be treated as a maintenance rather than a reserve fund item. Storm sewer catch basins should be kept clear of debris and the system may need flushing on an occasional basis

It would be prudent to establish and maintain a contingency fund specifically for underground service problems. In a 40 unit apartment site with 32 year old services, an accumulating fund of \$3,500 every 6th year starting in year 4 (to be carefully reviewed at future updates) is suggested. This fund should be for major breaks or blockages only and not for ongoing storm or sanitary line flushing. These should be part of your annual maintenance budget.

Building Envelope

Foundations

Foundations are expected to last the life of the project and do not usually require reserve funding. No significant problems were identified in the course of our onsite inspection.

Stucco

About 1,000 sq. ft. of masonry stucco forms the outer siding below most of the windows on the building. To replace all these small areas of material would cost at least \$10,000 in 2002 dollars. With consistent maintenance, it should have an indefinite service life. It is suggested that a rigorous ongoing program of inspection and maintenance be carried on. Budget \$800 every 7th year starting in year 5 for ongoing stucco repair.

Brick Veneer

In the order of 15,000 sq. ft. of brick veneer, worth in the order of \$140,000, has been used as the main exterior surface on the building. This material should have an indefinite service life, and only a budget for periodic repointing, caulking of control joints and repair of any suspect anchorage is suggested. During inspection of the building no problems were noted with the brick, but investigation of anchorage and control joints is beyond the scope of a reserve fund study. We recommend a budget of \$6,000 every 6 years starting in year 5 of this report to investigate and repair as needed.

Entrance Canopy

The front entry of the building features a small fabric canopy which is likely about 4 years old. It would cost about \$2,500 to replace the fabric and it should last in the order of 10 years. Budget for replacement in year 6. Steel framing for the canopy should only require periodic repainting (in conjunction with the steel fences), no separate budget suggested.

Exterior Windows & Doors

According to the by-laws of the corporation, exterior doors and windows in the project are the property of the individual owners. This has automatically reversed with inception of the new amendment Act on September 1 of 2000. With this in mind, a budget is proposed.

The site has nearly 165 casement multi-pane windows and fixed windows, 44 balcony doors, 65 common area and unit entry doors (interior), and a number of metal clad and/or commercial glassed exterior entry doors.



Service life for the windows should be at least **45 years** and replacement cost in **2002 dollars** would be about **\$145,000**. The current windows and sliding doors are neither attractive or particularly energy efficient, but in real terms they could achieve an overall remaining life of about **15 years**. Budget for **50% in year 12** and **50% in year 16** This would still require track and roller repair as needed on the sliding doors and weatherstripping and hardware repair as needed on the windows.

-try 150!

Garage Door

The underground parking garage is accessed via an overhead door employing an electric lift with a keyed entry system. The doors and lifts should achieve a life of about **15 years** and will cost in the order of **\$3,500** to replace in current dollars. To maximize this life, regular maintenance will be required. Budget for replacement in **year 2**.



Caulking

Caulking is used to seal the interface between door and window frames and the building as well as at points where unlike material (i.e. brick and stucco or stucco and metal flashing) meet. The caulking on the Darlington Arms is well along on its service life. It is suggested that the budget be split by building exposure as follows;

Exposure	Replacement Year	2002 Cost
North and West faces	6	\$13,000
South and East faces	8	\$13,000

The new material will last up to **20 years**. Note that the installation of new windows or doors will include new caulking around them, and that if window caulking can be delayed until replacement time, the balance of the costs could be substantially reduced

Balcony Railings

The Darlington Arms has pre-finished metal railings on the unit balconies. This material should last the life of the project, but would benefit cosmetically from eventual repainting. A budget for this is included with the steel fence painting budget above.

Upper Decks

About **1,500 sq. ft.** of the roof of the **7th** floor is used for two exclusive use decks. These are built over the tar and gravel roof with deck boards fastened to wood sleepers on top of the roof membrane. This type of area would typically have a very low duty cycle and with good maintenance the life expectancy would be about **20 years**. Access was not gained to this area, but it is likely that the deck was renovated at the time of conversion. The cost to replace the decking and sleepers would be in the order of **\$8,000** and this is said by the board to be the responsibility of the individual users.

Post Tensioning

Darlington Arms does not appear to incorporate any post tensioned cables.

Roof

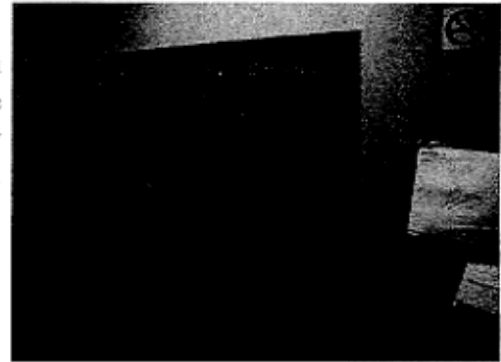
The Darlington Arms has a flat roof covered by a conventional built-up tar and gravel membrane totalling some **5000 sq. ft.** on 2 levels. It would have had an original **20 year** life expectancy, and as no written replacement history was available. It appears to have been replaced at the time of conversion and this report reflects an effectively **6 year** old roof. With regular inspection and maintenance the current roof should last until **year 14**. Current cost to replace with a similar membrane should be about **\$32,000**.



Building Interior

Mail Box

A mailbox is located in the entry lobby of the building. With ongoing repair and service, it should have an indefinite service life. Locks, hinges, etc. should be replaced as they wear out and no separate budget is shown for replacement.



Flooring

The bulk of the flooring material in the building is commercial carpet. It amounts to over **200 sq. yds.** and would cost about **\$3,800** to replace today. It appears to be about **4 years** or more old. Budget for replacement in **year 8**.

Tile (**700 sq. ft.**) was found in the entry and elevator which would have a replacement cost of about **\$7,000**. Replacement will be needed in about **26 years** on a **30 year** cycle.

Common Area Wall Painting

Textured plaster with a paint finish was found in most of hallways. It is currently in reasonable condition and it is recommended that remaining life be considered **6 years** on a **10 year** repaint cycle. The total area amounts to about **7,000 sq. ft.** and current cost to repaint would be about **\$6,000**.

Stairwell Painting

The walls in the two common area stairwells in Darlington Arms are paint finished. This is a very low duty area and paint should last **15 or more years**. Consider a budget for the stairwells at the next update of this report

Ceilings

Common area ceilings in Darlington Arms are painted drywall comprising some **4,300 sq. ft.** It is suggested that a budget of **\$3,000** be set for **year 11** on a **15 year** expected duty cycle.

Interior Door Painting

Interior door paint is in good condition and should last another **9 years** on a **12 year** repaint cycle. Budget **\$3,000** in 2002 dollars.

Common Area Lighting

Lighting for the common areas includes; 60 low wattage fluorescent ceiling fixtures, 7 - 2 tube 4' florescent fixtures, and 15 general purpose lights. Full life cycle is taken to be 30 years. Cost to replace is taken to be \$4,500 including fixtures in miscellaneous storage and utility areas. Remaining life is taken as 26 years. It was also noted that every stairwell incorporates a low wattage fixture at each floor level. These said to be part of the emergency lighting system.

Exit Lights

16 exit lights would have a current replacement value in the order of \$400 and should achieve a life of 25 years. Current age is 32 and immediate replacement is recommended. Note that the use of LED units for all future replacements would save substantive operating costs. They are more expensive to buy, but have a much longer service life and take about 1/7 the energy of a regular bulb.

Elevator Car

Decor in the elevator car dates with time and a budget should be set for renovations. It is suggested that \$3,500 be set aside every 12th year starting in year 9.

Note

At the first update of this report it may be worth considering consolidating most of the common area items above into a more flexible interior decor fund. This could also provide a convenient way to account for lobby furniture and the like.



Mechanical Systems

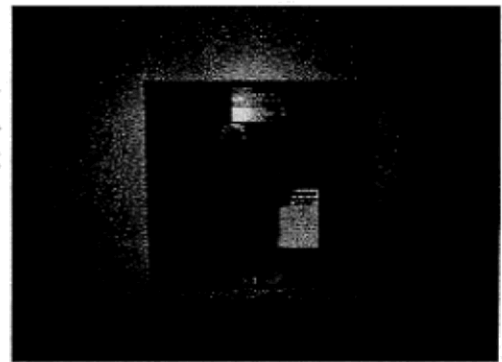
Intercom

A multi-station intercom system is employed to provide guest access through the front entry of the building. It should have a **35 year** life and would currently cost about **\$3,000** to replace. Remaining life is projected to be **7 years**.



Fire Panel/Alarm

The fire panel is a un-monitored local unit and is interlocked with detectors in units and common areas. It should have a service life that makes a current budget for replacement unnecessary. Review at next update.



Sprinkler System

The common garage areas in the complex are protected by a dry line fire sprinkler system. This should be a life of the project component and no budget is currently suggested.

Water Service

All city water supplies appear to be properly protected with approved back flow preventors. These require regular servicing and no replacement budget is suggested at this date.

Electrical Service

The main electrical service and panels for the building should last the economic life of the project. No budget is suggested, but a qualified commercial electrician should be checking main connections for tightness on a regular basis.

Hallway Make-up Air

A gas fired corridor pressurisation unit is employed in the complex. It should have a service life of **25 to 30 years** and would cost **\$15,000** to replace today. The fan and filter stage appeared to be originals coupled to a newer Reznor single stage indirect fired heating unit. Replacement projected for **year 15**.



Boiler

A Weil McLain boiler with cast iron heat exchanger provided hot water for the hydronic heating system in the building. It was original, and is now said to have been replaced with 2 modern units. A micron filter is in place to remove impurities from the water glycol circulating mix. They should have a service life of **30 to 35 years** and will cost in the order of **\$12,800** each.

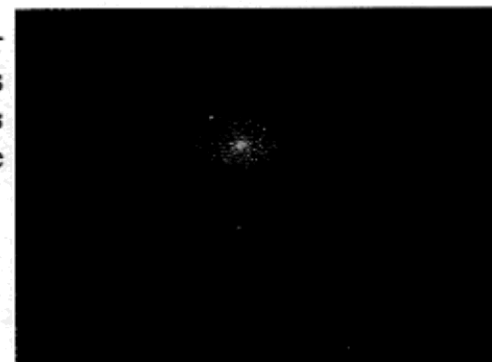


Pumps

Redundant heavy duty pumps (Bell and Gossett) are employed to circulate the heated water through the building. Both were running at the date of inspection, a very poor practice if a redundancy feature is to be available when one unit fails. These have an expected service life in the order of **15 years**, but this may be substantially increased if rebuilding is done periodically. It is said that both pumps have been replaced in year 1 at a cost of **\$2,200** per pump.

Expansion Tank

An diaphragm type expansion tank was installed in the boiler room in 1996. It was placed so that the information plate is out of site behind the unit. Remaining life is taken as **14 years** on a replacement **20 life cycle**. Replacement cost will be the order of **\$2,000**.

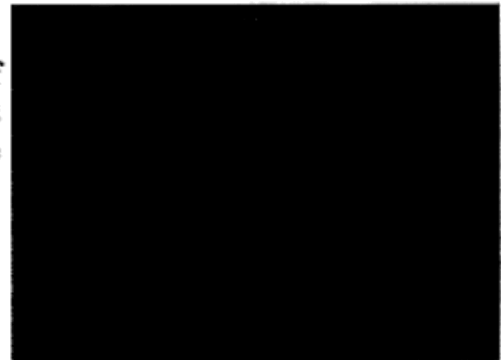


Domestic Hot Water Tanks

One power vented 65 US gallon A O Smith hot water tank with spark ignition and one older similar sized A O Smith unit are providing domestic hot water to the building. The power vented unit is about 3 years old and the other 7 or more years. These should have an approximate service life of 7 years and the newer power vented style would cost \$4,500 to replace the first time and \$4,300 for subsequent replacements. This is because power has to be supplied to the new style tanks. It is recommended that you budget for tank 1 in year 5 and tank 2 in year 1.

Parkade Exhaust Fan

This unit should last about 30 years and cost in the order of \$4,000 to replace. Projected for year 5. If the fan bearings and motor have been replaced over the years, the real life may be substantially extended.



Parkade Make-up Air

No parkade make-up air equipment or parkade heaters were observed.

Emergency Generator

An 2.8 kW generator plant is located in the mechanical room. Replacement cost would now run close to \$3,000 for an equivalent unit. It is on a very low duty cycle and should last indefinitely if given good care. It should be started and run on a monthly basis and get at least annual oil changes. The battery should be charged on an occasional basis (appears to charge constantly) and it should be changed out every 4 or 5 years. A solar trickle charger of the type used for RV batteries may be an economical and efficient way to maintain the charge. No budget for replacement suggested at this date.



Sump Pump

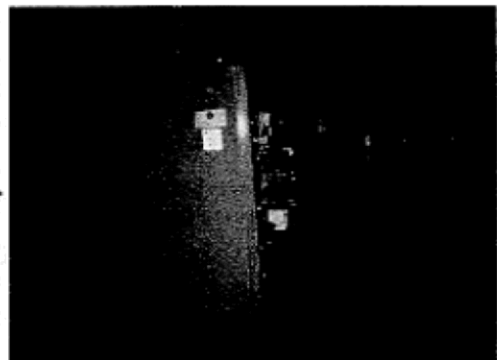
One sump pump was observed in a pit in the floor of the mechanical room. It was not accessible for close up examination, but appeared to be an older float controlled unit. Duty cycle for this type of equipment is usually very low and it could last several more years. Budget \$650 for replacement in year 6 on a 25 year cycle.

Other Mechanical

Buildings of this type incorporate exhaust fans, unit heaters, CO detectors and many other bits and pieces of mechanical/electronic equipment. It is suggested that \$1,500 every 4th year starting in year 2 be allowed to accumulate to pay for replacements as needed. This amount should be reviewed at each report update for adequacy.

Elevators

Darlington Arms is serviced with an original elevators with relay controls. Elevators in this type of building are used on a very low duty cycle, and with the exception of decor items in the car, should last for 45 or more years. Each elevator would cost in the order of \$70,000 and replacement is projected for year 13. It should be noted that because of code requirements it is nearly impossible to do partial updates to the elevators without close to complete replacement. The ~~subsisting~~ maintenance contract should keep the equipment running on a satisfactory basis



Piping Replacement Fund

Recirculating piping in the building ^{has} ~~have~~ been ^{completely} ~~partially~~ replaced in recent years. It is prudent to fund for future replacements and a budget of \$15,000 every 10th year starting in year 10 is recommended.

Spreadsheets

The following pages include spreadsheet presentation of:

Component Quantity and Cost Consolidation

This chart shows the effective age, estimated service life, and total cost of each component or system. Remaining service life is calculated from the effective age and the estimated life. Where contingency amounts are shown, the assumption is that these amounts will be allowed to accumulate over time to provide the dollars that will inevitably be needed in years to come.

Cash Flow

A 4 page table with each page spanning some 7 years is shown. As each replacement time is reached for a component, the inflation corrected cost appears in the table. Contingency amounts show in every year and are generally meant to accumulate until needed. Below the grayed out line a total of each year's expenditure is shown, an opening balance of the fund for that year, the amount to be allocated from condo fees for the year and the amount of expected return (interest) on savings. An average contribution per unit per month is also shown.

An inflation rate of 3% has been applied to costs and to contributions. This means that an item that would cost \$50,000 today would be projected to cost \$51,500 next year and \$77,898 in 15 years. Suggested contributions to the draft reserve plan have been based on not allowing the closing balance to go below zero in any of the next 25 years.

Return on invested funds has been calculated at a rate of 4% per year on an average of the opening and closing balance in each year. If we have been given an initial amount to apply to the reserve fund, this will be shown and will offset the needed contribution. Note that in this draft an opening balance was extracted from your last monthly statement, and can be changed on your instructions.

Component Quantity and Cost Consolidation

Item	Effective Age	Life Cycle	Replacement Year	Total Current Cost
Paving/Waterproofing	4	20	16	\$16,000
Non-structural Concrete 20%	0	4	4	\$30,500
Fence repair fund	2	8	6	\$600
Fence & Balcony Rail Painting	4	8	4	\$6,000
Security Gate	2	6	4	\$1,500
Exterior Electric	23	25	2	\$3,500
Landscaping fund	2	5	3	\$400
Underground Service fund	2	6	4	\$3,500
Stucco repair fund	2	7	5	\$800
Brick repair fund	1	6	5	\$6,000
Entrance Canopy	4	10	6	\$2,500
Windows 50%	33	45	12	\$72,500
Garage Door	9	15	6	\$3,500
Caulking North & West	14	20	6	\$13,000
Caulking South & East	12	20	8	\$13,000
Roof System	12	20	8	\$32,000
Carpet	3	12	9	\$3,800
Tile	4	30	26	\$7,000
Common Area Wall Painting	4	10	6	\$6,000
Ceiling Painting	4	15	11	\$3,000
Interior Door Painting	3	12	9	\$3,000
Common Area Lighting	4	30	26	\$4,500
Exit Lights	32	25	-7	\$400
Elevator Car Decor	3	12	9	\$3,500
Intercom	28	35	7	\$3,000
Hallway Make-up Air	15	30	15	\$15,000
Boiler	-1	32	33	\$25600
Circulating Pump 1	-1	15	16	\$2,200
Circulating Pump 2	-1	15	16	\$2,200
Expansion Tank	6	18	12	\$2,000
Hot Water Tank 1	2	7	5	\$4,200
Hot Water Tank 2	7	7	1	\$4,500
Parkade Exhaust Fan	25	30	5	\$4,000
Sump Pump	19	25	6	\$650
Other Mechanical Fund	2	4	2	\$1,500
Elevator	32	45	13	\$70,000
Piping Replacement fund	0	10	10	\$15,000

Cash Flow for Years 1 to 7 (Inflation 3%, Return on Savings 4%)

Year Number	1	2	3	4	5	6	7
Item/Year	2002	2003	2004	2005	2006	2007	2008
Paving/Waterproofing							
Non-structural Concrete 20%				\$6,866			
Intentional Blank							
Fence repair fund						\$716	
Fence & Balcony Rail Painting				\$6,753			
Security Gate				\$1,688			
Exterior Electric		\$3,713					
Landscaping fund			\$437				
Underground Service fund				\$3,939			
Stucco repair fund					\$927		
Brick repair fund					\$6,956		
Entrance Canopy						\$2,985	
Windows 50%							
Garage Door		\$3,713					
Caulking North & West						\$15,523	
Caulking South & East							
Intentional Blank							
Roof System							
Carpet							
Tile							
Common Area Wall Painting						\$7,164	
Ceiling Painting							
Interior Door Painting							
Common Area Lighting							
Exit Lights	\$400						
Elevator Car Decor							
Intercom							\$3,690
Hallway Make-up Air							
Boiler	\$25,600						
Circulating Pump 1	\$2,200						
Circulating Pump 2	\$2,200						
Expansion Tank							
Hot Water Tank 1					\$4,869		
Hot Water Tank 2	\$4,500						\$5,165
Parkade Exhaust Fan					\$4,637		
Sump Pump						\$896	
Other Mechanical Fund		\$1,591				\$1,791	
Elevator							
Piping Replacement fund							
Years Expenditures	\$34,900	\$9,018	\$437	\$19,246	\$17,389	\$75,165	\$8,855
Opening Balance	\$42,300	\$35,032	\$60,205	\$96,303	\$115,308	\$138,059	\$102,721
Years Contribution	\$26,800	\$32,500	\$33,475	\$34,479	\$35,514	\$36,579	\$37,676
Return On Savings	\$832	\$1,691	\$3,060	\$3,772	\$4,627	\$3,247	\$4,508
Closing Balance	\$35,032	\$60,205	\$96,303	\$115,308	\$138,059	\$102,721	\$136,050
Average Monthly Per Unit	\$56	\$68	\$70	\$72	\$74	\$76	\$78

Cash Flow Years 8 to 14 (Inflation 3%, Return on Savings 4%)

Year Number	8	9	10	11	12	13	14
Item/Year	2009	2010	2011	2012	2013	2014	2015
Paving/Waterproofing							
Non-structural Concrete 20%	\$7,727				\$8,697		
Intentional Blank							
Fence repair fund							\$908
Fence & Balcony Rail Painting					\$8,555		
Security Gate			\$2,016				
Exterior Electric							
Landscaping fund	\$507					\$587	
Underground Service fund			\$4,704				
Stucco repair fund					\$1,141		
Brick repair fund				\$8,305			
Entrance Canopy							
Windows 50%					\$103,368		
Garage Door							
Caulking North & West							
Caulking South & East	\$16,468						
Intentional Blank							
Roof System							\$48,403
Carpet		\$4,958					
Tile							
Common Area Wall Painting							
Ceiling Painting				\$4,153			
Interior Door Painting		\$3,914					
Common Area Lighting							
Exit Lights							
Elevator Car Decor		\$4,567					
Intercom							
Hallway Make-up Air							
Boiler							
Circulating Pump 1							
Circulating Pump 2							
Expansion Tank							\$3,025
Hot Water Tank 1					\$5,988		
Hot Water Tank 2							\$6,353
Parkade Exhaust Fan							
Sump Pump							
Other Mechanical Fund			\$2,016				\$2,269
Elevator						\$102,797	
Piping Replacement fund			\$13,439				
Years Expenditures	\$24,702	\$13,439	\$22,175	\$12,458	\$127,748	\$103,385	\$80,957
Opening Balance	\$136,050	\$155,385	\$188,394	\$214,861	\$253,753	\$175,596	\$120,987
Years Contribution	\$38,807	\$39,971	\$41,170	\$42,405	\$43,677	\$44,988	\$46,337
Return On Savings	\$5,230	\$6,477	\$7,472	\$8,944	\$5,914	\$3,788	\$3,328
Closing Balance	\$155,385	\$188,394	\$214,861	\$253,753	\$175,596	\$120,987	\$109,694
Average Monthly Per Unit	\$81	\$83	\$86	\$88	\$91	\$94	\$97

Cash Flow Years 15 to 21 (Inflation 3%, Return on Savings 4%)

Year Number	15	16	17	18	19	20	21
Item/Year	2016	2017	2018	2019	2020	2021	2022
Paving/Waterproofing		\$25,675					
Non-structural Concrete 20%		\$9,789				\$11,017	
Intentional Blank							
Fence repair fund							
Fence & Balcony Rail Painting						\$10,837	
Security Gate		\$2,407					
Exterior Electric							
Landscaping fund				\$681			
Underground Service fund		\$5,616					
Stucco repair fund					\$1,403		
Brick repair fund			\$9,917				
Entrance Canopy		\$4,012					
Windows 50%		\$116,341					
Garage Door			\$5,785				
Caulking North & West							
Caulking South & East							
Intentional Blank							
Roof System							
Carpet							\$7,069
Tile							
Common Area Wall Painting		\$9,628					
Ceiling Painting							
Interior Door Painting							
Common Area Lighting							
Exit Lights							
Elevator Car Decor							\$6,511
Intercom							
Hallway Make-up Air	\$23,370						
Boiler							
Circulating Pump 1		\$3,530					
Circulating Pump 2		\$3,530					
Expansion Tank							
Hot Water Tank 1					\$7,365		
Hot Water Tank 2							\$7,813
Parkade Exhaust Fan							
Sump Pump							
Other Mechanical Fund				\$2,554			
Elevator							
Piping Replacement fund						\$18,061	
Years Expenditures	\$23,370	\$180,529	\$15,702	\$3,235	\$8,768	\$39,915	\$21,393
Opening Balance	\$109,694	\$138,460	\$7,089	\$42,689	\$94,229	\$143,672	\$164,343
Years Contribution	\$47,727	\$49,159	\$50,634	\$52,153	\$53,718	\$55,329	\$56,989
Return On Savings	\$4,408	\$0	\$668	\$2,621	\$4,493	\$5,257	\$6,858
Closing Balance	\$138,460	\$7,089	\$42,689	\$94,229	\$143,672	\$164,343	\$206,796
Average Monthly Per Unit	\$99	\$102	\$105	\$109	\$112	\$115	\$119

Cash Flow Years 22 to 28 (Inflation 3%, Return on Savings 4%)

Year Number	22	23	24	25	26	27	28
Item/Year	2023	2024	2025	2026	2027	2028	2029
Paving/Waterproofing							
Non-structural Concrete 20%							
Intentional Blank							
Fence repair fund	\$1,150						
Fence & Balcony Rail Painting							\$13,728
Security Gate	\$2,874						\$3,432
Exterior Electric						\$7,775	
Landscaping fund		\$789					\$915
Underground Service fund	\$6,706						\$8,008
Stucco repair fund					\$1,725		
Brick repair fund		\$11,842					
Entrance Canopy					\$5,391		
Windows 50%							
Garage Door							
Caulking North & West					\$28,036		
Caulking South & East							\$29,743
Intentional Blank							
Roof System							
Carpet							
Tile					\$15,096		
Common Area Wall Painting					\$12,940		
Ceiling Painting					\$6,470		
Interior Door Painting	\$5,748						
Common Area Lighting					\$9,705		
Exit Lights					\$863		
Elevator Car Decor							
Intercom							
Hallway Make-up Air							
Boiler							
Circulating Pump 1							
Circulating Pump 2							
Expansion Tank							
Hot Water Tank 1					\$9,058		
Hot Water Tank 2							\$9,609
Parkade Exhaust Fan							
Sump Pump							
Other Mechanical Fund	\$2,874				\$3,235		
Elevator							
Piping Replacement fund							
Years Expenditures	\$19,353	\$12,631	\$0	\$0	\$92,518	\$7,775	\$65,435
Opening Balance	\$206,796	\$254,814	\$313,539	\$389,599	\$470,608	\$460,601	\$540,348
Years Contribution	\$58,699	\$60,460	\$62,273	\$64,142	\$66,066	\$68,048	\$70,089
Return On Savings	\$8,672	\$10,897	\$13,787	\$16,867	\$16,445	\$19,474	\$20,398
Closing Balance	\$254,814	\$313,539	\$389,599	\$470,608	\$460,601	\$540,348	\$565,401
Average Monthly Per Unit	\$122	\$126	\$130	\$134	\$138	\$142	\$146

Conclusions and Recommendations

replaced 2002.

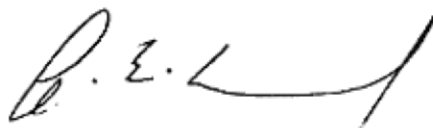
It is important to view the above report as one option among many to fund and maintain a safe reserve for your complex. Answers can be right without being the only right way to get the job done. The complex was found to be in good condition overall, although serious concern exists with respect to one water heater and the boiler. Some items in the report are cosmetic in nature, and as such may be postponed to reduce immediate funding requirements. The effect would be fairly small.

An opening balance of \$42,300 was applied to the spreadsheets. If you meet the recommended program, it appears that your owner group could fund a workable reserve at a 2002 dollar cost of about \$56 per unit per month increasing to \$68 per unit per month in 2003 (to be corrected for inflation each subsequent year). We have included a component for windows and doors, as these are now considered to be part of the common property.

The amount of suggested reserve fund budget is based on keeping the year-end closing balance above zero over the next 25 years. It should be noted that the fund shows a very low closing balance in year 16. This could indicate the need for higher funding should costs exceed projected amounts, but should be taken care of by adjustments made in subsequent reports.

Please address your questions or concerns about this report to the undersigned.

Respectfully submitted,



A. Emery Leraand, A.C.C.I.
September 30, 2002