



RESERVE FUND REPORT

**DARLINGTON ARMS
317 - 14 AVENUE S.W.
CALGARY, ALBERTA**

CONDOMINIUM CORPORATION #9811439



Darlington Arms
9811439

January 07, 2019

File No. 8324

Condominium Corporation #9811439
c/o Keystone Grey
Suite 200, 1215 – 1 Street SW
Calgary, Alberta
T2R 0V3

Attention: Jennifer Wilcox

**RE: Reserve Fund Report
Darlington Arms
317 - 14 Avenue S.W.
Calgary, Alberta
Condominium Corporation #9811439**

Pursuant to your request, we have completed a reserve fund study of the above referenced property. This report, which summarizes the study, provides current and future replacement cost estimates and recommends a reserve fund program for the above noted property.

Certain assumptions and conditions were applied in preparing this study. They are contained in the Standard Limiting Conditions and Assumptions and elsewhere within the report. It is the Standard Limiting Conditions and Assumptions, Underlying Assumptions as well as Scope of Investigation & Analysis. It is the reader's responsibility to read and review all limiting conditions and assumptions prior to making any decision related to the use of the report. Additional funds may be required outside the Reserve Fund to address any building deficiencies reported to the Corporation and noted in the Special Assumptions and Terms of Reference. To the extent that any conditions and assumptions noted herein are modified or amended, then the data, analyses, and conclusions contained herein may require adjustment.

The reader is referred to the copyright provisions contained in the Executive Summary page.

We appreciate the opportunity of providing this reserve fund study and report. If you have any questions, please contact the undersigned.

Yours truly,

Reliance Asset Consulting Inc.

Harold D. Weidman, CRP



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EXECUTIVE SUMMARY

Condominium Details:	Darlington Arms 317 - 14 Avenue S.W. Calgary, Alberta
Condominium Number:	9811439
Property Description:	40 Unit Mid Rise Apartment
Year of Construction:	1970
Report Date:	January 07, 2019
Inspection Date:	March 07, 2017
Plan Commencement Date:	July 01, 2017
Financial Year End:	June 30

Limiting Conditions & Assumptions

Certain assumptions were made as part of the analyses contained herein. These assumptions are contained in the Standard Limiting Conditions & Assumptions, Underlying Assumptions and Scope of Investigation and Analysis sections of the report.

Copyright Provisions

All rights are reserved. The client and only the client, as noted herein, has permission to photocopy the report, for the legitimate purpose of providing information to the board of directors, the unit owners and prospective purchasers of condominium units in the complex. To recognize the full scope of this report it must be reviewed in its entirety.



ASSUMPTIONS, CONCLUSIONS, AND RECOMMENDATIONS

Assumptions

The Stabilized Interest Rate for the study horizon was set at 3% per annum and a short-term interest rate of 1.5% was utilized for the first five years. The Stabilized Inflation Rate was set at 3.25% per annum.

Conclusions

As of the beginning of this study's financial plan June 30, 2017 the Corporation is approximately 25% funded per the current reserve fund requirements.

The goal of the financial plan(s) recommended is to maintain approximately a 11% - 37% funded position during the 25-year study horizon. At this level of funding the corporation should be able to adequately provide for all regularly expected expenditures for the next 25 years and additionally 40 years. The plan also provides a buffer for some pre-mature failures if they occur. The plan is designed to provide a fair and stabilized reserve contribution for future owners. If the recommended plan is followed, reserve contribution increases should be fairly stable and should remove the likelihood of special assessments. However as pre-mature failures and unforeseen repairs do occur it is impossible to predict this with certainty. These conclusions are based on the provision that the interest rates and inflation rate assumptions remain reflective of the local economy, and regular maintenance is being completed.

Recommendations

Based on the analysis contained herein, no special assessments are recommended.



RESERVE FUND STUDY, REPORT, AND PLAN REQUIREMENTS

Introduction

The Province of Alberta Condominium Property Act Revised Statutes of Alberta 2000, Chapter C-22 with amendments (referred hereafter as the Act) came into force February 1, 2002 and governs the conduct of condominium corporations and sets forth the requirements under Section 38 of the Act regarding the requirements for a reserve fund report and study. The Alberta Condominium Property Regulation 168/2000 plus all amendments thereto (referred hereafter as the Regulations) includes the definitions, qualifications, and procedures to be followed and are set forth in Sections 21 to 31 of the Regulations.

As stated in the Act in regard to the Corporation's Reserve Fund:

Section 38

- (1) A corporation shall, subject to the regulations, establish and maintain a capital replacement reserve fund to be used to provide sufficient funds that can reasonably be expected to provide for major repairs and replacement of:
 - (a) any real and personal property and the common property owned by the Corporation,
 - (b) the common property, and
 - (c) any property of an owner in respect of a bare land unit that the corporation is required by bylaw to repair and replace, where the repair and replacement is of a nature that does not normally occur annually".
- (1.1) If, before the coming into force of subsection (1)(c), a corporation was required by bylaw to repair and replace property of an owner of a bare land unit, the collection and expenditure of funds to repair and replace that property are valid if
 - (a) the collection and expenditure occurred on or after the date the bylaw took effect under this Act, and
 - (b) the collection and expenditure would have been in compliance with subsection (1) if subsection (1)(c) had been in force at the time the collection and expenditure occurred.
- (2) Notwithstanding subsection (1), funds shall not be taken from a capital replacement reserve fund for the purpose of making capital improvements unless
 - (a) the removal of funds for that purpose is authorized by a special resolution, and
 - (b) after the removal of funds pursuant to the special resolution, there are sufficient funds remaining in the capital replacement reserve fund to meet the requirements of subsection (1).
- (3) The money in the capital replacement reserve fund of the corporation is an asset of the corporation and no part of that money shall be refunded or distributed to any owner of a unit except where the owners and the property cease to be governed by this Act.



The regulations governing the Act in regard to the Corporation's Reserve Fund State:

Section 23

Physical Analysis

- (1) The board must retain a qualified person to carry out a study of the depreciating property for the purposes of determining the following:
 - (a) an inventory of all of the depreciating property that, under the circumstances under which that property will be or is normally used, may need to be repaired or replaced within the next 25 years;
 - (b) the present condition or state of repair of the depreciating property and an estimate as to when each component of the depreciating property will need to be repaired or replaced;
 - (c) the estimated costs of repairs to or replacement of the depreciating property using as a basis for that estimate costs that are not less than the costs existing at the time that the reserve fund report is prepared;
 - (d) the life expectancy of each component of the depreciating property once that property has been repaired or replaced.

Financial Analysis

- (2) In carrying out the reserve fund study under subsection (1), the qualified person must also do the following:
 - (a) determine the current amount of funds, if any, included in the corporation's reserve fund;
 - (b) recommend the amount of funds, if any, that should be included in or added to the corporation's reserve fund in order to provide the necessary funds to establish and maintain or to maintain, as the case may be, a reserve fund for the purposes of section 30.1 of the Act;
 - (c) describe the basis for determining
 - (i) the amount of the funds under clause (a), and
 - (ii) the amount in respect of which the recommendation was made under clause (b).

Study and Report

- (3) On completing the reserve fund study under this section, the person who carried out the study must prepare and submit to the board a reserve fund report in writing in respect of the study setting out the following:
 - (a) the qualifications of that person to carry out the reserve fund study and prepare the report;
 - (b) whether or not the person is an employee or agent of or otherwise associated with the corporation or any person who performs management or maintenance services for the corporation;
 - (c) the findings of the reserve fund study in respect of the matters referred to in subsections (1) and (2);
 - (d) any other matters that the person considers relevant.



The Reserve Plan

- (4) On receiving the reserve fund report under subsection (3), the board must, after reviewing the reserve fund report, approve a reserve fund plan
- (a) under which a reserve fund is to be established, if one has not already been established, and
 - (b) setting forth the method of and amounts needed for funding and maintaining the reserve fund.

A reserve fund plan approved under subsection (4) must provide that, based on the reserve fund report, sufficient funds will be available by means of owner's contributions, or any other method that is reasonable in the circumstances, to repair or replace, as the case may be, the depreciating property in accordance with the reserve fund report.

Notwithstanding a reserve fund plan has been approved under subsection (4), the corporation must provide to the owners for the owner's information copies of that approved reserve fund plan prior to the collection of any funds for the purposes of those matters dealt with in the reserve fund report on which the approved reserve fund plan was based and that are to be carried out pursuant that report.



STANDARD LIMITING CONDITIONS AND ASSUMPTIONS

The certification at the end of this report is subject to these limiting conditions and assumptions:

This report is prepared for the purpose of condominium reserve fund planning, as outlined herein. No person other than the condominium corporation (hereinafter referred to as "the client") or a bona-fide purchaser of a condominium unit in the complex may use or rely upon this report without first obtaining prior written authorization from Reliance Asset Consulting Inc. (hereinafter referred to as "Reliance"). Reliance and the authors of this report shall not assume any of the duties or liabilities of the owners and/or builders of the property. This report may contain other limiting conditions, qualifications, or assumptions, in addition to those set forth below, that pertain to the purpose of this report.

Reliance reserves the right, at its sole discretion, at any time to alter statements, analyses, conclusions, or any estimates contained herein if Reliance becomes aware of facts pertinent to the process which were unknown at the time the report was prepared. Certain assumptions were made throughout this report. No investigation, legal or otherwise, has been undertaken to verify these assumptions except as expressly noted herein.

Once any reserve fund study is issued subsequent to the date of this report, whether it is issued by Reliance or by any other firm person or corporation, then this report shall become null and void. The onus is on the reader to determine if any there is any such reserve fund study in existence prior to relying upon this report.

The reserve estimates contained herein should be reviewed from time to time, particularly, in the context of repair experience and problem investigations, including the following: water damage, building envelope failures, structural problems, cracks in the walls and foundation, post tension construction concerns, waterproofing membranes, and environmental issues, etc.

Reserve fund estimates are subjective, and they are based on the writer's understanding of the life cycle of building components and experience gained from analyzing buildings. The level of maintenance for any component described herein may alter the estimated remaining life of that component. Decisions to replace components are not to be made solely based on this report. A detailed review should be made prior to considering a major repair or replacement as to scope and timing. It must be appreciated that reserve fund budgeting and projections are not exact sciences. They are, at best, prudent provisions for all possible contingencies, if, as, and when they arise. Industry costs of labour and materials are dependent on competition and supply and demand cycles. The cost projections are approximate and intended for general budgeting purposes only. Reserve fund requirements are subject to change and must be reviewed and modified over time, not greater than every five years. The Corporation should adopt a long-term policy regarding reserve fund allocations. The policy must be flexible to accommodate changes in reserve fund requirements in the future.

To arrive at supportable replacement cost estimates, it was necessary to utilize both documented and other cost data. A concerted effort was put forth to verify the accuracy of the information contained herein. Accordingly, the information is believed to be reliable and correct, and it has been gathered to standard professional procedures. However, no guarantee as to the accuracy of the data is implied. In estimating various reserve items, certain assumptions are made with respect to structural repairs and replacements of improvements. For example, reserves for structural repairs, and replacements of certain mechanical and electrical components, are difficult to predict and/or quantify. Thus, the best approach is to provide allowances that provide a range of cost estimates which can be reviewed regularly and adjusted as required.



The distribution of cost and other estimates in this report apply only under the program of utilization as identified in this report. The estimates herein must not be used in conjunction with any other study and may be invalid if so used. Unless otherwise noted, all fees, costs, and cost estimates are expressed in Canadian dollars. The agreed compensation for services rendered in preparing this report does not include fees for consultations and/or arbitrations, if any. Should personal appearances be required in connection with this report, additional fees will have to be negotiated.

Within the condominium complex certain components will require replacement during the study horizon. Except as expressly stated otherwise within this report, it is assumed that all such components will be replaced with components which are similar in terms of design, quality, workmanship and materials unless otherwise specified.

Unless otherwise stated in this report, the existence of hazardous materials, substances or gases, which may or may not be present within, on, or near the property, has been disregarded in the analysis. Reliance is not qualified to detect substances such as asbestos, mold, bacteria, fungi, volatile organic compounds (voc's), radon or other similar gases, urea-formaldehyde foam insulation, or other potentially hazardous or toxic materials and/or substances which may affect the property. The analyses in this report assume that there are no such substances, materials and/or conditions. Reliance is not responsible for any such matters and/or the expertise required to discover them. The Client is urged to retain the appropriate experts for all such matters.

No legal surveys; soil, air or water quality tests; construction code reviews; technical audits; condition surveys, engineering investigations; environmental investigations; detailed quantity surveys; nor exhaustive physical examinations have been made. Therefore, no responsibility is assumed for such matters. When buildings and/or other ancillary improvements are present the architectural, structural, mechanical, electrical, and other plans and specifications provided are assumed to be correct. Furthermore, all buildings and improvements are deemed to have been constructed and finished in accordance with such plans and specifications, unless otherwise noted. No responsibility is assumed for any inherent, latent or hidden defects, damages or conditions of the property. The analysis herein assumes that the structural components within the building will last the physical life of the building unless specified herein. For that reason, replacement of such components was not accounted for within this report.

No investigation has been undertaken with the local zoning office, the fire department, the building inspectors, the health department, or any other municipal or government regulatory agencies. It is assumed that the subject property complies with all current government codes, regulations, bylaws and legislation. If the subject property does not comply in any respect, then the data, analyses and conclusions contained herein may require adjustment. To be certain of compliance, further investigations would be required by the appropriate qualified experts. To determine if there is compliance is beyond the scope of this report.

The legal and survey descriptions of the property as stated herein are those which are recorded by the Registrar of the Land Titles Office. All such descriptions are assumed to be correct. For purposes of this report, the following conversion factors were used: 1 foot = 0.3048 meters; and 1 square meter = 10.7639 square feet.

This report assumes that the existing service providers for natural gas, electrical power, cable television and telephone will be responsible for the maintenance, repair and replacement of their respective infrastructures on the condominium property. If the condominium board engages other service providers who do not provide the same level of maintenance, repair and replacement as the existing service providers, then the data, analyses and conclusions contained herein may require adjustment.



SCOPE OF INVESTIGATION AND ANALYSIS

A reserve fund report is a financial document and is not a structural analysis or technical audit. Unlike a technical audit which may include test openings, air leakage testing, thermography, water testing and indoor quality testing as examples the reserve fund study is meant to be a financial guide in the budgeting and forecasting for replacement and repair of the corporations depreciating assets. The common areas for the buildings, where applicable and for the site were inspected. Available plans and documents were examined for construction details and other relevant component data. For purposes of the study, the data was calculated using dimensions and information taken from the plans that were available. The analysis was based on the boundaries between the common and unit areas detailed on the condominium plan. In addition, some of the dimensions and information were obtained from the onsite inspection. When applicable interviews were conducted with the condominium board, the property management company and site personnel.

- The inspection process was based on the following:
- Only a visual sampling and a visual surface review of the complex were made.
- Common areas were inspected if access was provided.
- None of the components were dismantled and no invasive testing was conducted.
- Some components were not exposed for view and documentation was limited.
- The findings herein describe the general condition of the complex only.
- No technical audits or condition surveys were conducted. Technical audits and condition surveys are outside the scope of this reserve study.
- No interior unit inspections have been conducted unless otherwise noted herein as it pertains to a problematic component issue.

The following plans, drawings and documents were requested in the Letter of Engagement for examination from the Board:

1. The condominium plan (provided by the Land Titles Office)
2. The Condominium Bylaws
3. Architectural Plans & Specifications
4. Mechanical Plans & Specifications
5. Electrical Plans & Specifications
6. Structural Plans & Specifications
7. Site Underground Utility Lines Plans
8. A written list of the repairs, replacements and renovations that will be undertaken by the client on all the common area components
9. Any pertinent component Audits, Studies or Estimates



Items 1, 2, and 9 were provided. The data, analyses, and conclusions contained in this report may require adjustment if any of the plans, documents or drawings specified in items 1 to 9 noted above are provided later.

- This report is subject to the following terms and conditions:
- There is no guarantee provided for the life expectancies and/or replacement cost estimates for any of the components.
- It is assumed that all components will receive proper preventative maintenance and repair during the study horizon.
- The complex may have hidden damages, defects or conditions. No responsibility or liability is assumed for such matters.
- This report is not intended to be a definitive or exhaustive review or investigation of required repairs, replacements or improvements for the property.



UNDERLYING ASSUMPTIONS

This reserve fund study was based on the assumptions set forth below. These assumptions were applied in the investigation, observation and analysis of the subject property reserve components. Experience gained from observing similar properties was also applied in the following analysis.

Interest & Inflation

The basic concept in reserve fund planning is to forecast the necessary amount of reserve required to meet the future financial needs of the complex. This involves factoring future costs and the future value of invested funds. To accurately forecast future costs and values we must project the rates of inflation and interest rates and apply these to our current costs. In analyzing long term cost increases, construction cost statistics rather than the consumer price index were examined, since building repair and replacement cost will be more comparable to construction costs than to the cost of consumer products. Fifty-year historical indicators have been reviewed as well as consideration of running 10-year averages.

As with inflation, interest rates tend to fluctuate and can be difficult to predict. The current trend in interest rates has been low and they are expected to continue at this rate for some time. Based on the current data available, an estimated long-term stabilized interest rate was selected for this report. Consideration for the "Estimated First Five-Year Rate" is based on the size of the current fund, the review of historical interest returns, if any, and anticipated significant expenditures which may impact the ability of the fund to earn interest in the immediate future. Abrupt changes in the marketplace should be discounted until a well-founded trend is established. Hence, in projecting future replacement cost estimates and reserve fund requirements the following rates were used:

Estimated Long Term Stabilized Inflation Rate: 3.25%

Estimated First Five-Year Interest Rate: 1.50%

Estimated Long Term Stabilized Interest Rate: 3.00%

Reserve fund projections should be reviewed on a regular basis to adjust for changes in inflationary trends and investment returns, as these will significantly impact reserve fund requirements.

Demolition and Disposal Costs

The estimates herein include provisions for demolition and disposal costs including dumping fees. These costs have been rising in recent years. Particularly, dumping of certain materials has become problematic and very costly. It appears that certain codes and environmental regulations will become more stringent in future years, all of which will further impact disposal costs. Hazardous materials such as asbestos require further review and are outside the scope of the analysis given these can be extensive and volatile in nature.

Goods and Services Tax

The Goods and Services Tax ("GST") applies to all repairs and replacements including disposal costs. Therefore, this tax is included in the reserve fund estimates noted herein.

Engineering Reports and Other Studies

Details of any studies or reports are reviewed in the Individual Component Analysis.



Repair and Replacement Cost Estimates

The costs of repairs and/or replacements of many building components are invariably higher than original building costs where contractors have considerable latitude in terms of planning their work and utilizing economies of scale to keep costs within construction budgets. Conversely, repair work must frequently be performed in an expedient manner with proper safety precautions and within certain constraints. Cost estimates must therefore consider such additional costs as special construction, safety installations, limited access, noise abatements, and the convenience of the occupants.

Property Management and Maintenance

The subject property is managed by a professional property management company.

Maintenance is expected to assist the various components to reach their normal life expectancy. Maintenance typically includes regular monitoring and repair of a component to ensure it functions properly. Life expectancies of components listed in the study are reflective of regular maintenance being performed. In the case that regular maintenance is not being completed pre-mature failure may occur.

Special Assumptions and Terms of Reference

Special Assumptions

The following items were considered or required special treatment within the study. They are as follows:

Windows and Doors.

The Condominium Property Act

Under Section 9 of the Condominium Property Act, Revised September 2000, the Corporation is responsible for all doors and windows of a unit that are located on the exterior walls of the unit (Section 9, Subsection 2b), unless otherwise stipulated in the condominium plan. The provisions of the Condominium Property Act supersede the corporation's bylaws. Therefore, all costs for the maintenance, repair and replacement of all doors and windows of a unit that are located on the exterior walls of the unit are the responsibility of the condominium corporation unless, by the appropriate legal process, responsibility for the windows and doors is transferred to the unit owners.

The authors of this report were advised that no such transfer of responsibility has occurred. Therefore, pursuant to the Act, the exterior windows and exterior doors are the responsibility of the condominium corporation. The report was prepared on that basis. If at some future date, responsibility for these three components is transferred to the unit owners, then the data, analyses and conclusions contained herein will require adjustment.

Other Exclusions

Per the Corporations Bylaws the following are not to be included in the analysis:

(1) NONE



SUBJECT PROPERTY INFORMATION

The property is described municipally and legally as follows:

Darlington Arms

317 - 14 Avenue S.W.

Calgary, Alberta

Condominium Corporation #9811439

The complex is comprised of one free-standing 8 storey apartment building, comprising 86 legal units, 40 of which are residential units, and the balance made up of titled parking and storage units. The building was developed over a full basement section, and also has a single level underground parkade to the rear of the site, along with surface parking stalls.



THE RESERVE FUND PROCESS

The reserve fund study process consists of a physical and a financial analysis.

Physical Analysis

All the reserve components within the complex are identified and grouped into specific categories. Quantity take-offs and onsite measurements as well as physical counts are included to estimate the quantity and amount of the components.

Each component is analyzed to determine its estimated total life span, effective age, and remaining life. For this purpose, depreciation tables and technical resources such as information supplied by manufacturers and suppliers as well as contractors and industry professional's observation of normal life span records are considered. Finally, the writer's own judgment, and experience in estimating the current condition and remaining life spans of reserve components, is relied upon.

Where a component has a long-term life expectancy but could still require infrequent and/or indeterminate repairs and/or replacements, these will be identified in the specific component analysis by having a Life Expectancy, Estimated Effective Age and Estimated Remaining Life noted as non-applicable (N/A). Additionally, if the component is replaced or repaired as required it will be identified as such. Over the 25-year horizon periodic cash injections for these components are set out in the financial analysis.

The reserve components for the corporation are discussed in detail as follows.



Reserve Component: Concrete Foundations

Physical Description:	The foundation consists of poured concrete footings and poured concrete steel reinforced walls or slabs. If properly installed and waterproofed these components are expected to last the lifespan of the complex. This reserve provides for repairs to the above items.
Items Included:	Concrete Parkade - Apartments
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Some cracking and minor amounts of water staining were observed. Recommend cleaning and monitoring of these areas.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Potential Deterioration can occur from hydraulic pressure, seismic pressure, water infiltration, and settling.

Reserve Component: Parkade Surfacing

Physical Description:	Parkade surfacing provides either a protective or waterproof covering for the underlying concrete.
Items Included:	Parkade Waterproofing
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Waterproofing was applied in 2016. Some water pooling areas were observed.
Typical Life Expectancy:	10
Estimated Effective Age:	1
Estimated Remaining Life:	9
Potential Deterioration:	Deterioration occurs from wear and tear, chemical and water erosion.



Reserve Component: Concrete Balconies

Physical Description:	The balconies consist of concrete decks. If properly installed and waterproofed these components are expected to last the lifespan of the building. This reserve provides for repairs to the above items. As replacements of these items are not typically required, this provision is for periodic repairs only.
Items Included:	Concrete Balconies
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	No issues were observed, from ground level observations. Recommend periodic inspections and repairs as required. (Note: no waterproofing is applied)
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from general wear and tear, freeze thaw cycles, water and chemical erosion.

Reserve Component: Concrete Balcony Waterproofing

Physical Description:	Concrete waterproofing is paint on system that if properly installed should run up the adjoining exterior and around and over any drip cuts. The waterproofing is installed to help water penetration into underlying concrete systems.
Items Included:	Concrete Balcony Waterproofing
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	No waterproofing is currently applied; board indicates no plans to apply.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from UV rays, adverse weather conditions, and general wear and tear.



Reserve Component: Waterproof Membranes

Physical Description:	Waterproof membranes are used to provide a water barrier overtop of porous materials such as concrete. They are typically constructed of a vinyl or tar-based product.
Items Included:	Waterproof Membrane
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	No issues were reported.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Potential deterioration is caused by expansion and contraction, material brittleness.

Reserve Component: Hand Railings - Balconies

Physical Description:	Metal, Glass, and wood hand railings are manufactured from wood, aluminum, metal, and or tempered glass. The railings are fastened via bolts to the underlying structure in order to provide a safety barrier for residents.
Items Included:	Metal Hand Railings
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Assumed to be structurally intact, recommend periodic investigations.
Typical Life Expectancy:	60
Estimated Effective Age:	40
Estimated Remaining Life:	20
Potential Deterioration:	Potential deterioration is caused by oxidation, wear and tear, UV rays, and physical damage.



Reserve Component: Hand Railings - Terrace

Physical Description:	Metal, Glass, and wood hand railings are manufactured from wood, aluminum, metal, and or tempered glass. The railings are fastened via bolts to the underlying structure in order to provide a safety barrier for residents.
Items Included:	Pre-Finished Aluminium Railings
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Replaced in 2016. No issues were reported.
Typical Life Expectancy:	30
Estimated Effective Age:	1
Estimated Remaining Life:	29
Potential Deterioration:	Potential deterioration is caused by oxidation, wear and tear, UV rays, and physical damage.

Reserve Component: Brick

Physical Description:	Brick Veneer is applied to the outside surface of the structure in front of a water sealed wood or O.S.B. wall. Typically, there is a cavity that exists between the brick and this wall to allow for air circulation and water drainage which is aided by weeping holes at the top and bottom of the brick wall. Typically, the brick wall should last the lifetime of the building structure if properly installed.
Items Included:	Brick Veneer
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Some water staining was observed and minor deterioration. Board is planning pointing and caulking in 2017 / 2018.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Potential deterioration can occur from water penetration, expansion and contraction, improper installation, and physical damage. These may result in mortar cracks, and or the brick face deteriorating or falling off.



Reserve Component: Caulking

Physical Description:	Caulking is used to provide a water-resistant seal between dissimilar materials, expansion joints and minor gaps. The seal is used to provide water protection to the underlying structure.
Items Included:	Exterior Caulking High Rise
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Some brittle and pliable sections were observed, board is investigating caulking requirements in 2017.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Potential deterioration can occur from UV rays, freeze thaw cycles, extreme heat or cold, and physical damage. All of these items can cause the water seal to fail and cause damage to the underlying structure.

Reserve Component: Concrete Walls

Physical Description:	Concrete walls can be constructed as pre-cast, poured in place, or concrete or cinder block. If properly installed these types of walls should last the life of the building or complex.
Items Included:	Pre-Cast Panels
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	No issues were reported or observed, ongoing sealing is being completed.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from improper installation, and water penetration.



Reserve Component: Exterior Doors - Utility

Physical Description:	Exterior doors are used for the purposes of exit and entry from dwellings and buildings. They have various styles and construction materials, being either wood, vinyl, metal, aluminum, or combinations of all of the above. Exterior doors can be of either hollow or solid construction. Optional safety hardware can include windows, panic bars, and hydraulic closing systems.
Items Included:	Metal Exterior Doors
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Tested doors were functional, recommend repair or replacement as required.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Exterior doors are typically affected by weather damage, misuse, wear and tear, vandalism, UV rays, and or oxidation.

Reserve Component: Building Exterior Lights

Physical Description:	Building exterior lights provide illumination to entry ways for units and other common buildings.
Items Included:	Building Exterior Lights
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Replaced in 2016 with LED lights. No issues were reported.
Typical Life Expectancy:	25
Estimated Effective Age:	1
Estimated Remaining Life:	24
Potential Deterioration:	Potential deterioration can occur from improper installation, weather conditions, and physical damage.



Reserve Component: Canopies

Physical Description:	Canopies provide a covered area for entrances while additionally enhancing aesthetic appeal.
Items Included:	Canopies
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Replaced in 2016. No issues were reported or observed.
Typical Life Expectancy:	25
Estimated Effective Age:	1
Estimated Remaining Life:	24
Potential Deterioration:	Deterioration can occur from adverse weather conditions, UV Rays, and general wear.

Reserve Component: Exterior Doors - Main Entry

Physical Description:	Exterior doors are used for the purposes of exit and entry from dwellings and buildings. They have various styles and construction materials, being either wood, vinyl, metal, aluminum, or combinations of all of the above. Exterior doors can be of either hollow or solid construction. Optional safety hardware can include windows, panic bars, and hydraulic closing systems.
Items Included:	Aluminum Entry Door
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Tested doors were functional.
Typical Life Expectancy:	35
Estimated Effective Age:	20
Estimated Remaining Life:	15
Potential Deterioration:	Exterior doors are typically affected by weather damage, misuse, wear and tear, physical damage, UV rays, and or oxidation.



Reserve Component: Garage Door(s)

Physical Description:	Garage doors provide access to parking areas and include the tracks, springs, and rollers. Sectional garage doors are made of multiple panels hinged together. The springs and rollers will eventually wear and require replacement.
Items Included:	Metal Sectional (With Motor)
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Tested door was functional.
Typical Life Expectancy:	15
Estimated Effective Age:	7
Estimated Remaining Life:	8
Potential Deterioration:	Deterioration can occur from physical damage, wear and tear, and oxidization.

Reserve Component: Painting: Exterior

Physical Description:	Painting is required to prolong the useful life of the underlying component by providing a water resistant and ultra violet light protective coating. Painting also improves the physical appearance of the component.
Items Included:	Exterior Painting Cycle
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Some oxidization was observed in select areas.
Typical Life Expectancy:	8
Estimated Effective Age:	5
Estimated Remaining Life:	3
Potential Deterioration:	Potential deterioration can occur due to improper application, ultra violet light, weather conditions, and physical damage.



Reserve Component: Sliding Doors

Physical Description:	Glass sliding doors are typically used for rear entries that lead to a patio, balcony, or deck. The construction is typically two panes of glass sealed to provide an insulation barrier with one side fixed and the other side on rails that allows the door to slide. The seals on the glass and underlying mechanical components will fail over time and will require replacement.
Items Included:	Sliding Glass Doors
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Doors are past their normal life expectancy, recommend board investigate replacement program. Effective age was adjusted due to financial consideration.
Typical Life Expectancy:	35
Estimated Effective Age:	27
Estimated Remaining Life:	8
Potential Deterioration:	Deterioration can occur from physical damage, normal wear, improper installation, and expansion and contraction.



Reserve Component: Windows

Physical Description:	Windows are transparent or translucent opening that allows the passage of light. Most windows are glazed with a coating that helps prevent heat loss and/or gain. Most modern style windows have either two or three glazed panes with a vacuum between the panes to help the insulation factor. Windows come in many styles and materials, including metal, vinyl, wood, fiberglass, and aluminum. Styles include casement, slider, awning, fixed, hung, and double hung.
Items Included:	Vinyl Sliders, Metal Fixed
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Windows are past their normal life expectancy and heat loss is assumed. recommend board investigate replacement program. The effective age was adjusted for financial consideration.
Typical Life Expectancy:	35
Estimated Effective Age:	27
Estimated Remaining Life:	8
Potential Deterioration:	Deterioration can occur from misuse, improper installation, expansion and contraction, extreme weather conditions, and ultra violet rays. Most common deterioration is the seals around the panes breaking, and water penetration in to the frame causing rot.



Reserve Component: Modified Bitumen Membrane

Physical Description:	This roofing system is a rolled on and sealed roof material that is made of asphalt and other solvents to provide a waterproof surface. This component will eventually require replacement but can be repaired to extend the expected life. However, over time full will become more cost effective.
Items Included:	Modified Bitumen Membrane
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Replaced in 2016 no issues were reported or observed.
Typical Life Expectancy:	30
Estimated Effective Age:	1
Estimated Remaining Life:	29
Potential Deterioration:	Deterioration can occur from weather conditions, expansion and contraction, improper installation, and physical damage.

Reserve Component: Interior Doors

Physical Description:	Interior unit doors allow access to the unit from a hallway or common area. These doors are indoor use. The component includes the door, jams, header, and trim with hardware. The doors if properly maintained should give an extended life. Doors may eventually be replaced due to aesthetic purposes.
Items Included:	Wood Doors (Solid)
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Tested doors were functional. Recommend repair or replacement as required.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from physical damage, and general wear and tear.



Reserve Component: Metal Hand Railings

Physical Description:	Metal hand railings, provide protective boundaries for interior areas. The component is either painted or powder coated to protect the metal from oxidization. This component in most cases would be replaced due to aesthetic purposes. Minor repairs may be required.
Items Included:	Metal Hand Railings
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Tested sections were structurally intact.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Wear and tear, and physical damage.

Reserve Component: Flooring: Carpet

Physical Description:	Carpet provides for a tread surface for interior floors. It is made up of various materials like wool, and nylon. Carpet will wear over time and require replacement. The component may also be replaced for aesthetic purposes.
Items Included:	Carpet
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Dated but well maintained with some minor staining.
Typical Life Expectancy:	12
Estimated Effective Age:	8
Estimated Remaining Life:	4
Potential Deterioration:	Deterioration can occur from improper installation, physical damage, and normal wear.



Reserve Component: Flooring: Ceramic / Slate Tile

Physical Description:	Ceramic tile is a resilient flooring material and can last for an extended period of time. The component may require replacement due to aesthetic purposes, or partial damage.
Items Included:	Ceramic Tile
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Dated however no issues were observed, board is investigating lobby modernization.
Typical Life Expectancy:	30
Estimated Effective Age:	22
Estimated Remaining Life:	8
Potential Deterioration:	Deterioration can occur from physical damage.

Reserve Component: Mailboxes

Physical Description:	Mailboxes are either front or back loading aluminium or metal boxes.
Items Included:	Mailboxes
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Assumed to be functional.
Typical Life Expectancy:	25
Estimated Effective Age:	15
Estimated Remaining Life:	10
Potential Deterioration:	Deterioration can occur from general wear.



Reserve Component: Painting: Interior - Hallways

Physical Description:	Interior painting may be required for Aesthetic purposes over time the wall paint will discolour or go out of style and require re-application.
Items Included:	Hallway Painting
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Some minor stains and fading was observed, otherwise no issues.
Typical Life Expectancy:	12
Estimated Effective Age:	8
Estimated Remaining Life:	4
Potential Deterioration:	Deterioration is caused by physical damage.

Reserve Component: Painting: Interior - Lobby

Physical Description:	Interior painting may be required for Aesthetic purposes over time the wall paint will discolour or go out of style and require re-application.
Items Included:	Hallway Painting
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Some stains and uneven sections were observed. Board is investigating lobby modernization.
Typical Life Expectancy:	12
Estimated Effective Age:	10
Estimated Remaining Life:	2
Potential Deterioration:	Deterioration is caused by physical damage.



Reserve Component: Painting: Interior - Stairwells

Physical Description:	Interior painting may be required for Aesthetic purposes over time the wall paint will discolour or go out of style and require re-application.
Items Included:	Hallway Painting
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Normal wear was observed, otherwise no issues.
Typical Life Expectancy:	15
Estimated Effective Age:	10
Estimated Remaining Life:	5
Potential Deterioration:	Deterioration is caused by physical damage.

Reserve Component: Elevator Cab Refurbish

Physical Description:	Elevator cabs can become dated and require updating in order retain their aesthetic appeal. Renovations of an elevator must always be performed by a licensed technician.
Items Included:	Elevator Cab Refurbishment
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Dated but no issues were observed.
Typical Life Expectancy:	30
Estimated Effective Age:	25
Estimated Remaining Life:	5
Potential Deterioration:	Deterioration can occur from general wear and tear.



Reserve Component: Elevator(s)

Physical Description:	Hydraulic elevators are operated with an actuating pole controlled by hydraulic liquid. Hydraulic elevators have a limited lift height.
Items Included:	Cable Elevators
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Some sensor repairs have been completed otherwise, no issues. Elevator maintenance company has indicated parts are available for repair which may increase the life expectancy. Given the age of the component it is recommended to fund the modernization, the Board has chosen to differ funding of this component and the effective age was adjusted for financial feasibility. It should be noted that if failure occurs a special assessment may be required.
Typical Life Expectancy:	30
Estimated Effective Age:	25
Estimated Remaining Life:	5
Potential Deterioration:	Deterioration can occur from general wear and tear.

Reserve Component: Back Flow Preventers

Physical Description:	Back flow preventers or cross connection control devices are utilized to prevent potable water contamination. Some municipalities require the use of these devices. Typically, the devices require testing annually.
Items Included:	Back Flow Preventers / Cross connection control devices
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Back flow preventers were reportedly replaced circa 2015.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from general wear.



Reserve Component: Exhaust Fan

Physical Description:	Make up air units provide for common area pressurization. Some units provide heating and/or cooling. The equipment is usually housed on the roof or basement and ducted into the required areas.
Items Included:	Exhaust Fan(s)
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Original, regularly maintained by a qualified and licensed technician.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from physical damage, and general wear and tear. Regular maintenance can help extend the components service life.

Reserve Component: Make-up Air Unit(s)

Physical Description:	Make up air units provide for common area pressurization. Some units provide heating and/or cooling. The equipment is usually housed on the roof or basement and ducted into the required areas.
Items Included:	Make-up Air Unit(s)
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Original, regularly maintained by a qualified and licensed technician.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from physical damage, and general wear and tear. Regular maintenance can help extend the components service life.



Reserve Component: Plumbing & Heating Systems - Piping

Physical Description:	<p>Storm and sanitary drain lines and risers are a combination of cast iron or ABS and PVC piping. The lower level includes sanitary and storm drains to the street, as well as floor drains and sumps.</p> <p>Domestic water is provided via copper and/or plastic lines. Back flow preventers are installed for water lines.</p> <p>For purposes of this report, it is assumed that these plumbing and heating systems were installed in accordance with all applicable codes and regulations as required by law. It was not possible to conduct tests or inspections of these plumbing systems.</p> <p>Hot water recirculation lines typically require repair or replacement on a periodic basis due to the constant movement of water through these lines. In-suite plumbing may be subject to irregular leaks or failures due to freezing, damage, or excess wear. Joints in plumbing systems are most effected and are typically repaired as required. Common area and suite related remediation may be funded through this component but is commonly funded through insurance claims. If insurance claims are frequent the corporation's premiums will be affected, and it is recommended that each incident's funding be carefully considered.</p>
Items Included:	Heating, Potable Water, and Sanitary Plumbing Lines
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Ongoing repairs and replacements are being completed, recirculation lines are being replaced as required, no other plumbing areas have reported failures, given the age of the building additional plumbing funding may be required and is reflected in the cash flow.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from physical damage, and internal wear from water circulation.



Reserve Component: Plumbing & Heating Systems - Supporting Equipment

Physical Description:	Heating and plumbing systems are supported by various equipment. This equipment may include controllers which regulate temperatures of heating elements like boilers, and furnaces. Pumps which circulate water through plumbing lines to either distribute water or provide pressure to the heating and cooling systems. Expansion tanks which provide relief of excess pressure in the systems in order relieve thermal expansion and pressure surges. Compressors which provide additional pressure for plumbing and heating systems.
Items Included:	Expansion Tanks, Zone Valves, Controllers, Heat Pumps, Sump pumps, Area Heaters
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Regularly maintained by a qualified and licensed technician.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from improper use, operating conditions, and general wear.



Reserve Component: Sprinkler System

Physical Description:	Sprinkler systems provide fire suppression in the event of fire or excessive heat. Sprinkler systems can be either wet or dry systems. Wet systems are usually located in heated areas, while dry systems are utilized in both heated and unheated areas. Wet and dry systems provide water suppression when a control valve is burst. Dry systems have air in the lines until the requirement for water is present. Sprinklers systems should be regularly tested and maintained.
Items Included:	Sprinkler System
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Regularly maintained by a qualified and licensed technician.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration usually occurs at the main valve as pressure on the system can deteriorate the valves over time.

Reserve Component: Access Intercom

Physical Description:	An intercom (intercommunication device), talkback or door phone is a stand-alone voice communications system. Intercoms can incorporate connections to public address loudspeaker systems, telephones, and to other intercom systems. Some intercom systems incorporate control of devices such as signal lights and door latches. This component may be replaced due to technology advancements.
Items Included:	Access Intercoms
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Replaced circa 2015. No issues were observed.
Typical Life Expectancy:	30
Estimated Effective Age:	2
Estimated Remaining Life:	28
Potential Deterioration:	Deterioration can occur from physical damage, and general wear.



Reserve Component: Boiler(s)

Physical Description:	The hydronic boiler operates by way of heating water/fluid to a pre-set temperature. The boiler has heating elements that heat water passing through the boiler once or twice. The water or fluid is then pumped to holding tanks or the heating system. Mid-efficiency boilers typically operate between 50-85% efficiency. Efficiency will decrease over the life of the boiler, making replacement a consideration not only due to failure.
Items Included:	Hot water boiler mid efficiency
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Regularly maintained by a qualified and licensed technician.
Typical Life Expectancy:	25
Estimated Effective Age:	16
Estimated Remaining Life:	9
Potential Deterioration:	Deterioration can occur from improper installation, physical damage, water corrosion, and overheating of the heating unit.

Reserve Component: Fire Alarm / Annunciator Panel(s)

Physical Description:	A fire alarm or annunciator panel will indicate the zone and approximate physical location of the source of a fire alarm in the building. The annunciator may also include lamps and audible warning devices to indicate failures of alarm circuits.
Items Included:	Annunciator Panel
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	May require replacement with elevator modernization.
Typical Life Expectancy:	30
Estimated Effective Age:	25
Estimated Remaining Life:	5
Potential Deterioration:	Deterioration can occur from physical damage, general wear, and excess heat as it is an electrical system.



Reserve Component: Hot Water Heater - I

Physical Description:	Hot water heaters are metal tanks that store and heat water via a heating element. The water is distributed to residential units via a recirculation system. The metal tanks will eventually corrode.
Items Included:	Hot Water Heater
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Component is past its normal life expectancy, however regularly maintained by a qualified and licensed technician.
Typical Life Expectancy:	10
Estimated Effective Age:	7
Estimated Remaining Life:	3
Potential Deterioration:	Deterioration can occur from physical damage, improper installation, and water corrosion.

Reserve Component: Hot Water Heater - II

Physical Description:	Hot water heaters are metal tanks that store and heat water via a heating element. The water is distributed to residential units via a recirculation system. The metal tanks will eventually corrode.
Items Included:	Hot Water Heater
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Component is past its normal life expectancy, however regularly maintained by a qualified and licensed technician.
Typical Life Expectancy:	10
Estimated Effective Age:	9
Estimated Remaining Life:	1
Potential Deterioration:	Deterioration can occur from physical damage, improper installation, and water corrosion.



Reserve Component: Security

Physical Description:	Security systems typically include a camera or cameras and a monitoring station. Modern systems include a digital video recording system as well. Security systems may require hardware or software upgrades, as well as camera replacement over time.
Items Included:	Security System, Camera
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Key phob system was replaced in 2017. No issues were reported.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from high or low temperatures where electronic equipment is located, as well as physical damage.

Reserve Component: Generator

Physical Description:	Generators provide electricity in a power failure emergency. Generators are typically diesel or natural gas powered. Generators should be routinely checked, and the motors regularly maintained to ensure proper operation in the event of a power failure.
Items Included:	Generator
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Regularly maintained by a qualified and licensed technician.
Typical Life Expectancy:	45
Estimated Effective Age:	35
Estimated Remaining Life:	10
Potential Deterioration:	Deterioration occurs from general wear.



Reserve Component: Interior Lighting - Hallways

Physical Description:	Interior lighting is required for common areas in order to provide safety and adequate light. Aesthetics or enhanced energy savings based on new technology may also influence when these items will be replaced. This reserve specifically excludes all emergency lighting.
Items Included:	Interior Lighting
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Replaced in 2016
Typical Life Expectancy:	30
Estimated Effective Age:	1
Estimated Remaining Life:	29
Potential Deterioration:	Deterioration can occur from physical damage.

Reserve Component: Interior Lighting - Parkade

Physical Description:	Interior lighting is required for common areas in order to provide safety and adequate light. Aesthetics or enhanced energy savings based on new technology may also influence when these items will be replaced. This reserve specifically excludes all emergency lighting.
Items Included:	Interior Lighting
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Replaced in 2016
Typical Life Expectancy:	30
Estimated Effective Age:	1
Estimated Remaining Life:	29
Potential Deterioration:	Deterioration can occur from physical damage.



Reserve Component: Consulting Services

Physical Description:	Consulting services include services such roof inspections, building envelope reviews, engineering fees, etc...
Items Included:	Consulting Services
Type of Component:	Allowance - The reserve provides for services related to the partial replacement or repair of the components listed in this study.
Observed Condition:	N/A
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	None

Reserve Component: Reserve Fund Study

Physical Description:	Reserve Fund Study
Items Included:	Reserve Fund Study
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	N/A
Typical Life Expectancy:	5
Estimated Effective Age:	0
Estimated Remaining Life:	5
Potential Deterioration:	N/A



Reserve Component: Chattels

Physical Description:	Various furniture and other moveable items.
Items Included:	Common Chattels
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Minor wear was observed. Board is investigating modernization of lobby in 2017 / 2018.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	General wear and tear.

Reserve Component: Garbage Chutes

Physical Description:	Garbage chutes provide a vertical channel for transportation of garbage from upper levels to a central garbage bin location.
Items Included:	Garbage Chutes
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	No issues were reported.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from corrosion, general wear, damage.



Reserve Component: Storage Lockers

Physical Description:	Storage lockers provide additional storage space for unit tenants. Lockers are typically of wood or chain link construction or combination of both.
Items Included:	Metal Storage Lockers
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	No issues were reported or observed.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from general wear and tear.

Reserve Component: Room Modernization

Physical Description:	Renovations to common property rooms or areas are commonly done due to aesthetic purposes and occasionally due to wear. Estimating the age at which the replacement may be done is subjective depending on the board and unit owners. An allowance is given in order to budget for this component.
Items Included:	Room Modernization
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Dated but functional, the Board may consider updates as financially feasible.
Typical Life Expectancy:	25
Estimated Effective Age:	17
Estimated Remaining Life:	8
Potential Deterioration:	Deterioration can occur from physical damage, general wear.



Reserve Component: Concrete Works

Physical Description:	Concrete works are poured or pre-cast concrete that is not considered part of any building structure. This reserve provides for repairs to the foregoing components. As replacement of these reserve items is not typically required, this provision is for periodic repairs only. This is essentially a contingency reserve, which should be reviewed on a regular basis.
Items Included:	Retaining Walls, Patios, Paver Stones
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Ramp and east driveways were replaced in 2016. Some minor spalling and cracking of the retaining wall was observed, otherwise no issues.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from improper installation or manufacturing, erosion, physical damage, excess use of salt or other corrosive materials, and settlement.

Reserve Component: Landscaping

Physical Description:	Landscaping includes site grading, lawns, trees, shrubs, and plants. This reserve provides for periodic replacement or removal of the above items.
Items Included:	General Replacement
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Damage from concrete replacement was reported, board is investigating repairs in 2017.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	N/A



Reserve Component: Underground Services - Major Repairs

Physical Description:

1. Sewer

This reserve component includes all storm and sanitary sewer lines and connections. This category only covers the storm and sanitary systems on the exterior of the buildings.

It is assumed that the storm and sanitary lines will be flushed and then inspected, with scopes and/or cameras, on a regular periodic basis. The flushing and inspection of the lines should be done on a five-year cyclical basis. If the flushings and inspections are not carried out in this manner, then the data analyses and conclusions noted herein may require adjustment.

2. Water

This reserve provision includes all incoming water mains plus feeder lines and connections. This category covers the water systems on the exterior of the building.

3. Electrical

This reserve includes the incoming electrical services, underground electrical cables and wiring connections. This category covers the electrical systems on the exterior of the building. The underground telephone lines from off site to the demarcation point within this building are the responsibility of the service provider. These underground phone lines, plus the cable television lines were excluded from the report.

This reserve specifically excludes all electrical transformers and meters located onsite. The existing service provider has advised that they are responsible for the maintenance, repair and replacement of these items. If the condominium corporation replaces the existing service provider with another service provider, then it is assumed that such other provider will provide the same level of maintenance, repair and replacement as the existing service provider. If the level of maintenance, repair and replacement is not the same, then the data, analyses and conclusions contained herein may require adjustment.

It is assumed that the electrical lines will be Meg tested every 10 years to determine if there is any breakdown in the insulation on the lines. If there is any deterioration of the insulation, this could lead to shorts in the electrical system.

Items Included:

Underground Service Scoping & Testing

Type of Component:

Allowance - The reserve provides for the partial replacement or repair of the component.

Observed Condition:

No issues were reported.



Typical Life Expectancy: N/A
Estimated Effective Age: N/A
Estimated Remaining Life: N/A
Potential Deterioration: Deterioration can occur from settlement, and freeze thaw cycles.

Reserve Component: Underground Services - Scoping, Auguring, and Minor Repairs

Physical Description:

1. Sewer
It is assumed that the storm and sanitary lines will be flushed and inspected, with scopes and/or cameras, on a regular periodic basis. The flushing and inspection of the lines should be done approximately every five years.
2. Electrical
Electrical lines should be Meg tested every 10 years to determine if there is any breakdown in the insulation on the lines.

Items Included: Underground Service Scoping & Testing

Type of Component: Allowance - The reserve provides for the partial replacement or repair of the component.

Observed Condition: No issues were reported. Recommend periodic scoping.

Typical Life Expectancy: N/A
Estimated Effective Age: N/A
Estimated Remaining Life: N/A
Potential Deterioration: Deterioration can occur from settlement, and freeze thaw cycles.



Reserve Component: Wood Fencing

Physical Description:	Wood fencing is a free-standing structure designed to restrict movement across a boundary. Wood fencing is typically constructed using concrete poured posts with beams that cross the posts in order to provide support for the wooden boards.
Items Included:	Wood Fencing: Perimeter
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Deterioration was observed.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Wood fencing is a free-standing structure designed to restrict movement across a boundary. Wood fencing is typically constructed using concrete poured posts with beams that cross the posts in order to provide support for the wooden boards.

Reserve Component: Asphalt Paving

Physical Description:	Asphalt paving is a composite material it consists of asphalt (used as a binder) and mineral aggregate mixed, then laid down in layers and compacted typically over a gravel base.
Items Included:	Asphalt Paving Topping
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Asphalt paving has some areas of deterioration and minor cracking, as this area covers the waterproofing for the underlying parkade the board should consult a qualified consultant for potential sealing.
Typical Life Expectancy:	30
Estimated Effective Age:	10
Estimated Remaining Life:	20
Potential Deterioration:	Deterioration can occur from physical damage, improper installation, freeze thaw cycles, chemical damage, and general wear.



Reserve Component: Gate Opener Mechanism

Physical Description:	Gate openers typically contain a levered mechanism with an actuator which controls the opening and closing of gates.
Items Included:	Gate Opener
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	No issues were reported or observed.
Typical Life Expectancy:	20
Estimated Effective Age:	10
Estimated Remaining Life:	10
Potential Deterioration:	Oxidization, extreme weather conditions, wear and tear, and physical damage.

Reserve Component: Metal Hand Railings/Fencing

Physical Description:	Metal hand railings, and fencing provide protective boundaries for the complex and units. The component is either painted or powder coated to protect the metal from oxidization.
Items Included:	Metal Hand Railings
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	No issues were reported or observed.
Typical Life Expectancy:	30
Estimated Effective Age:	10
Estimated Remaining Life:	20
Potential Deterioration:	Oxidization, extreme weather conditions, wear and tear, and physical damage.



Reserve Component: Painting: Concrete Walls

Physical Description:	Some exterior materials should be painted or stained on a regular basis in order to prevent water penetration. Proper paint cycles can help prevent premature deterioration of the wood.
Items Included:	Painting: Concrete Walls
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Exposed underlying materials were observed throughout.
Typical Life Expectancy:	10
Estimated Effective Age:	8
Estimated Remaining Life:	2
Potential Deterioration:	Possible deterioration can occur from sun, and rain exposure, wear and tear.

Reserve Component: Painting: Metal Fences & Gates

Physical Description:	Painting of metal improvements can help prolong the life of the underlying component. All paints will deteriorate over time and will require re application.
Items Included:	Metal Painting
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	No issues were reported or observed.
Typical Life Expectancy:	15
Estimated Effective Age:	7
Estimated Remaining Life:	8
Potential Deterioration:	Deterioration can occur from weather conditions, ultra violet rays, and physical damage.



Financial Analysis

The financial requirements as set out in the Act recommend that the corporation be sufficiently funded which implies that the funds must be able to cover off the replacements or repairs of the depreciating property over the study period. The following steps are provided to complete the financial analysis:

Component Depreciation Analysis is prepared which shows where the reserve fund balances should be if the corporation is 100% funded. This analysis is created without regard to the current financial position of the corporation.

Current replacement costs are estimated for each of the components. In making these cost estimates, several sources are relied upon including RS Means Repair and Remodeling Cost Data, Hanscombs' Yardsticks for Costing, and Marshall & Swift Valuation Service. These estimates are verified using information provided by local contractors and costing information retained on our files.

Where a component is a long-term item, only a proportionate share of the cost related to the 25-year horizon has been accounted for and is reflected in the cash flow as an ongoing requirement with periodic injections of cash to accommodate any future repairs or replacement. It however does not restrict the Corporation from drawing funds on an "as required" basis with the assumption that the funding be re-examined at the time of the study mandated cyclical review.

Future replacement reserves are estimated by applying a long-term inflationary rate to the current replacement cost reserve estimates.

A **Historical Reserve Fund Analysis** was prepared based on any provided current and prior year financial statements of the corporation. This document shows the history of contributions to and expenditures from the reserve fund. This analysis will reveal patterns within the reserve fund which will be used when the Projected Cash Flow Analysis is prepared.

A recommended **Horizon Cash Flow Analysis** is prepared. This document incorporates the data contained in the Depreciation Component Analysis above with the Historical Reserve Fund Analysis discussed above. Both documents form the foundation for the recommended Horizon Plan Cash Flow Analysis. This latter document will determine where the reserve fund contributions should be set to ensure that there are no shortfalls within the reserve fund over the study horizon. Although the Depreciation Analysis is relied upon as a guide, the actual expenditures and closing balances of the fund are highly weighted in determining this analysis. Other factors involved are the condominium fees of the surrounding market, and the difference of costs on to future owners.

Planners Recommendations are provided based on the analysis of the above three steps to sufficiently fund the Corporation. The recommendations are provided that the corporation can follow and/or implement to sustain the reserve fund including the process of annual updates as required by the Act.



Component Depreciation Analysis Darlington Arms - Apartment

January 7, 2019
Interest Rate (1st - 5 Years) : 1.50%
Interest Rate: 3.00%
Inflation Rate: 3.25%

■ -Indicates Long Life (Allowanced) Component

Component

Component	Horizon Years *	Effective Age *	Remaining Life *	Current Replacement Cost *	Future Replacement Cost *	Current Reserve Requirement *	Future Reserve Fund Accumulation	Future Reserve Fund Requirements	Annual Assessment *
Foundations									
Concrete Foundations	N/A	N/A	N/A	\$20,500	\$45,604	\$820	\$1,717	\$43,887	\$902
Parkade Surfacing	10	1	9	\$76,700	\$102,284	\$7,670	\$9,300	\$92,984	\$8,521
Structure									
Concrete Balconies	N/A	N/A	N/A	\$25,900	\$57,617	\$1,036	\$2,169	\$55,448	\$1,140
Concrete Balcony Waterproofing	N/A	N/A	N/A	\$0	\$0	\$0	\$0	\$0	\$0
Waterproof Membranes	N/A	N/A	N/A	\$153,400	\$646,961	\$3,409	\$12,891	\$634,070	\$4,010
Hand Railings - Balconies	60	40	20	\$47,000	\$89,104	\$31,333	\$52,589	\$36,515	\$1,088
Hand Railings - Terrace	30	1	29	\$17,500	\$44,244	\$583	\$1,277	\$42,967	\$677
Exterior									
Brick	N/A	N/A	N/A	\$130,400	\$290,088	\$5,216	\$10,921	\$279,167	\$5,739
Caulking	N/A	N/A	N/A	\$77,700	\$100,356	\$9,712	\$12,303	\$88,053	\$9,350
Concrete Walls	N/A	N/A	N/A	\$18,000	\$40,043	\$720	\$1,508	\$38,535	\$792
Exterior Doors - Utility	N/A	N/A	N/A	\$2,200	\$6,739	\$63	\$177	\$6,562	\$72
Building Exterior Lights	25	1	24	\$2,600	\$5,602	\$104	\$196	\$5,406	\$119
Canopies	25	1	24	\$2,200	\$4,740	\$88	\$167	\$4,573	\$101
Exterior Doors - Main Entry	35	20	15	\$4,500	\$7,270	\$2,571	\$3,723	\$3,547	\$163
Garage Door(s)	15	7	8	\$5,000	\$6,458	\$2,333	\$2,746	\$3,712	\$394
Painting: Exterior	8	5	3	\$5,300	\$5,834	\$3,312	\$3,463	\$2,371	\$756
Sliding Doors	35	27	8	\$120,000	\$154,989	\$92,571	\$108,972	\$46,017	\$4,886
Windows	35	27	8	\$188,400	\$243,333	\$145,337	\$171,087	\$72,246	\$7,672
Roofing									
Modified Bitumen Membrane	30	1	29	\$59,500	\$150,428	\$1,983	\$4,342	\$146,086	\$2,300
Interior									
Interior Doors	N/A	N/A	N/A	\$20,000	\$52,207	\$667	\$1,619	\$50,588	\$748
Metal Hand Railings	N/A	N/A	N/A	\$4,800	\$17,252	\$120	\$391	\$16,861	\$139
Flooring: Carpet	12	8	4	\$24,900	\$28,298	\$16,600	\$17,619	\$10,679	\$2,515
Flooring: Ceramic / Slate Tile	30	22	8	\$16,500	\$21,311	\$12,100	\$14,244	\$7,067	\$750
Mailboxes	25	15	10	\$5,000	\$6,884	\$3,000	\$3,747	\$3,137	\$251
Painting: Interior - Hallways	12	8	4	\$12,700	\$14,433	\$8,467	\$8,987	\$5,446	\$1,283
Painting: Interior - Lobby	12	10	2	\$3,400	\$3,625	\$2,833	\$2,919	\$706	\$343
Painting: Interior - Stairwells	15	10	5	\$3,400	\$3,990	\$2,267	\$2,442	\$1,548	\$287
Elevators									
Elevator Cab Refurbish	30	25	5	\$20,000	\$23,468	\$16,667	\$17,955	\$5,513	\$1,023
Elevator(s)	30	25	5	\$145,000	\$170,145	\$120,833	\$130,171	\$39,974	\$7,421
Mechanical/Safety									
Back Flow Preventers	N/A	N/A	N/A	\$8,000	\$17,797	\$320	\$670	\$17,127	\$352
Exhaust Fan	N/A	N/A	N/A	\$4,000	\$8,898	\$160	\$335	\$8,563	\$176
Make-up Air Unit(s)	N/A	N/A	N/A	\$27,500	\$61,176	\$1,100	\$2,303	\$58,873	\$1,210
Plumbing & Heating Systems - Piping	N/A	N/A	N/A	\$54,900	\$122,130	\$2,196	\$4,598	\$117,532	\$2,416
Plumbing & Heating Systems - Supporting Equipment	N/A	N/A	N/A	\$42,500	\$94,545	\$1,700	\$3,559	\$90,986	\$1,871
Sprinkler System	N/A	N/A	N/A	\$22,500	\$50,053	\$900	\$1,884	\$48,169	\$990
Access Intercom	30	2	28	\$4,000	\$9,794	\$267	\$568	\$9,226	\$155
Boiler(s)	25	16	9	\$50,000	\$66,678	\$32,000	\$38,800	\$27,878	\$2,555
Fire Alarm / Annunciator Panel(s)	30	25	5	\$9,500	\$11,147	\$7,917	\$8,529	\$2,618	\$486
Hot Water Heater - I	10	7	3	\$8,500	\$9,356	\$5,950	\$6,222	\$3,134	\$999
Hot Water Heater - II	10	9	1	\$8,500	\$8,776	\$7,650	\$7,765	\$1,011	\$996

* See Glossary at the end for details.



Electrical									
Security	N/A	N/A	N/A	\$29,000	\$64,513	\$1,160	\$2,429	\$62,084	\$1,276
Generator	45	35	10	\$30,000	\$41,307	\$23,333	\$29,140	\$12,167	\$974
Interior Lighting - Hallways	30	1	29	\$12,000	\$30,338	\$400	\$876	\$29,462	\$464
Interior Lighting - Parkade	30	1	29	\$7,700	\$19,467	\$257	\$563	\$18,904	\$298
Professional Fees									
Consulting Services	N/A	N/A	N/A	\$20,000	\$44,492	\$800	\$1,675	\$42,817	\$880
Reserve Fund Study	5	0	5	\$4,800	\$5,632	\$0	\$0	\$5,632	\$1,046
Specialties									
Chattels	N/A	N/A	N/A	\$5,000	\$11,123	\$200	\$419	\$10,704	\$220
Garbage Chutes	N/A	N/A	N/A	\$5,700	\$20,487	\$142	\$463	\$20,024	\$165
Storage Lockers	N/A	N/A	N/A	\$53,600	\$139,916	\$1,787	\$4,338	\$135,578	\$2,004
Room Modernization	25	17	8	\$41,300	\$53,342	\$28,084	\$33,059	\$20,283	\$2,154
Site									
Concrete Works	N/A	N/A	N/A	\$96,400	\$214,451	\$3,856	\$8,074	\$206,377	\$4,243
Landscaping	N/A	N/A	N/A	\$9,900	\$22,024	\$396	\$829	\$21,195	\$436
Underground Services - Major Repairs	N/A	N/A	N/A	\$35,000	\$77,861	\$1,400	\$2,931	\$74,930	\$1,540
Underground Services - Scoping, Auguring, and Minor Repairs	N/A	N/A	N/A	\$15,000	\$33,369	\$600	\$1,256	\$32,113	\$660
Wood Fencing	N/A	N/A	N/A	\$3,100	\$6,265	\$141	\$270	\$5,995	\$153
Asphalt Paving	30	10	20	\$14,800	\$28,058	\$4,933	\$8,279	\$19,779	\$589
Gate Opener Mechanism	20	10	10	\$7,500	\$10,327	\$3,750	\$4,683	\$5,644	\$452
Metal Hand Railings/Fencing	30	10	20	\$34,400	\$65,217	\$11,467	\$19,246	\$45,971	\$1,370
Painting: Concrete Walls	10	8	2	\$2,400	\$2,559	\$1,920	\$1,978	\$581	\$282
Painting: Metal Fences & Gates	15	7	8	\$9,900	\$12,787	\$4,620	\$5,439	\$7,348	\$780
TOTALS: 100% FUNDED *				\$1,889,900	\$3,707,192	\$641,821	\$800,822	\$2,906,370	\$95,634
TOTALS: 75% FUNDED *				--	--	\$481,366	--	--	\$71,726
TOTALS: 50% FUNDED *				--	--	\$320,911	--	--	\$47,817

* See Glossary at the end for details.



Component Depreciation Analysis Summary

1) Current Replacement Costs of Reserve Components.....\$1,889,900

This is the sum of all costs, in current dollars, for all major repairs and replacements. These replacement costs are based on current prices and current economic conditions.

2) Future Replacement Costs of Reserve Components.....\$ 3,707,192

This shows all major repair and replacement costs in the future at the end of the expected life span of the reserve components.

3) Current Reserve Fund Requirement.....\$ 641,821

These are reserve fund estimates based on the notion of effective age. This is the amount that should have been contributed by unit owners. This is the amount that the corporation would have in its reserve fund at the end of the first forecast year if it were fully funded. Any surplus-deficiency will be addressed in the funding analysis over the horizon of the budgeting study. These reserve funds should be held by the corporation and invested in the appropriate securities.

4) Future Reserve Fund Accumulations.....\$ 800,822

These are the current reserve fund requirements together with compound interest over the remaining life spans of the components.

5) Future Reserve Fund Requirements.....\$2,906,370

These are the amounts to be funded by the unit owners to the reserve fund plus any interest earned.

6) Annual Reserve Fund Assessments.....\$ 95,634

These are the annual reserve fund payments to be made by unit owners. The annual reserve fund assessment consists of the annual payments by the unit owners into the reserve fund to meet all potential capital expenditure requirements in the future. The amount increases at the rate of interest every year.

Notice

The reserve fund estimates for points 1 to 6 above were prepared without regard to the current financial position of the corporation or the current reserve fund contributions by the unit owners, and as such, they represent the optimum reserve fund operation. The estimates for points 1 to 6 above assume that the corporation has continuously assessed adequate reserve funding from the time of initial development.



Historical Reserve Fund Analysis

The historical reserve fund analysis consists of a review and examination of the financial statements of the corporation with an emphasis on investment and spending related to major repairs and replacements of reserve components. Based on the documents which were provided, a summary of the historical reserve fund spending patterns was prepared. This summary is shown in the Historical Cash Flow document which follows. The following corporate documents were provided for analysis:

The budget statement for the fiscal year ending: June 30, 2017

The study takes into consideration the past performance of the complex, including reserve fund contributions and expenditures, as well as the age and condition of the improvements. The study also examines the preventative maintenance programs that have been utilized historically for each of the components.

The Corporation's Estimated Reserve Fund Balance as of June 30, 2017: \$ 161,282



Historical Analysis Darlington Arms - Apartment

January 7, 2019

Year End	2017-06-30
Opening Balance	\$199,049
Contributions	\$44,000
Additional Allocations	
Interest Income	\$550
Special Assessments	
Reserve Components	
Concrete Foundations	
Parkade Surfacing	
Concrete Balconies	
Concrete Balcony Waterproofing	
Waterproof Membranes	
Hand Railings - Balconies	
Hand Railings - Terrace	
Brick	
Caulking	
Concrete Walls	
Exterior Doors - Utility	\$2,627
Building Exterior Lights	
Canopies	\$1,522
Exterior Doors - Main Entry	
Garage Door(s)	
Painting: Exterior	
Sliding Doors	
Windows	
Modified Bitumen Membrane	
Interior Doors	
Metal Hand Railings	
Flooring: Carpet	
Flooring: Ceramic / Slate Tile	
Mailboxes	
Painting: Interior - Hallways	
Painting: Interior - Lobby	
Painting: Interior - Stairwells	
Elevator Cab Refurbish	
Elevator(s)	
Back Flow Preventers	
Exhaust Fan	
Make-up Air Unit(s)	
Plumbing & Heating Systems - Piping	
Plumbing & Heating Systems - Supporting Equipment	
Sprinkler System	
Access Intercom	
Boiler(s)	
Fire Alarm / Annunciator Panel(s)	
Hot Water Heater - I	
Hot Water Heater - II	
Security	
Generator	
Interior Lighting - Hallways	
Interior Lighting - Parkade	
Consulting Services	\$2,011
Reserve Fund Study	



Historical Analysis Darlington Arms - Apartment

January 7, 2019

Chattels	
Garbage Chutes	
Storage Lockers	
Room Modernization	
Concrete Works	\$76,157
Landscaping	
Underground Services - Major Repairs	
Underground Services - Scoping, Auguring, and Minor Repairs	
Wood Fencing	
Asphalt Paving	
Gate Opener Mechanism	
Metal Hand Railings/Fencing	
Painting: Concrete Walls	
Painting: Metal Fences & Gates	
Total Expenditures	\$82,317
Closing Balance	\$161,282
Operating And Reserve Contributions	
Planned Reserve Contributions	\$44,000
Operating Budget	-\$44,000
Avg Condo Fee Per Month	\$0
Avg Percent Of Condo Fees Per Month	0%



Horizon Cash Flow Analysis (Recommended)

This analysis projects the estimated expenditures from the reserve fund for the complex over a specified time horizon and recommends a contribution and funding plan for the 25 years. This document shows the Opening Balances, Total Cash Resources, Total Expenditures, Closing Balances, and the Percentage Funded in a form and detail which conforms to financial presentations for reserve fund operations. The above noted terms are defined as follows:

Opening Balances

This is the reserve fund position at the beginning of each fiscal year showing the cash resources available, which consist of bank deposits, qualified investments, and accrued interest income.

Cash Flows

These are the regular reserve fund contributions, interest income and special assessments, if any, based on the interest rate utilized in the Cash Flow Analysis. It is assumed that all reserve fund contributions and special assessments will be made at the end of each fiscal year.

Total Cash Resources

These represent the cash flow items noted above plus the open balance.

Total Expenditures

These are the sum of the reserve fund expenditures for all the components in each fiscal year. It is assumed that all reserve fund expenditures will be made at the beginning of each fiscal year.

Closing Balances

This amount is equal to the Total Cash Resources minus the Total Expenditures. This amount is carried forward to the next fiscal year as the Opening Balance.

Percent Funded

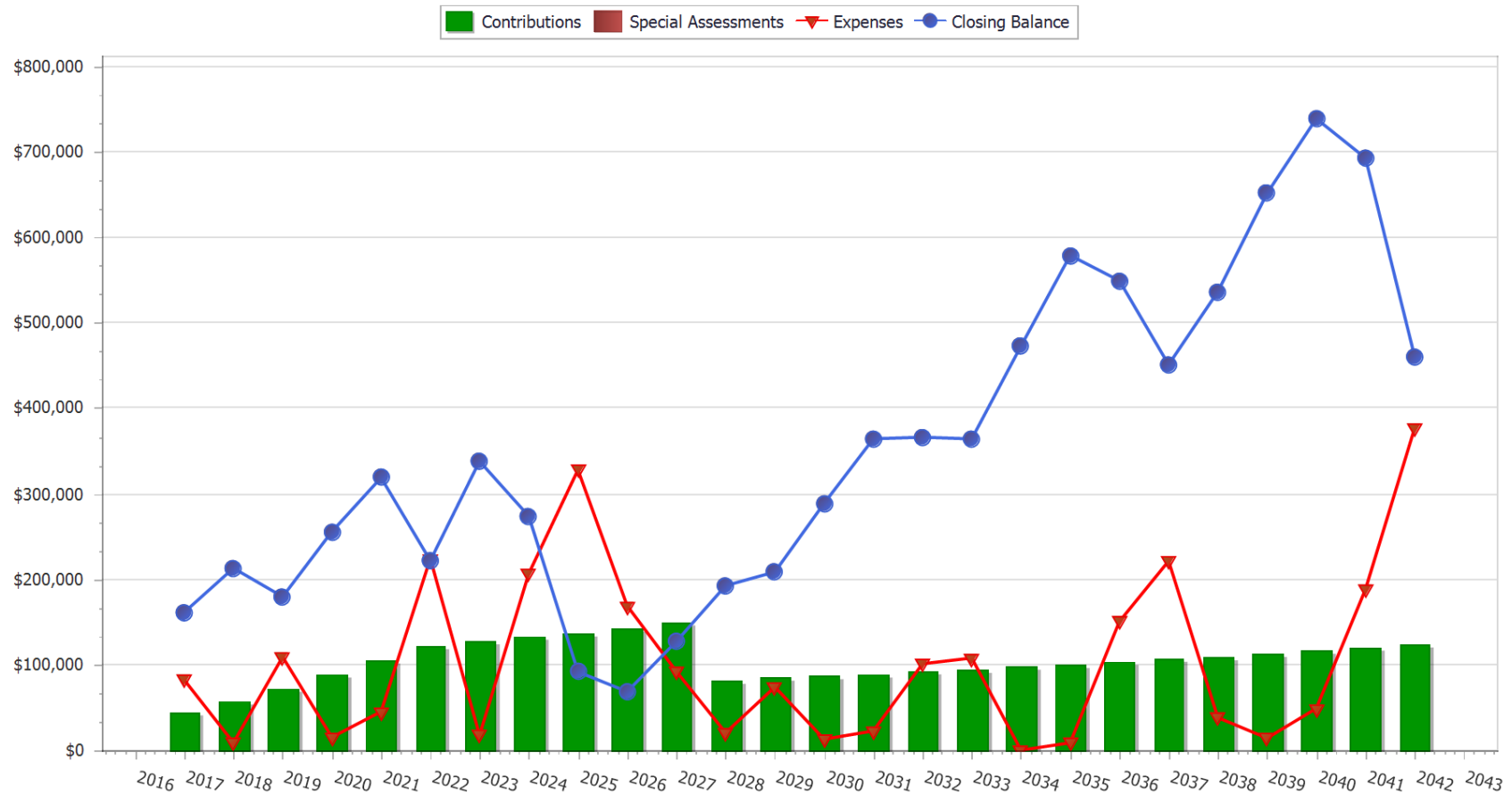
Percentage funded is the current level the corporation is funded at the end of that fiscal year. The percentage funded is based on the depreciation of each individual component and calculated by dividing that years closing balance by the reserve fund requirement.

Percent funding levels are shown to help the corporation gauge their current position in regard to all their common component expenses. 100% funding if achieved would be the upper limit of funding recommended, this level of funding provides for a fair funding model for current and future owners. If properly updated a 100% funding model should adequately fund the components listed for the life of the corporation. Higher funding levels like 100% funding may not always be practical to achieve and are typically reached near or after the 25-year funding horizon. Lower percent funding levels may be utilized that will sufficiently fund the plan. These models may result in increases to the reserve fund contributions and increase the chances of special assessments as the project ages. Depending on the nature of the complex a lower percent funding model may provide for adequate funding where most common expenses do not occur in a short span of time. The provided cash flows will more accurately reflect each individual complex's requirements.



Funding Horizon Chart - Model 25 Year Final
Darlington Arms - Apartment - 9811439

Stabilized Long Term Inflation Rate - 3.25%
Stabilized Long Term Interest Rate - 3.00%
First Five Year Interest Rate - 1.50%



Minimum Closing Balance in Year 9 :\$68,569

Total Cash Outlay: \$2,656,480

Total Expenditures: \$2,601,832



Short Term Interest Rate (Years 1-5): **1.50%**

Long Term Interest Rate: **3.00%**

Inflation Rate: **3.25%**

Darlington Arms - Apartment-9811439
25 Year - Reserve Fund Horizon Schedule

	Year Beginning	Opening Balance	Reserve Contributions	Special Assessments & Additional Allocations	Estimated Interest	Estimated Expenses	Closing Balance	Year End
1	01-Jul-17	\$161,282	\$58,080	\$0	\$2,419	\$8,776	\$213,005	30-Jun-18
2	01-Jul-18	\$213,005	\$72,600	\$0	\$3,195	\$109,184	\$179,616	30-Jun-19
3	01-Jul-19	\$179,616	\$88,600	\$0	\$2,694	\$15,190	\$255,720	30-Jun-20
4	01-Jul-20	\$255,720	\$104,500	\$0	\$3,836	\$45,181	\$318,875	30-Jun-21
5	01-Jul-21	\$318,875	\$122,300	\$0	\$4,783	\$224,132	\$221,826	30-Jun-22
6	01-Jul-22	\$221,826	\$127,200	\$0	\$6,655	\$17,600	\$338,081	30-Jun-23
7	01-Jul-23	\$338,081	\$132,300	\$0	\$10,142	\$206,650	\$273,873	30-Jun-24
8	01-Jul-24	\$273,873	\$137,600	\$0	\$8,216	\$328,008	\$91,681	30-Jun-25
9	01-Jul-25	\$91,681	\$143,100	\$0	\$2,750	\$168,962	\$68,569	30-Jun-26
10	01-Jul-26	\$68,569	\$148,800	\$0	\$2,057	\$92,077	\$127,349	30-Jun-27
11	01-Jul-27	\$127,349	\$81,800	\$0	\$3,820	\$20,419	\$192,550	30-Jun-28
12	01-Jul-28	\$192,550	\$84,300	\$0	\$5,776	\$74,023	\$208,603	30-Jun-29
13	01-Jul-29	\$208,603	\$86,800	\$0	\$6,258	\$12,882	\$288,779	30-Jun-30
14	01-Jul-30	\$288,779	\$89,400	\$0	\$8,663	\$22,520	\$364,322	30-Jun-31
15	01-Jul-31	\$364,322	\$92,100	\$0	\$10,930	\$101,125	\$366,227	30-Jun-32
16	01-Jul-32	\$366,227	\$94,900	\$0	\$10,987	\$107,873	\$364,241	30-Jun-33
17	01-Jul-33	\$364,241	\$97,700	\$0	\$10,927	\$0	\$472,868	30-Jun-34
18	01-Jul-34	\$472,868	\$100,600	\$0	\$14,186	\$8,700	\$578,954	30-Jun-35
19	01-Jul-35	\$578,954	\$103,600	\$0	\$17,369	\$150,566	\$549,357	30-Jun-36
20	01-Jul-36	\$549,357	\$106,700	\$0	\$16,481	\$221,375	\$451,163	30-Jun-37
21	01-Jul-37	\$451,163	\$109,900	\$0	\$13,535	\$38,138	\$536,460	30-Jun-38
22	01-Jul-38	\$536,460	\$113,200	\$0	\$16,094	\$14,151	\$651,603	30-Jun-39
23	01-Jul-39	\$651,603	\$116,600	\$0	\$19,548	\$48,830	\$738,921	30-Jun-40
24	01-Jul-40	\$738,921	\$120,100	\$0	\$22,168	\$188,342	\$692,847	30-Jun-41
25	01-Jul-41	\$692,847	\$123,700	\$0	\$20,785	\$377,128	\$460,204	30-Jun-42



Projected Cash Flow - Model 25 Year Final
Darlington Arms - Apartment - 9811439

Stabilized Long Term Inflation Rate - 3.25%

Stabilized Long Term Interest Rate - 3.00%

First Five Year Interest Rate - 1.50%

Year Beginning	2016-07-01	2017-07-01	2018-07-01	2019-07-01	2020-07-01	2021-07-01	2022-07-01	2023-07-01	2024-07-01	2025-07-01
Year	0	1	2	3	4	5	6	7	8	9
Opening Balance	\$199,049	\$161,282	\$213,005	\$179,616	\$255,720	\$318,875	\$221,826	\$338,081	\$273,873	\$91,681
Planned Contributions	\$44,000	\$58,080	\$72,600	\$88,600	\$104,500	\$122,300	\$127,200	\$132,300	\$137,600	\$143,100
Additional Allocations										
Interest Income	\$550	\$2,419	\$3,195	\$2,694	\$3,836	\$4,783	\$6,655	\$10,142	\$8,216	\$2,750
Special Assessments		\$0	\$0							
Cash Resources	\$243,599	\$221,781	\$288,800	\$270,910	\$364,056	\$445,958	\$355,681	\$480,523	\$419,689	\$237,531
Reserve Components										
Concrete Foundations							\$4,950			
Parkade Surfacing										\$102,284
Concrete Balconies								\$8,100		
Concrete Balcony Waterproofing										
Waterproof Membranes										
Hand Railings - Balconies										
Hand Railings - Terrace										
Brick										
Caulking			\$100,350							
Concrete Walls								\$5,650		
Exterior Doors - Utility	\$2,627									
Building Exterior Lights										
Canopies	\$1,522									
Exterior Doors - Main Entry										
Garage Door(s)									\$6,458	
Painting: Exterior				\$5,834						
Sliding Doors								\$75,050	\$77,494	
Windows								\$117,850	\$121,666	
Modified Bitumen Membrane										
Interior Doors						\$7,800				
Metal Hand Railings									\$1,050	
Flooring: Carpet					\$28,298					
Flooring: Ceramic / Slate Tile									\$21,311	
Mailboxes										
Painting: Interior - Hallways					\$14,433					
Painting: Interior - Lobby			\$3,625							
Painting: Interior - Stairwells						\$3,990				
Elevator Cab Refurbish						\$23,468				
Elevator(s)						\$170,145				
Back Flow Preventers										
Exhaust Fan							\$950			
Make-up Air Unit(s)										
Plumbing & Heating Systems - Piping										
Plumbing & Heating Systems - Supporting Equipment										
Sprinkler System										
Access Intercom										
Boiler(s)										\$66,678
Fire Alarm / Annunciator Panel(s)						\$11,147				
Hot Water Heater - I				\$9,356						

Hot Water Heater - II		\$8,776								
Security Generator							\$11,700			
Interior Lighting - Hallways										
Interior Lighting - Parkade										
Consulting Services	\$2,011									
Reserve Fund Study						\$5,632				
Chattels			\$2,650							
Garbage Chutes										
Storage Lockers										
Room Modernization									\$53,342	
Concrete Works	\$76,157								\$31,150	
Landscaping						\$1,950				
Underground Services - Major Repairs										
Underground Services - Scoping, Auguring, and Minor Repairs					\$2,450				\$2,750	
Wood Fencing										
Asphalt Paving										
Gate Opener Mechanism										
Metal Hand Railings/Fencing										
Painting: Concrete Walls			\$2,559							
Painting: Metal Fences & Gates									\$12,787	
Total Expenses	\$82,317	\$8,776	\$109,184	\$15,190	\$45,181	\$224,132	\$17,600	\$206,650	\$328,008	\$168,962
Closing Balance	\$161,282	\$213,005	\$179,616	\$255,720	\$318,875	\$221,826	\$338,081	\$273,873	\$91,681	\$68,569
Planned Contributions	\$44,000	\$58,080	\$72,600	\$88,600	\$104,500	\$122,300	\$127,200	\$132,300	\$137,600	\$143,100
Prev Year Contributions		\$44,000	\$58,080	\$72,600	\$88,600	\$104,500	\$122,300	\$127,200	\$132,300	\$137,600
Avg Inc. Per Unit Per Month	\$0	\$29	\$30	\$33	\$33	\$37	\$10	\$11	\$11	\$12
Percent Funded -Max Level 37.2%	25%	29%	24%	31%	35%	28%	37%	33%	14%	11%
Contribution Increase	\$44,000	\$14,080	\$14,520	\$16,000	\$15,900	\$17,800	\$4,900	\$5,100	\$5,300	\$5,500
Year End	2017-06-30	2018-06-30	2019-06-30	2020-06-30	2021-06-30	2022-06-30	2023-06-30	2024-06-30	2025-06-30	2026-06-30



Projected Cash Flow - Model 25 Year Final
Darlington Arms - Apartment - 9811439

Stabilized Long Term Inflation Rate - 3.25%

Stabilized Long Term Interest Rate - 3.00%

First Five Year Interest Rate - 1.50%

Year Beginning	2026-07-01	2027-07-01	2028-07-01	2029-07-01	2030-07-01	2031-07-01	2032-07-01	2033-07-01	2034-07-01	2035-07-01
Year	10	11	12	13	14	15	16	17	18	19
Opening Balance	\$68,569	\$127,349	\$192,550	\$208,603	\$288,779	\$364,322	\$366,227	\$364,241	\$472,868	\$578,954
Planned Contributions	\$148,800	\$81,800	\$84,300	\$86,800	\$89,400	\$92,100	\$94,900	\$97,700	\$100,600	\$103,600
Additional Allocations										
Interest Income	\$2,057	\$3,820	\$5,776	\$6,258	\$8,663	\$10,930	\$10,987	\$10,927	\$14,186	\$17,369
Special Assessments										
Cash Resources	\$219,426	\$212,969	\$282,626	\$301,661	\$386,842	\$467,352	\$472,114	\$472,868	\$587,654	\$699,923
Reserve Components										
Concrete Foundations			\$6,000						\$7,300	
Parkade Surfacing										\$140,834
Concrete Balconies					\$10,150					
Concrete Balcony Waterproofing										
Waterproof Membranes			\$56,300							
Hand Railings - Balconies										
Hand Railings - Terrace										
Brick										
Caulking										
Concrete Walls					\$7,050					
Exterior Doors - Utility		\$800								
Building Exterior Lights										
Canopies										
Exterior Doors - Main Entry						\$7,270				
Garage Door(s)										
Painting: Exterior		\$7,535								\$9,732
Sliding Doors										
Windows										
Modified Bitumen Membrane										
Interior Doors						\$10,750				
Metal Hand Railings							\$1,350			
Flooring: Carpet							\$41,537			
Flooring: Ceramic / Slate Tile										
Mailboxes	\$6,884									
Painting: Interior - Hallways							\$21,186			
Painting: Interior - Lobby					\$5,320					
Painting: Interior - Stairwells										
Elevator Cab Refurbish										
Elevator(s)										
Back Flow Preventers			\$3,900							
Exhaust Fan			\$1,150						\$1,400	
Make-up Air Unit(s)										
Plumbing & Heating Systems - Piping										
Plumbing & Heating Systems - Supporting Equipment										
Sprinkler System	\$15,500									
Access Intercom										
Boiler(s)										
Fire Alarm / Annunciator Panel(s)										
Hot Water Heater - I				\$12,882						

Hot Water Heater - II		\$12,084								
Security						\$15,600				
Generator	\$41,307									
Interior Lighting - Hallways										
Interior Lighting - Parkade										
Consulting Services	\$9,200									
Reserve Fund Study	\$6,609					\$7,755				
Chattels										
Garbage Chutes										
Storage Lockers						\$28,850				
Room Modernization										
Concrete Works							\$40,200			
Landscaping	\$2,250					\$2,650				
Underground Services - Major Repairs						\$28,250				
Underground Services - Scoping, Auguring, and Minor Repairs			\$3,150				\$3,600			
Wood Fencing										
Asphalt Paving										
Gate Opener Mechanism	\$10,327									
Metal Hand Railings/Fencing										
Painting: Concrete Walls			\$3,523							
Painting: Metal Fences & Gates										
Total Expenses	\$92,077	\$20,419	\$74,023	\$12,882	\$22,520	\$101,125	\$107,873	\$0	\$8,700	\$150,566
Closing Balance	\$127,349	\$192,550	\$208,603	\$288,779	\$364,322	\$366,227	\$364,241	\$472,868	\$578,954	\$549,357
Planned Contributions	\$148,800	\$81,800	\$84,300	\$86,800	\$89,400	\$92,100	\$94,900	\$97,700	\$100,600	\$103,600
Prev Year Contributions	\$143,100	\$148,800	\$81,800	\$84,300	\$86,800	\$89,400	\$92,100	\$94,900	\$97,700	\$100,600
Avg Inc. Per Unit Per Month	\$12	-\$140	\$5	\$5	\$5	\$6	\$6	\$6	\$6	\$6
Percent Funded -Max Level 37.2%	19%	25%	24%	29%	32%	30%	28%	32%	35%	32%
Contribution Increase	\$5,700	-\$67,000	\$2,500	\$2,500	\$2,600	\$2,700	\$2,800	\$2,800	\$2,900	\$3,000
Year End	2027-06-30	2028-06-30	2029-06-30	2030-06-30	2031-06-30	2032-06-30	2033-06-30	2034-06-30	2035-06-30	2036-06-30



Projected Cash Flow - Model 25 Year Final
Darlington Arms - Apartment - 9811439

Stabilized Long Term Inflation Rate - 3.25%

Stabilized Long Term Interest Rate - 3.00%

First Five Year Interest Rate - 1.50%

Year Beginning	2036-07-01	2037-07-01	2038-07-01	2039-07-01	2040-07-01	2041-07-01
Year	20	21	22	23	24	25
Opening Balance	\$549,357	\$451,163	\$536,460	\$651,603	\$738,921	\$692,847
Planned Contributions	\$106,700	\$109,900	\$113,200	\$116,600	\$120,100	\$123,700
Additional Allocations						
Interest Income	\$16,481	\$13,535	\$16,094	\$19,548	\$22,168	\$20,785
Special Assessments						
Cash Resources	\$672,538	\$574,598	\$665,754	\$787,751	\$881,189	\$837,332
Reserve Components						
Concrete Foundations					\$8,850	
Parkade Surfacing						
Concrete Balconies		\$12,700				
Concrete Balcony Waterproofing						
Waterproof Membranes					\$82,650	
Hand Railings - Balconies	\$89,104					
Hand Railings - Terrace						
Brick						\$145,050
Caulking						
Concrete Walls		\$8,800				
Exterior Doors - Utility			\$1,100			
Building Exterior Lights					\$5,602	
Canopies					\$4,740	
Exterior Doors - Main Entry						
Garage Door(s)				\$10,434		
Painting: Exterior						
Sliding Doors						
Windows						
Modified Bitumen Membrane						
Interior Doors						\$14,850
Metal Hand Railings					\$1,700	
Flooring: Carpet						
Flooring: Ceramic / Slate Tile						
Mailboxes						
Painting: Interior - Hallways						
Painting: Interior - Lobby						
Painting: Interior - Stairwells	\$6,446					
Elevator Cab Refurbish						
Elevator(s)						
Back Flow Preventers					\$5,750	
Exhaust Fan					\$1,700	
Make-up Air Unit(s)						\$30,600
Plumbing & Heating Systems - Piping						\$61,050
Plumbing & Heating Systems - Supporting Equipment						\$47,250
Sprinkler System						\$25,050
Access Intercom						
Boiler(s)						
Fire Alarm / Annunciator Panel(s)						
Hot Water Heater - I				\$17,737		

Hot Water Heater - II		\$16,638				
Security					\$20,850	
Generator						
Interior Lighting - Hallways						
Interior Lighting - Parkade						
Consulting Services	\$12,650					
Reserve Fund Study	\$9,100					\$10,678
Chattels			\$5,050			
Garbage Chutes	\$3,600					
Storage Lockers						
Room Modernization						
Concrete Works					\$51,900	
Landscaping	\$3,150					\$3,650
Underground Services - Major Repairs						\$38,950
Underground Services - Scoping, Auguring, and Minor Repairs	\$4,050				\$4,600	
Wood Fencing			\$3,150			
Asphalt Paving	\$28,058					
Gate Opener Mechanism						
Metal Hand Railings/Fencing	\$65,217					
Painting: Concrete Walls			\$4,851			
Painting: Metal Fences & Gates				\$20,659		
Total Expenses	\$221,375	\$38,138	\$14,151	\$48,830	\$188,342	\$377,128
Closing Balance	\$451,163	\$536,460	\$651,603	\$738,921	\$692,847	\$460,204
Planned Contributions	\$106,700	\$109,900	\$113,200	\$116,600	\$120,100	\$123,700
Prev Year Contributions	\$103,600	\$106,700	\$109,900	\$113,200	\$116,600	\$120,100
Avg Inc. Per Unit Per Month	\$7	\$7	\$7	\$7	\$7	\$8
Percent Funded -Max Level 37.2%	26%	29%	31%	32%	30%	21%
Contribution Increase	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600
Year End	2037-06-30	2038-06-30	2039-06-30	2040-06-30	2041-06-30	2042-06-30



Planners Recommendations

The Horizon Plan Cash Flow Analysis projection(s) provided herein represents only one example of a scenario and is not intended to be the only one that a board may rely on as an acceptable plan.

For the condominium corporation to carry out all major repairs and replacements necessary to maintain the property, the corporation must be sufficiently funded. To achieve this level of funding, the corporation should comply with the following guidelines:

1. The corporation must prepare and implement a long-term reserve fund plan based on the expenditures laid out in the Recommended Horizon Cash Flow Analysis in accordance with the requirements of the Condominium Property Act.
2. To ensure that the reserve fund is sufficiently funded over the study horizon, it will be necessary to contribute the annual amounts noted in the Projected Cash Flow Analysis. The annual contributions may increase at different rates as noted in the Cash Flow Analysis. Applying these figures, the reserve fund should be able to meet the projected expenditures over the study horizon.
3. The reserve fund should be invested in the securities outlined in the Condominium Property Regulation 168/2000 Section 31.1. It is assumed that over the study horizon the average of the interest rates achieved by the condominium corporation will equal the Long-Term Stabilized Interest Rate noted in the Cash Flow Analysis herein. If there is any variance between the Long-Term Stabilized Interest Rate utilized herein and the average of the interest rates achieved by the condominium corporation, then the data, analyses, and conclusions contained herein may require adjustment.
4. The corporation should use the reserve fund to perform major repairs and replacements to the common elements. The reserve funds cannot be commingled with any other funds of the corporation.
5. The corporation should review the reserve fund every year to ensure that the underlying assumptions are still valid and that the estimates remain current. The annual report must detail and the following:
 - i. The amount of the reserve fund as of the last day of the immediately preceding fiscal year;
 - ii. All the payments made into and out of the reserve fund for that year and the sources and uses of those payments;
 - iii. A list of the depreciating property that was repaired or replaced during that year and the costs incurred in respect of the repair or replacement of that property.



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6. Based on current legislation, the corporation must update the Reserve Fund Study at least once every five (5) years, and an annual report must be provided detailing the following:
- i. The amount of the reserve fund as of the last day of the immediately preceding fiscal year;
 - ii. All the payments made into and out of the reserve fund for that year and the sources and uses of those payments;
 - iii. A list of the depreciating property that was repaired or replaced during that year and the costs incurred in respect of the repair or replacement of that property.

NOTICE: Failure to implement an appropriate reserve fund strategy may result in large special assessments in the future when major repairs and replacements are required.



CORPORATIONS RESERVE FUND PLAN

As outlined by the Alberta Condominium Regulations 168/2000 Part 2 Section 23 Item 4:

On receiving the reserve fund report under subsection (3), the board must, after reviewing the reserve fund report, approve a reserve fund plan

- a) under which a reserve fund is to be established, if one has not already been established, and
- b) setting forth the method of and amounts needed for funding and maintaining the reserve fund.

The Board must, after reviewing the reserve fund report and using it as a guide, must determine how they are to account for their future funding requirements using the recommendations of this study. Note components and future expenditures may not be altered in the preparing of this plan.



PLANNERS QUALIFICATIONS

Harold D. Weidman, CRP

Mr. Weidman's qualifications as a reserve fund planner are based on Education and Experience in the fields of reserve fund planning, real estate appraisal, brokerage, and consulting.

In 2001 he received the CRP (Certified Reserve Planner) designation from the Real Estate Institute of Canada. In addition, he is a member of the Canadian Condominium Institute.

Harold Weidman has been involved in the real estate industry since 1976, and has experience in insurance appraisals, and depreciated costing of improvements for residential, commercial, and industrial properties. Mr. Weidman has appeared as an expert witness before the Government Municipal Board and the Calgary Assessment Review Board in matters related to Reserve Fund Planning. As well Mr. Weidman has completed consulting assignments applying reserve fund study principals as a cost-benefit analysis for disposal decisions.

Daniel B. Jablonski, CRP

Mr. Jablonski's qualifications as a reserve fund planner are based on Education and Experience in the fields of reserve fund planning, real estate appraisal, accounting system development, and consulting.

Daniel Jablonski has been involved in the real estate industry since 2005 and has experience in insurance appraisals, and depreciated costing of improvements for commercial and residential properties. He has experience with accounting, and statistic systems since 1997, developing various systems for tracking and analysis of real estate, consumer goods, human resources, and services.



PLANNERS CERTIFICATION

**DARLINGTON ARMS
317 - 14 AVENUE S.W.
CALGARY, ALBERTA
CONDOMINIUM CORPORATION #9811439**

I certify to the best of my knowledge and belief that:

- (1) The statements of fact contained in this report are true and correct.
- (2) The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions. These are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- (3) I have no interest, present or prospective, in the property or its management and I have no personal interest with respect to the parties involved. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- (4) Neither the employment to prepare this Reserve Fund Study nor the compensation are contingent upon the amount of reserve fund estimates reported herein. My compensation is not contingent upon an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report. Moreover, I am solely responsible for the reserve fund estimates reported herein.
- (5) My analyses, opinions, and conclusions were developed, and this report was prepared, in conformity with the standards for reserve fund studies published by the Real Estate Institute of Canada.
- (6) I have the knowledge and experience to complete the assignment competently.
- (7) The undersigned personally inspected the within described property. The nature and extent of the property inspection is set forth within the report.

Harold D. Weidman, CRP
(Reviewed but not inspected by)

Daniel B. Jablonski, CRP

Report Date: January 07, 2019