RESERVE FUND STUDY

FRONTIER BUSINESS PARK
CONDOMINIUM CORPORATION #1010603
240040 FRONTIER PLACE S.E.
ROCKY VIEW, ALBERTA

PREPARED FOR

FRONTIER BUSINESS PARK BOARD OF DIRECTORS

BY

TAYCON
CONSULTING

MAY, 2012

TAYCON CONSULTING

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May 30, 2012

Frontier Business Park Condominium Corporation # 1010603
Board of Directors
240040 Frontier Place S.E.
Rocky View, Alberta
T1X OK3

Dear Sir or Madam:

Reserve Fund Study
Frontier Business Park Condominiums
240040 Frontier Place S.E. Rocky View, Alberta

Pursuant to your request for a reserve fund study of the within described Condominium Corporation, Taycon Consulting has prepared and submits to you this report.

The Reserve Fund Study describes the reserve fund concepts and major reserve fund items. It provides current and future replacement reserve estimates and recommends reserve fund actions. The Reserve Fund Study is a complex document and should be reviewed in detail and within the context of this report.

We recommend that a reserve fund plan and strategy be adopted and implemented, and that reserve fund contributions of $6720 for the year ending February 28th 2013 be increased to $7392 for the year ending February 28th 2014 and then increased by the amounts detailed in the cash flow table each subsequent year thereafter. As outlined in this report, the current reserve fund and proposed contributions will ensure reserve funds are adequate to cover potential expenditures required to repair or replace common elements or assets of the corporation when needed.

Taycon Consulting would be pleased to provide you with complete review and updating services for the reserve fund of the corporation, as required in the future. We appreciate the opportunity to perform this reserve fund study for you. If you have any questions, please do not hesitate to contact the undersigned.

Respectfully submitted,
Taycon Consulting Inc.

Terry Brown, Certified Reserve Planner

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EXECUTIVE SUMMARY OF FACTS AND CONCLUSIONS

This executive summary has been prepared as a quick reference of pertinent facts and estimates of this Reserve Fund Study, and it is provided as convenience only. Readers are advised to refer to the full text of this Reserve Fund Study for detailed information.

Applicant	Frontier Business Park Condominium Corporation # 1010603 Board of Directors 2400 Frontier Place S.E. Rocky View, Alberta T1X 0K3
Date of Study	May 30, 2012
Property	2400 Frontier Place S.E. Rocky View, Alberta

Reserve Fund Items	Architectural	4 Reserve Components
	Finishes	0 Reserve Components
	Mechanical and Electrical	4 Reserve Components
	Amenities	0 Reserve Component
	Site Improvements	6 Reserve Components
	Reserve Fund Consultants	1 Reserve Component

Inflation Factor	3.00%
Interest Rate	3.00%

Significant Reserve Fund Estimates

Current Replacement Costs	**$ 196,825**
Future Replacement Costs	**$ 332,506**
Current Reserve Fund Requirements	**$ 30,595**
Future Reserve Fund Accumulation	**$ 49,528**
Future Reserve Fund Requirements	**$ 282,978**
Annual Reserve Fund Contributions	**$ 13,798**

Taycon Consulting has prepared the following Cash Flow Table, which provides minimum annual funding requirements proposed to meet estimated Reserve Fund expenditures. **Two alternate cash flow tables are provided at the end of this report.**

CONDOMINIUM CORPORATION # 1010603-FRONTIER BUSINESS PARK

CASH FLOW TABLE

# 1010603							
Cash Flow Table							
Year Ending	Opening	Recommended	Special	Estimated	Estimated	Percentage Increase	Closing
Feb. 28/29	Balance	Annual	Assessment	Inflation	Interest	in Recommended	Balance
		Contribution	Transfers	Adjusted	Earned	Annual Contribution	
				Expenditures	3%		
2013	12,808	6,720		3,675	128	n/a	15,981
2014	15,981	7,392		1,000	240	10%	22,613
2015	22,613	8,131		-	452	10%	31,196
2016	31,196	8,944		1,000	780	10%	39,920
2017	39,920	9,839		-	1,198	10%	50,957
2018	50,957	10,823		5,260	1,529	10%	58,048
2019	58,048	11,364		14,000	1,741	5%	57,153
2020	57,153	11,932		13,299	1,715	5%	57,501
2021	57,501	12,529		-	1,725	5%	71,755
2022	71,755	13,155		1,000	2,153	5%	86,062
2023	86,062	13,813		4,929	2,582	5%	97,528
2024	97,528	14,503		1,000	2,926	5%	113,957
2025	113,957	15,229		95,546	3,419	5%	37,058
2026	37,058	15,990		1,000	1,112	5%	53,160
2027	53,160	16,789		-	1,595	5%	71,544
2028	71,544	17,629		6,726	2,146	5%	84,593
2029	84,593	18,510		-	2,538	5%	105,641
2030	105,641	19,436		34,056	3,169	5%	94,191
2031	94,191	20,408		10,000	2,826	5%	107,424
2032	107,424	21,428		1,000	3,223	5%	131,075
2033	131,075	22,499		6,637	3,932	5%	150,869
2034	150,869	22,499		1,000	4,526	0%	176,895
2035	176,895	22,499		152,427	5,307	0%	52,274
2036	52,274	18,918		56,184	1,568	-16%	16,577
2037	16,577	13,798		-	497	-27%	30,872

Recommendations

Taycon Consulting recommendations, set out below and detailed in this report, will assist the corporation to achieve and maintain an adequate reserve fund. In our opinion, the current reserve fund balance, recommended annual contributions and earned investment income will adequately fund immediate and future reserve fund expenditures.

1. **The corporation should prepare and implement a long-term reserve fund strategy.**

2. **Major repairs and replacements should be recorded in, and funded from, a reserve fund account.**

3. **All capital expenditures not included in the approved reserve fund plan should be pre-approved by unit owners by way of a special resolution.**

4. **Financial Statements of the Condominium Corporation should clearly identify the reserve fund account and itemize all individual reserve fund expenditures separately from the operating expenditures so they can be properly tracked and accounted for.**

5. **The reserve fund contribution of $6720 per annum for the year ending February 28, 2013 should be increased to $7392 for year ending February 28, 2014 and then increased by the amounts detailed in the cash flow table, each subsequent year thereafter.**

6. **The current bylaws exclude exterior windows, doors and overhead doors from common property therefore they are not included in this study. It should be made clear to all owners that repair and replacement is their responsibility.**

7. **The reserve fund should be fully invested in guaranteed securities, yielding at least 3.0% per annum over the life of the property.**

8. **The corporation should make such expenditures, as necessary to maintain the property in optimum condition.**

9. **The reserve fund should be reviewed every year to ensure that the underlying assumptions are still valid and that the estimates remain current.**

10. **Typically the corporation should update the Reserve Fund Study every five (5) years as per regulations. Should conditions change dramatically interim updates can be provided.**

CERTIFICATION

We hereby certify that we are qualified persons empowered to conduct reserve fund studies, and that Terry Brown has personally inspected the within described property, and that he personally examined the building plans and/or documents as identified herein. To the best of our knowledge and belief, the information and data used herein is true and correct. This report has been completed exclusively by Terry Brown.

We have no interest, present or prospective, in the property or its management. Neither the employment to prepare this Reserve Fund Study nor the compensation is contingent on the amount of the reserve fund estimates reported. Moreover, we are solely responsible for the reserve fund estimates reported herein.

Terry Brown carries errors and omissions insurance through the Real Estate Institute of Canada (REIC) with an exclusive policy for Certified Reserve Fund Planners (CRP). Coverage is for $1,000,000. Policy number is SRD386068.

This Reserve Fund Study was prepared in conformity with the Reserve Fund Study Standards, published by the Real Estate Institute of Canada.

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Terry Brown
Certified Reserve Fund Planner

May 30, 2012

THIS REPORT IS SUBJECT TO THE FOLLOWING LIMITING CONDITIONS

The legal and survey descriptions of the property as stated herein are those which are recorded by the Registrar of the requisite Land Titles Office and are assumed to be correct.

The architectural, structural, electrical, mechanical and other plans and specifications of the building or buildings and improvements were provided and reviewed for this study. These drawings were used in conjunction with a visual inspection of the building and site to complete this report.

Sketches, drawings, diagrams, photographs, if any, presented in this report are included for the sole purpose of illustration. No legal survey, soil tests, engineering investigations, detailed quantity survey compilations, nor exhaustive physical examinations have been made. Accordingly, no responsibility is assumed concerning these matters or other technical and engineering techniques, which would be required to discover any inherent or hidden condition of the property.

In order to arrive at supportable replacement cost estimates, it was found necessary to utilize both documented and other cost data. A concerted effort has been 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, but no guarantee as to the accuracy of the data is implied.

The distribution of cost and other estimates in this report apply only under the programme of utilization as identified in this report. The estimates herein must not be used in conjunction with any other appraisal or reserve fund study and may be invalid if so used.

The client to whom this report is addressed may use it in deliberations affecting the subject property only, and in so doing, the report must not be abstracted; it must be used in its entirety.

Possession of this report or any copy thereof does not carry with it the right of publication nor may it be used for any purpose by anyone but the applicant without the written consent of the author, and in any event, only with the proper qualifications.

The agreed compensation for services rendered in preparing this report does not include fees for consultations and/or arbitrations, if any. Should personal appearances other than attendance if requested at the annual AGM be required in connection with this report, additional fees will have to be negotiated. Unless otherwise noted, all estimates are expressed in Canadian currency.

RESERVE FUND STUDY

1. Purpose of Reserve Fund Study

This Reserve Fund Study is a financial document. The purpose of a Reserve Fund Study is to provide cost estimates for various reserve components that are subject to major repairs and/or replacement over the lifetime of the property, and to estimate the funding required for such major repairs and replacement.

This reserve fund study applies as of

May 30th, 2012

1.1 Alberta Condominium Property Act and Regulations.

This Reserve fund study complies with the reserve fund provisions of the Alberta Condominium Act, RSA 2000, cC-22, and the Alberta Condominium Regulations 168/2000 to wit:

Reserve fund

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 owned by the corporation, and

(b) the common property,

where the repair or replacement is of a nature that does not normally occur annually.

(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.

Part 2
Capital Replacement Reserve Fund

Reserve fund study, report and plan

23(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.

(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 38 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).

(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.

(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.

(5) *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 owners' 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.*

(6) *Notwithstanding that a reserve fund plan has been approved under subsection (4), the corporation must provide to the owners for the owners' 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.*

(7) *Until such time that a corporation has approved a reserve fund plan under subsection (4) and has met the requirement under subsection (6) so as to be eligible to collect funds in respect of the reserve fund, the corporation may, notwithstanding subsection (6), collect or otherwise receive funds for a fund that is similar in nature to a reserve fund and may make expenditures from and generally continue to operate that fund.*

AR 168/2000 s23;108/2004

2. Methodology

2.1 Reserve Fund Study

A Reserve Fund Study is a financial document, which provides the basis for funding major repairs and replacement of the common elements and assets of the corporation.

This Reserve Fund Study comprises the following elements:

(1) It identifies the reserve components and assesses their quality, normal life span, and present condition;

(2) It estimates the remaining serviceable years for each of the reserve components and proposes a time schedule for repairs and/or replacement;

(3) It provides current replacement cost estimates including the cost of removing worn-out items and special safety provisions;

(4) It projects the future value of current replacement costs at an appropriate and compounded inflation rate;

(5) It projects the future value of current reserve funds compounded at a long term interest rate;

(6) It calculates current reserve fund contributions required and to be invested in interest bearing securities in order to fund future reserve fund expenditures.

The Reserve Fund Study is a practical guide to assist the Board of Directors to plan budgets and maintenance programs.

2.2 Taycon Consulting Reserve Fund Planning Standards

Alberta Condominium Act and Regulations recommend that a reserve fund consist of a physical analysis and a financial analysis.

Taycon Consulting has established Reserve Fund Planning Standards that exceed the regulatory requirements and are now recognized and emulated across Canada. These standards, presented throughout this Report, consist of investigations, analyses and calculations that provide realistic and supportable reserve fund estimates.

2.3 General Conditions and Assumptions

Reserve fund estimates are subjective, and they are based on an understanding of the life cycle of building components and our experience gained from observing buildings over an extended period. 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. Reserve fund requirements are subject to change and must be reviewed and modified over time. The more often they are reviewed the more accurate the plan will be.

2.4 Reserve Fund Projection Factors

It is recommended that the financial analysis include the following:

- the estimated cost of major repair or replacement of the common elements and assets of the corporation at the estimated time of the repair or replacement based on an assumed annual inflation rate,
- the annual inflation rate described above,
- the estimated interest that will be earned on the reserve fund based on an assumed annual interest rate, and
- the annual interest rate described above.

In our opinion, what is required is an objective basis for any estimates of inflation factors and interest rates. Inflation factors and interest rates must be derived from an economic analysis of the marketplace.

The estimated inflation factor and the selected interest rate are powerful factors in projecting reserve fund contributions and requirements. They can vary dramatically over time and must be periodically reviewed to ensure their relevance and accuracy.

Because the reserve fund study recommends a reserve fund plan to be projected over a period of 25 consecutive years, a long-term horizon in every respect, reserve fund projection factors can only be based on long term economic conditions and eliminate short term volatility.

The reserve fund projection factors must be periodically reviewed and adjusted in accordance with changing economic conditions as part of the reserve fund updating process, as proposed by the Act and Regulations.

Inflation Factors

Inflation measurement in reserve fund projections must be based on construction indices rather than the widely quoted Consumer Price Index (CPI), which measures the cost of a basket of consumer goods, not construction costs.

The most widely recognized construction cost services providing periodic cost indices are Statistics Canada, R.S. Means and Marshall & Swift

Statistics Canada

The Non- residential Building Construction Price Index (NRBCPI) is a quarterly series measuring the changes in the contractor's selling prices of non- residential building construction (i.e. commercial industrial and institutional). The indexes relate to both general and trade contractor's work and exclude the cost of land, land assembly, design, and development and real estate fees.

The Apartment Building Construction Price Index (ABCPI) measures changes in contractors' selling prices of a representative apartment building. The indexes relate to both general and trade contractors' work and exclude the cost of land, land assembly, design, and development and real estate fees. The following are selected rates from Stats Canada data for Calgary Alberta:

- **15 years from 1990 to 2005 2.2%**
- **22 years from 1990 to 2012 3.8%**

Means Historical Cost Index

The Means Historical Index, used to calculate annual inflation rates, is based on the computed value as of January 1, 2012, for an average North American construction rate of inflation. The following are selected rates over various time periods:

- **20 years from 1985 to 2005 3.4%**
- **15 years from 1990 to 2005 3.8%**
- **10 years from 2001 to 2012 6.4%**
- **5 years from 2007 to 2012 4.7%**
- **4 years from 2008 to 2012 3.1%**

These numbers indicate that the trend of construction inflation rates over the past 25 years has been fluid, but the trend appears to be increasing until the last two periods.

While useful as an overall indication of the construction inflation trend in North America, these rates are too broadly based, and as such, they do not accurately reflect the inflationary impact on local construction costs.

Marshall & Swift - Time-Location Multipliers

MS publishes its Time-Location Multipliers quarterly for principal Canadian cities (markets).

> "These multipliers are computer-compiled by combining currently researched wage rates and material prices with "weighted schedules" that specify how much of each basic cost is in the models."

Each building has its own unique combination of basic costs. MS uses 83 basic types of costs necessary to build workable weighted schedules, comprising 19 building trades and 64 material types.

The following are the percentage changes of MS Time-Location Multipliers for Calgary, Alberta for various periods between 2002 and 2012.

- **10 years from 2002 to 2012 4.5%**
- **5 years from 2007 to 2012 2.7%**
- **2 years from 2010 to 2012 2.3%**

We have adopted the median rate of 3.0**%** for annual inflation in calculating the future replacement costs hereinafter. This was taken from Stats Canada data for Calgary, Alberta. We took the 1990-2005 figures of 2.2% and the 1990-2012 figures of 3.8 % and averaged them to come up with the 3% rate. It was felt that the later time frame was not completely accurate because of the boom from 2005-2008 in the Calgary area.

Interest Rates

Investment income can be a significant and increasing source of revenue for reserve funds, and therefore, it is imperative that reserve funds are continuously and prudently invested.

Reserve fund investments must be directly or indirectly guaranteed by governments. Bank deposits and various investment instruments are insured by the Canada Deposit Insurance Corporation up to a maximum of $100,000, covering principal and interest.

The ability of condominium corporations to earn the highest rate of interest available in the marketplace, given the restricted conditions of investments, depends on the expertise of financial management and the amount of available funds for investment.

Therefore, the reserve fund planner must consider management policies, the historical investment performance and the size of the reserve fund available for investment.

In selecting an appropriate interest rate for reserve fund investments for a particular Condominium Corporation, the balance of the reserve fund is the most critical consideration as it dictates investment options and their corresponding interest rates.

Investment opportunities are widely advertised, ranging from bank deposits, term deposits and guaranteed investment certificates (GICs) to money market instruments and government bonds. The following are investment returns achievable for corporations, given various reserve fund balances:

Reserve Fund Balances	**Interest Rates**
Up to $ 100,000	**2.0% to 3.0%**
$ 100,000 - $ 250,000	**3.0% to 3.5%**
$ 250,000 - $ 500,000	**3.5% to 4.0%**
$ 500,000 and over	**4.0% to 5.5%**

Prudent reserve fund investment requires that investments are reasonably matched with anticipated reserve fund expenditures, ensuring reserve fund liquidity. Therefore, funds should be invested in a laddered portfolio, which ensures that reserve funds are available when needed.

Some management firms use their “purchasing power” by directing business to a particular financial institution to negotiate favorable interest rates for all their clients. This approach may benefit the smaller corporations and is an important consideration when selecting an appropriate interest rate.

The benchmark calculations and the reserve fund projections are based on the assumption that reserve fund contributions are constantly and continuously invested.

Considering that many of the financial needs for this Condominium Corporation are long term the reserve fund will be between $25,000 and $100,000 for much of the time horizon. With this projected balance we have selected a 3.0% interest rate in calculating the future investment performance of the Corporation's reserve fund. Past performance was not used since the Strata is new with minimal reserves and relied on special assessments to meet capital requirements. Due to the current exceptionally low interest rate environment we have decided to phase in the higher rate with rates of 1%(2013), 1.5%(2014), 2%(2015), 2.5%(2016) and 3% thereafter.

3. Property Information

3.1 Property Description

Frontier Business Park Condominium Corporation # 1010603
2400 Frontier Place S.E.
Rocky View, Alberta

This property was designed and constructed as a commercial condominium complex in 2009/2010 and is considered to be 3 years old for the purpose of this reserve study. The building is built on a concrete slab on grade. There is and office and mezzanine for each unit as well as a back work bay. Exterior walls and roof are Galvanized metal. Interior walls are assumed to be steel studs and drywall. The building has 16 individual office/ work bay condominiums. The outside area is landscaped at the front and on both sides. The front area has an asphalt parking area. The back of the complex as well as the south side is graveled. There is an irrigation gathering system that runs the full length on the east side of the property. The complex is outside the city limits and is on its own self contained water and sewer system. This is a multi use commercial property. All units have 16 foot overhead doors at the back of the units for access into the work bays.

This commercial property is located in the County of Rocky View in the south east area of Calgary, Alberta just outside the city limits.

The overall construction, materials and workmanship are of good quality. The property is in good condition comparative to the date of construction.

The property is self managed by the board of directors of the condominium corporation.

3.2 Building Plans

The following plans were examined in the performance of the reserve fund study:

Project Name	Frontier Business Park Condominium Corp. # 1010603
Architectural Plans	D.F.K. Engineering Calgary, Alberta .
Mechanical Plans	D.F.K. Engineering Calgary, Alberta
Structural Plans	D.F.K .Engineering Calgary, Alberta
Metal Building	Tarpon Energy Structures Calgary, Alberta
Fire Protection	Metro Fire Protection Calgary, Alberta

Measurements were obtained from building plans as well as measurements obtained on site. The buildings and site improvements were inspected on April 3, 2012. A meeting was held with John Walsh, the president of the condominium board to better understand ongoing issues. A follow up meeting with the board of directors to review a draft report also took place.

3.3 Property Data, Site Plan and Basic Construction

Project Data

The following data and information has been compiled from the available plans, and the inspection of the buildings and improvements. The data has been calculated using dimensions taken from plan documents and onsite measurement.

Property Statistics

Site Area	**167,500 square feet**
Building Coverage	**44,500 square feet**
Paved Area	**36,000 square feet**
Landscaped Area	**20,000 square feet**
Gravel Area	**48,000 square feet**
Irrigation Area	**19,000 square feet**

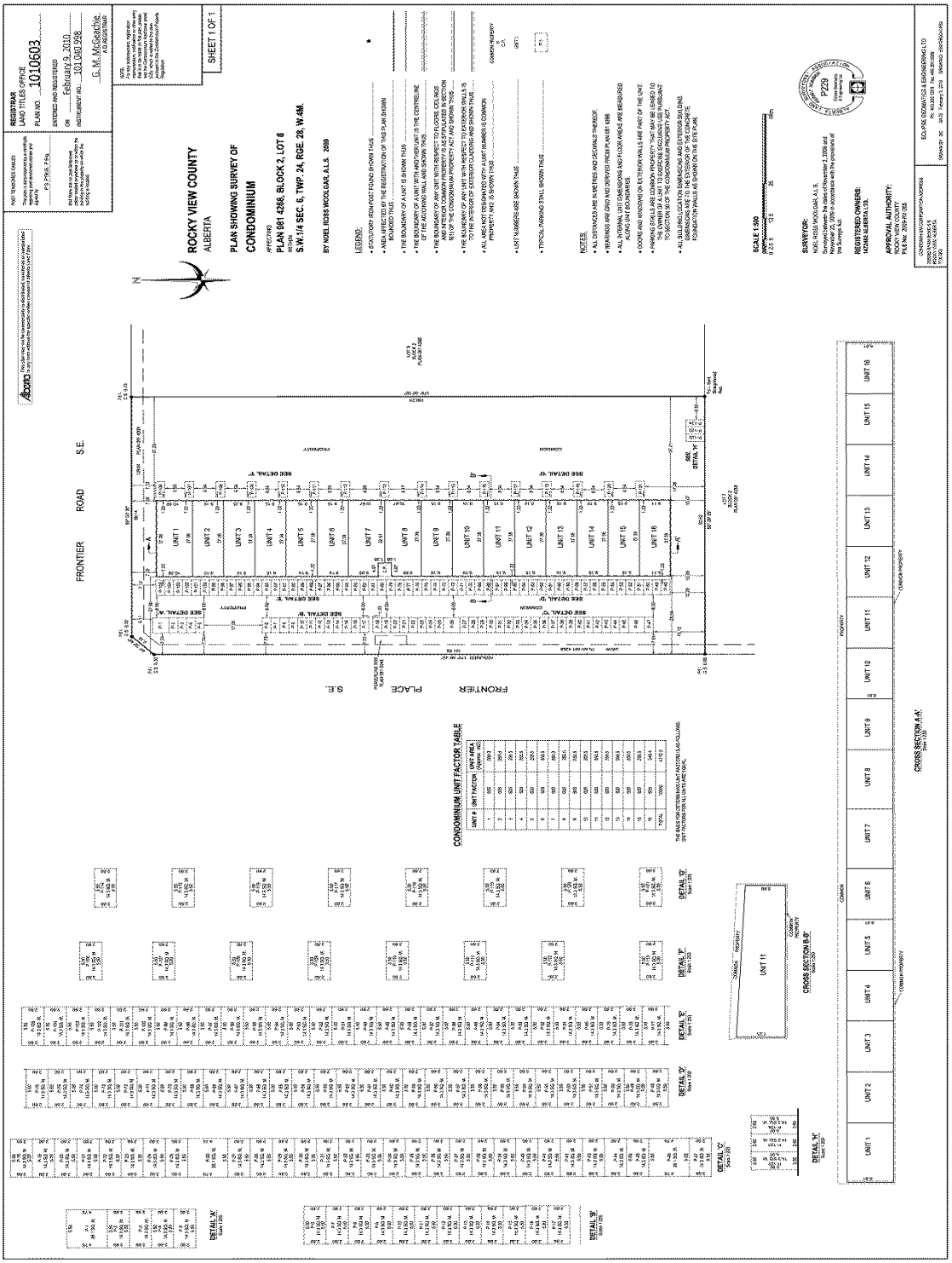
Condominium Height	**2 storey**
Condominium Floor area	**69,000 sq.ft. (1.5 floors)**
Condominium Number	**16**
Total Occupancy	**16 Units**

Site Improvements

Pavement	**36,000 square feet**
Landscaped Area	**20,000 square feet**

Condominium Plan

Frontier Business Park Condominium Corporation #1010603



Basic Construction Components

The project was constructed in 2009/10, in accordance with applicable building codes, fire codes, city by-laws, and construction practices in existence at that time. The quality of construction, materials and workmanship is considered to be good.

Excavation and Foundations
This development includes excavation and reinforced concrete foundations and footings. Exterior load bearing areas are supported by piles.

Framing
Interior walls appear to be steel stud and drywall.

Exterior Walls
Exterior walls are can span 36R 24 Gauge Galvanized Metal. Support systems are steel I-Beam. The building is insulated and has an inner shell in the bay areas

Roof and Drainage Construction
The roof is Can span 36R Gauge Galvanized Metal supported through Steel I-Beam. The roof has a slope from front to back. Eaves trough is located along the entire back side complete with downspouts. The roof is insulated and has an inner shell in the bay areas

Interior Construction
All interior areas are owner owned and not part of common property. Each bay has an office area with mezzanine at the front and a work bay at the back.

Mechanical
All building heating, air-conditioning and makeup air is owner owned and not part of common property. All washrooms, hot water tanks are again owner owned and maintained. The facility is not connected to city water and stores water and sewer in 2- 3000 gallon underground tanks. This along with the charge pump, surge tank, water and sewer distribution system to the units is common property. The fire protection system along with sprinklers is also common property.

Conveying Systems
There are no conveying systems. Mezzanine levels are accessed by stairs in each unit.

Electrical
The local utility provides electrical service through an underground feeder system at the front of the complex. The electrical room is located in the mechanical room. The electrical room houses the main panel. Meters for individual units are also in this room along with several other multipurpose panel boards, telephone and cable entry points. Lighting inside the building is not common property. Exterior lighting is a combination of fluorescent and incandescent and is common property. There are exterior lights on the front of the units as well as flood lights at the back of the units. Lighting inside the mechanical room as well as an electric space heater in the mechanical room is common property. A fire alarm panel and a callout system are also located in this same area.

Amenities
There are no common amenities other than paved parking and individual stalls at the front of the building.

4. Reserve Component Analysis and Estimated Costs

4.1 Property Inspection

The property was inspected for the purposes of preparing this report on April 3rd, 2012, by Terry Brown.

4.2 Reserve Fund Studies

This is the first reserve fund study for this condominium corporation.

4.3 Component Classification

Reserve Fund Components are conveniently classified in terms of building groups, common element facilities and site improvements. The component inventory consists of the reserve components, described and analyzed hereinafter, and shown in Schedules "A", "B" and "C".

There are 15 reserve components, comprising 4 building and architectural components, 4 mechanical and electrical components, 6 site improvement components, and 1 reserve consultant component.

4.4 Life Span Analysis

Each reserve component has been analyzed in terms of life cycle condition and expected remaining useful life. The life span analysis considers the following factors:

- Type of Component
- Utilization
- Material
- Workmanship
- Quality
- Exposure to Weather Conditions
- Functional Obsolescence
- Environmental Factors
- Regular Maintenance
- Preventive Maintenance
- Observed Condition

The critical aspect in a Life Span Analysis is the observed condition of each reserve component, which is based on:

- Actual age of the component
- Maintenance of the component
- Observed deficiencies of the component
- Repair and replacement experience
- Probability of hidden conditions

The Life Span Analysis culminates in component life span estimates, as follows:

1. **Normal Life Span**

   Each reserve component is analyzed in terms of component type, quality of construction, statistical records and normal life experience.

2. **Observed Condition Analysis**

   This is the critical analysis of a reserve component and consists of determining the effective age of the reserve component within its normal life cycle based on the observed condition of the reserve component. The validity of this analysis depends on the experience of the reserve fund planner or analyst, as this is a subjective estimate rather than an objective assessment.

3. **Remaining Life Span**

   Given a normal life span estimate and a sound estimate of the effective age, the remaining life span of a reserve component is determined by subtracting the observed condition estimate from the normal life span estimate. This does not mean that reserve expenditures should only be made at the end of the remaining life. Reserve expenditures should and must be made during the remaining life span to maintain building components and facilities in good condition.

A life span analysis is a subjective, or empirical, assessment of the life cycle status of a reserve component, and as such, it is only as good as the considered opinion of the reserve fund planner. Furthermore, the life span of a reserve component is subject to change due to numerous factors.

4.5 Current Cost Estimates

Reserve Fund component assessments and current cost estimates are based on our investigation, observation, analyses and our extensive experience in performing reserve fund studies.

Cost data have been calculated using construction cost services, including Marshall & Swift/Boeckh Commercial Building Valuation System, the Means Repair & Remodeling Cost Data, and the Hanscomb's Yardstick for Costing, modified as to time, location and quality of construction. We also verified some estimates by seeking quotations from contractors, fabricators and suppliers. Moreover, we have used our own computer programs and extensive cost compilations and databases.

All costs are strictly estimates and are subject to confirmation at the time competitive bids are obtained from contractors specializing in the repair or replacement work required.

The following factors have been considered in calculating the Repair and Replacement Costs Estimates:

Quality of construction

Replacement cost estimates are based on the assumption of using quality materials, as specified or built, or in the case of older developments, as required under current building code regulations, at contractors' prices, using union labor and current construction techniques, and including contractors' overhead and profit.

The costs of repairs and/or replacements of many reserve components are invariably higher than original building costs when contractors have considerable latitude in planning their work and can utilize economies of scale to keep costs within construction budgets. In contrast, repair work must frequently be performed in an expedient manner with proper safety precautions and within certain constraints.

Cost estimates take into account such additional costs as special construction, safety installations, limited access, noise abatements, and the convenience of the occupants.

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 increase disposal costs.

Goods and Services Tax

The Goods and Services Tax ("GST") applies to all repairs and replacements including disposal costs. Therefore, these costs are included in the reserve fund estimates hereinafter.

Contingency Reserves

It is frequently impossible to forecast the incidence of repairs or replacements of various reserve components, particularly, major components, such as road pavement, sewer and water systems. Therefore, reserve estimates are of a contingency nature, and as such, they are subject to changing conditions and repair experience over time.

4.6 Reserve Component Descriptions and Analyses

The following lists each reserve fund component and provides the following information:

- Description
- Reserve Fund expenditure history
- Potential Deterioration
- Life Span Analysis
- Current Repair or Replacement Costs
- Deficiency Analysis

Reserve Component:	(1) Building – Foundations		
Physical Description	This component includes all foundations. This is a contingency to allow for funds for an Engineering report should there be any foundation issues in future years. See figure 1-1&1-2		
Financial Analysis	This component has had no recorded expenditures to date.		
Potential Deterioration	Potential deterioration includes cracking due to settling or from moisture infiltration. Water proofing if not properly installed will separate from the concrete and allow moisture to get through to the concrete leading to further deterioration.		
Condition Analysis	There were no observed issues with the building foundations.		
Life Cycle Analysis		Date of Acquisition:	2010
		Normal Life Span	25 years
		Effective Age	3 years
		Remaining Life Span	22 years
Unit Quantity And Cost Estimates		Unit Quantity	Allowance
		Unit Cost Estimate	$ 10,000
		Current Repair or Replacement Cost Estimate	$ 10,000
		Estimated Year of Major Repair or Replacement	2035
Deficiency Analysis	No deficiencies were identified.		

Figure 1-1

Figure 1-2

Reserve Component:	(2) Building – Metal Walls and Roof- Repairs	
Physical Description	This component includes the metal building walls and roof as well as the one common metal door accessing the utility room. It also includes the canopies which were installed over the front entrance doors. This component has a replacement life exceeding the 25 years required by this reserve fund study. This study is reserving for minor repairs only. See figure 2-1&2-2	
Financial Analysis	There has been $9360 spent on this component in 2011/12 to install Canopies over front entrance doors.	
Potential Deterioration	Metal surfaces can be dented by mechanical contact. Screws used to secure the metal may require replacement over time. The metal roof may require repairs associated with holes or protrusions for equipment or from heavier items being dropped on it. The metal utility room door may require hardware repairs.	
Condition Analysis	The metal walls and roof appeared in good condition. The utility room door was also in good condition.	
Life Cycle Analysis	Date of Acquisition:	2010
	Normal Life Span	25 years
	Effective Age	3 years
	Remaining Life Span	22 years
Unit Quantity And Cost Estimates	Unit Quantity	Allowance.
	Unit Cost Estimate	$10,000
	Current Repair or Replacement Cost Estimate	$10,000
	Estimated Year of Major Repair or Replacement	2035
Deficiency Analysis	No deficiencies were noted. Funds have been included every 6 years starting in 2019 to conduct a roof inspection and do any minor repairs like re-caulking around openings.	

Figure 2-1

Figure 2-2

Reserve Component: (3) Building- Caulking			
Physical Description	This component includes caulking around all windows, doors, protrusions and joints between dissimilar materials. See Fig. 3-1-3-2		
Financial Analysis	There have been no expenditures to date on this component.		
Potential Deterioration	Caulking breaks down over time and becomes hard leading to cracking and shrinkage. If the seal is broken moisture infiltration can occur causing significant damage to the inner wall areas of the building.		
Condition Analysis	The caulking in appeared to be in good condition where it could be accessed and inspected.		
Life Cycle Analysis		Date of Acquisition:	2010
		Normal Life Span	15 years
		Effective Age	3 years
		Remaining Life Span	12 years
Unit Quantity And Cost Estimates		Unit Quantity	Allowance
		Unit Cost Estimate	$10,000
		Current Repair or Replacement Cost Estimate	$10,000
		Estimated Year of Major Repair or Replacement	2025
Deficiency Analysis	No deficiencies were identified with this component.		

Figure 3-1

Figure 3-2

Reserve Component:	(4) Building- Metal Eaves trough &Downspouts	
Physical Description	This component covers the metal eaves troughs and downspouts on the building. See Figure 10-1 and 10-2.	
Financial Analysis	There have been no expenditures on this component to date.	
Potential Deterioration	Metal eaves troughs can come loose from the area they are secured to. They can be bent or broken by contact with equipment used for landscaping. They can fade in color over time. They can develop leaks. .	
Condition Analysis	The eaves trough and downspouts appeared to be in good condition.	
Life Cycle Analysis	Date of Acquisition:	2010
	Normal Life Span	25 years
	Effective Age	3 years
	Remaining Life Span	22 years
Unit Quantity And Cost Estimates	Unit Quantity	Allowance
	Unit Cost Estimate	$ 5000.
	Current Repair or Replacement Cost Estimate	$ 5000
	Estimated Year of Major Repair or Replacement	2035
Deficiency Analysis	No deficiencies were identified with this component.	

Figure 4-1

Figure 4-2

Reserve Component:	(5) Mechanical and Electrical – Water & Sewer System		
Physical Description	This component includes the self contained water and sewer system for this condominium complex. The underground water and sewer tanks, charge pump, surge tank and all piping to and from the tanks are part of this component. Everything that will become redundant when connected to city services is included. See Figure 5-1&5-2		
Financial Analysis	There has been no expenditures on this component to date		
Potential Deterioration	Underground storage tanks can develop leaks. Underground piping can fail. Charge pumps may require repair or replacement.		
Condition Analysis	The water and sewer system including the transfer pumps and related equipment appeared in good condition.		
Life Cycle Analysis		Date of Acquisition:	2010
		Normal Life Span	15 years
		Effective Age	3 years
		Remaining Life Span	12 years
Unit Quantity And Cost Estimates		Unit Quantity	Allowance
		Unit Cost Estimate	$15,000
		Current Repair or Replacement Cost Estimate	$15,000
		Estimated Year of Major Repair or Replacement	2025
Deficiency Analysis	No deficiencies were identified on this component.		

Figure 5-1

Figure 5 -2

Reserve Component: (6) Mechanical and Electrical – Electrical & Lighting			
Physical Description	This component includes all the electrical switch gear, panels, transformers and wiring. It also includes the telephone, cable and all lighting inside the utility room. It includes the electric space heater in the utility room as well as all outside lighting. This is an allowance to allow for any major repairs or replacements that may arise over time. See Figure 6-1&6-2		
Financial Analysis	There have been no recorded expenditures on this component to date.		
Potential Deterioration	Electrical panels, wiring, transformers and switch gear should be maintenance free however this allowance provides for a contingency in case there is an issue in the future. Lighting fixtures are often replaced for visual reasons. Electrical space heaters can wear out.		
Condition Analysis	There were no issues with any of the systems when viewed.		
Life Cycle Analysis		Date of Acquisition:	2010
		Normal Life Span	15 years
		Effective Age	3 years
		Remaining Life Span	12years
Unit Quantity And Cost Estimates		Unit Quantity	Allowance
		Unit Cost Estimate	$10,000
		Current Repair or Replacement Cost Estimate	$10,000.
		Estimated Year of Major Repair or Replacement	2025
Deficiency Analysis	There were no deficiencies viewed with this component.		

Figure 6-1

Figure 6-2

Reserve Component: (7) Mechanical and Electrical – Call out System			
Physical Description	This component includes the automated call out system that is triggered by the fire alarm panel. It also includes the local alarm that is used for the water and sewer system. See Figure 7-1		
Financial Analysis	There have been no expenditures on this component to date.		
Potential Deterioration	Call out systems become obsolete due to technology changes which make repair uneconomic.		
Condition Analysis	The systems appear to be functioning okay with no reports of any issues.		
Life Cycle Analysis		Date of Acquisition:	2010
		Normal Life Span	20 years
		Effective Age	3 years
		Remaining Life Span	17years
Unit Quantity And Cost Estimates		Unit Quantity	Allowance
		Unit Cost Estimate	$5000
		Current Repair or Replacement Cost Estimate	$5000
		Estimated Year of Major Repair or Replacement	2030
Deficiency Analysis	There were no deficiencies identified with this component.		

Figure 7-1

Figure 7-2

Reserve Component: (8) Mechanical & Electrical – Fire Alarm System			
Physical Description	This component includes the fire alarm panel and all related interconnections from the equipment. See Figure 7-2		
Financial Analysis	There have been expenditures on this component to date.		
Potential Deterioration	Fire regulations change over time making it necessary to keep all equipment up to code. Equipment becomes obsolete or simply non functional when tested.		
Condition Analysis	The fire alarm system is a Honey Well NFS-320C. The system appeared to be functioning okay. The system has been checked within the last year.		
Life Cycle Analysis		Date of Acquisition:	2010
		Normal Life Span	20 years
		Effective Age	3 years
		Remaining Life Span	17 years
Unit Quantity And Cost Estimates		Unit Quantity	Allowance
		Unit Cost Estimate	$ 5000
		Current Repair or Replacement Cost Estimate	$ 5000
		Estimated Year of Major Repair or Replacement	2030
Deficiency Analysis	No deficiencies were identified with this component. Ensure annual checks are performed and any recommended repairs are carried out.		

Reserve Component: (9) Site Improvements – Fence &Gates			
Physical Description	This component includes the chain link fence around the back of the complex as well as two 25 foot entrance gates and two secondary swing gates. It is being assumed that 50% of the fence and gates will be replaced over a 25 year period. See Figure 9-1& 9-2.		
Financial Analysis	There has been an expenditure of $1650 on installing secondary swing gates in 2011/2012.		
Potential Deterioration	Chain link fence can come loose from the posts it is secured to. The posts can lose support due to mechanical contact or from poor installation. Gates can have hinges break off or can be damaged by vehicle traffic. Strand barb wire can come loose due to fence movement.		
Condition Analysis	The fences and gates look in good condition. Some of the barb wire was loose and the south section of the fence appeared to have had some mechanical contact and was not all straight.		
Life Cycle Analysis		Date of Acquisition:	2010
		Normal Life Span	25 years
		Effective Age	3 years
		Remaining Life Span	22 years
Unit Quantity And Cost Estimates		Unit Quantity	500 l. ft. (50%)
		Unit Cost Estimate	$31.50 per l. ft.
		Current Repair or Replacement Cost Estimate	$15,750
		Estimated Year of Major Repair or Replacement	2035
Deficiency Analysis	No deficiencies other than the comments above were identified. Funds have been included every 6 years for minor repairs to fences and gates.		

Figure 9-1

Figure 9-2

Reserve Component: (10) Site Improvements – Sidewalks& Curbs		
Physical Description	This component includes the exterior sidewalk along the front of the building, concrete curbs at the front of the building where it is paved and also the concrete drainage spillway along the north side of the building. It also includes the parking barriers recently installed in front of the complex. It also includes the vertical barriers at the back of the units that protect the doors. It is being assumed that 20% of these components will require replacement over a 25 year period. See Figure 10-1 &10-2	
Financial Analysis	There was an expenditure of $5579 in 2011/12 to install the parking barriers at the front of the building.	
Potential Deterioration	Concrete will crack due to poor compaction of ground it is poured on. It will deteriorate over time due to weathering from the elements. Products put on to prevent ice buildup can harm the surface of the concrete. Curbs can crack if not properly installed. They are often broken or damaged by mechanical contact with equipment. Parking barriers can become dislodge or damaged with vehicle contact.	
Condition Analysis	The concrete walkway and the concrete spill way were in good condition. The parking barriers are new and were in good condition. Some evidence of vehicle contact and damage to the curbs was noticed at the south entrance.	
Life Cycle Analysis	Date of Acquisition:	2010
	Normal Life Span	25 years
	Effective Age	3 years
	Remaining Life Span	22years
Unit Quantity And Cost Estimates	Unit Quantity	500 sq. ft. (20%)
	Unit Cost Estimate	$20.0 per sq. ft.
	Current Repair or Replacement Cost Estimate	$10,000
	Estimated Year of Major Repair or Replacement	2035
Deficiency Analysis	The curbs that are damaged should be repaired over the next few years. Markers identifying curb locations and entrance boundaries can help prevent further damage which often occurs when curbs are hidden by snow. Funds have been included every 6 years for minor repairs.	

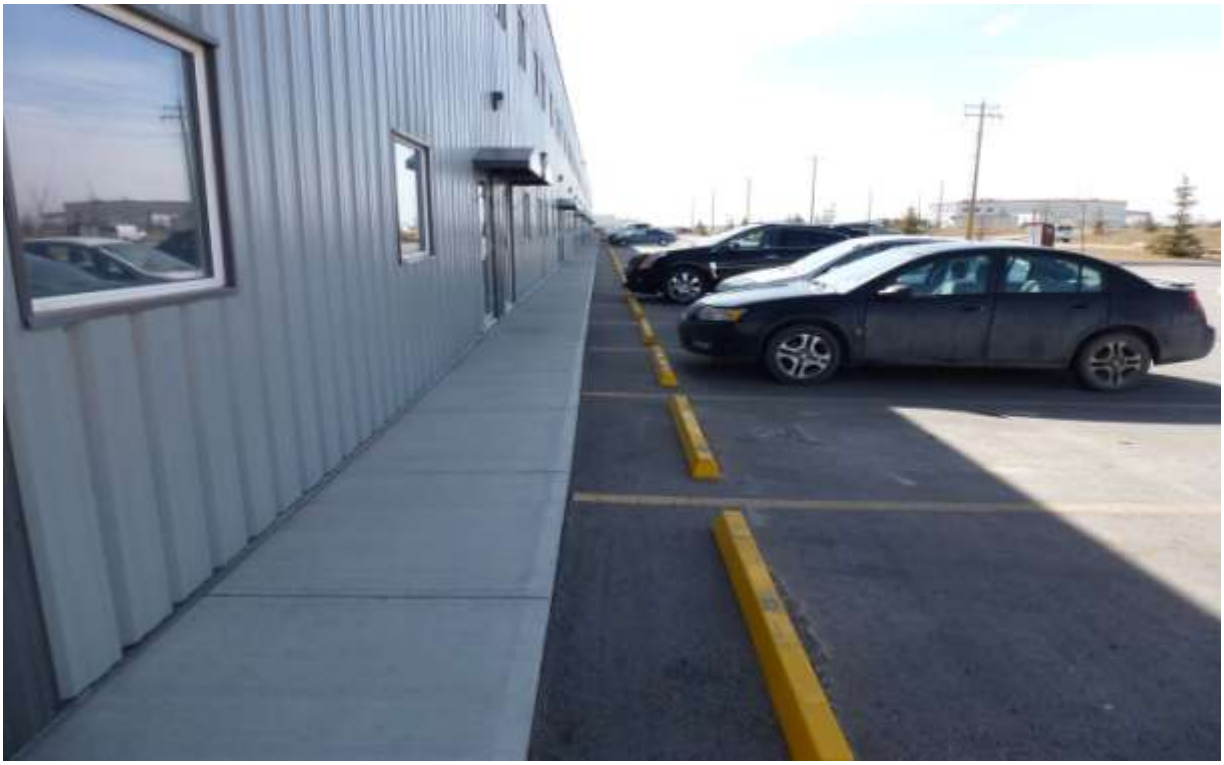


Figure- 10-1

Figure 10-2

Reserve Component: (11) Site Improvements – Asphalt Parking Areas		
Physical Description	This component includes the asphalt pavement at the front of the complex as well as at the north gate entrance. See Figure 11-1& 11-2	
Financial Analysis	There have been no recorded expenditures on this component to date.	
Potential Deterioration	If the ground settles asphalt will settle and crack. Cracking allows moisture to get in and if not sealed it can lead to bigger cracks and major repair.	
Condition Analysis	The asphalt paving appears to be in good condition. Some settling was identified where services run into the building most likely due to poor compaction. In discussion with the condominium board it sounded as though the south entrance area may be paved in the near future at which time the settling of the asphalt would be taken care of. Since timing was not clear it was agreed that if this was done it would be considered a special assessment as the reserve fund would be largely depleted if the work was carried out in the near future.	
Life Cycle Analysis	Date of Acquisition:	2010
	Normal Life Span	25 years
	Effective Age	3 years
	Remaining Life Span	22 years
Unit Quantity And Cost Estimates	Unit Quantity	36,000 sq. ft.
	Unit Cost Estimate	$1.60 per sq. ft.
	Current Repair or Replacement Cost Estimate	$57,600
	Estimated Year of Major Repair or Replacement	2035
Deficiency Analysis	Monitor settling and cracks and consider sealing cracks when they occur to extend the life of the asphalt. See comments above regarding additional paving which should be handled by a special assessment if it were to proceed. Funds have been included every 6 years for minor repairs or resealing cracks. **Consider some fill around the utility pipe that sticks up in the parking lot and is a potential safety hazard.(See Figure- 11-2)**	

Figure 11-1

Figure 11-2

Reserve Component:	(12) Site Improvements – Gravel Parking Areas	
Physical Description	This component includes the gravel parking area along the south side and at the back of the complex. See Figure 12-1& 12-2	
Financial Analysis	There have been no expenditures on this component to date.	
Potential Deterioration	If the ground settles it may be necessary to grade and re-level the parking area and some new gravel may be required.	
Condition Analysis	The gravel parking area appeared in good condition. Some settling was identified but nothing major.	
Life Cycle Analysis	Date of Acquisition:	2010
	Normal Life Span	10 years
	Effective Age	1 years
	Remaining Life Span	9 years
Unit Quantity And Cost Estimates	Unit Quantity	48,000 sq. ft.
	Unit Cost Estimate	$0.1 per sq. ft.
	Current Repair or Replacement Cost Estimate	$4,800
	Estimated Year of Major Repair or Replacement	$1000 every second year
Deficiency Analysis	Monitor settling and re-grade and fill with gravel as required.	

Figure 12-1

Figure 12-2

Reserve Component: (13) Site Improvements – Site Services		
Physical Description	This component is a contingency for costs associated with the water, sewer, natural gas lines and all related piping on site. It includes all piping, valves and meters from the building water and sewer inlet through to each unit in the complex. It also includes all of the firewater system, standpipes and the sprinkler system. See Figure 13-1& 13-2	
Financial Analysis	There have been no expenditures on this component to date.	
Potential Deterioration	Water and sewer is localized at this facility and is covered by a separate component through to the main distribution and collection points. This component handles the distribution of water and sewer throughout the complex. Natural gas is provided individually to each unit and is the individual owner's responsibility. The firewater system is common property. Piping for these items from the mechanical room throughout the building and back is considered a Condominium responsibility. Valves may leak and require replacement. Firewater valves may require replacement. Settling may cause lines to break and require servicing. Most of this equipment should last the life of the complex and this is simply a contingency for a failure anywhere if it ever were to occur.	
Condition Analysis	Most of the site services are not visible. Where viewing was possible equipment appeared in good condition.	
Life Cycle Analysis	Date of Acquisition:	2010
	Normal Life Span	15 years
	Effective Age	3 years
	Remaining Life Span	12years
Unit Quantity And Cost Estimates	Unit Quantity	Allowance
	Unit Cost Estimate	$25,000
	Current Repair or Replacement Cost Estimate	$25,000
	Estimated Year of Major Repair or Replacement	2025
Deficiency Analysis	No deficiencies were identified with this component. Timing of the above is at best an estimate with actual expenditures to be expected both before and after the above date. The above amount is simply a contingency to ensure that funds are available. Ensure the mechanical contractor does annual inspections of the backflow prevention device on the water intake system.	

Figure 13-1

Figure 13-2

Reserve Component:	(14) Site Improvements – Landscaping& Irrigation	
Physical Description	This component includes all exterior landscaping and irrigation It includes any retaining walls as well as the cable retaining barrier at the back of the complex next to the irrigation canal. See Figure 14-1& 14-2	
Financial Analysis	There have been no expenditures on this component to date	
Potential Deterioration	Trees may require pruning or replacement. The irrigation pump may require replacement. Irrigation piping may require replacing. Retaining walls and barriers may require repair due to mechanical contact or from settling issues.	
Condition Analysis	Landscaping was in good condition. It looked like there may be a few trees that may require replacing. There was mention that the irrigation pump may be relocated but after discussion with the board it was not included in this report as it would most likely be a maintenance issue.	
Life Cycle Analysis	Date of Acquisition:	2010
	Normal Life Span	10 years
	Effective Age	3 year
	Remaining Life Span	7 year
Unit Quantity And Cost Estimates	Unit Quantity	Allowance
	Unit Cost Estimate	$10,000
	Current Repair or Replacement Cost Estimate	$10,000
	Estimated Year of Major Repair or Replacement	2020
Deficiency Analysis	There were no observed deficiencies with this component other than the comments made above..	

Figure 14-1

Figure 14-2

Reserve Component: (15) Reserve Fund – Reserve Fund Study			
Physical Description	This component would be for completing a reserve fund study		
Financial Analysis	There have been no expenditures on this component to date		
Potential Deterioration	Current legislation for Condominium Corporations makes reserve fund studies mandatory every 5 years.		
Condition Analysis	The current reserve fund study will provide a guideline for the Board of Directors and property manager to follow.		
Life Cycle Analysis		Date of Acquisition:	2012
		Normal Life Span	6 years
		Effective Age	1 years
		Remaining Life Span	5 years
Unit Quantity And Cost Estimates		Unit Quantity	Allowance
		Unit Cost Estimate	$3,675
		Current Repair or Replacement Cost Estimate	$3,675
		Estimated Year of Major Repair or Replacement	2017
Deficiency Analysis	The reserve fund study can be updated within the 5 year period if conditions warrant it.		

5 Reserve Fund Component Estimates

5.1 Taycon Consulting Benchmark Analysis

The Taycon Consulting Benchmark Analysis shows the physical aspects of the various reserve components, including the life cycle analysis and the cost estimates on a single spreadsheet for convenient examination and easy reference. The cost estimates are pursuant to prudent reserve fund practices, which provide for inflationary cost increases over time and interest income from reserve fund investments.

The reserve fund estimates have been prepared without regard to the current financial position of the corporation or the current reserve fund contributions by unit owners, and as such, they represent the optimum reserve fund operation, which assumes that the corporation has continuously assessed adequate reserve funding from the beginning.

This Benchmark Analysis is the foundation of the Taycon Consulting Reserve Fund Planning System, as it provides the basis for comparison to the actual reserve fund operation. The Taycon Consulting Benchmark Analysis provides the standard for reserve fund planning and property maintenance, and as such, it is a valuable management and maintenance resource document.

The foregoing program represents the practical application of reserve fund budget planning and management. When applied, as outlined, the reserve fund will cover anticipated reserve fund expenditures and any contingencies.

5.2 Schedule B – Schedule Reserve Fund Component Estimates

The above schedule found in the Schedule section at the end of this report is a Schedule of Reserve Fund Component Estimates showing detailed computations for the various reserve items using the projection factors explained in Section 2.4 of this Report:

Long-term inflation rate: 3.0%
Long-term interest rate: 3.0%.

Due to rounding automatically executed by computer, there may be minor discrepancies in the data, which are not deemed significant.

5.3 Summary of Reserve Fund Estimates

The Reserve Fund position and estimated requirements of Frontier Business Park Condominium Corporation # 1010603 are as follows:

Current Replacement Reserves or Costs

Which are provisions for all major repairs and replacements at current prices	**$ 196,825**

Future Replacement Reserves or Costs

Which are provisions for all major repairs and replacement costs in the future at the end of the expected life span	**$ 332,506**

Current Reserve Fund Requirements

Which are reserve fund estimates based on the notion of effective age and should have been contributed by unit owners	**$ 30,595**

Future Reserve Fund Accumulations

Which is the current reserve fund requirements together with interest compounded over the remaining life span	**$ 49,528**

Future Reserve Fund Requirements

Which are to be funded by unit owner's' payments to the reserve fund plus any interest earned	**$ 282,978**

Annual Reserve Fund Assessments

Which are the annual reserve fund payments to be made by unit owners	**$ 13,798**

In accordance with these estimates, the corporation should have **$ 30,595** in its reserve fund at the end of its current fiscal year, and the assessed annual payments or contributions to the reserve fund by unit owners should be **$13,798** based on the stated assumptions.

6 Analysis of Reserve Fund Operations

Reviewing and analyzing the reserve fund operation of Frontier Business Park Condominium Corporation #1010603, we have examined the available financial statements for the Corporation for its operations up to the most recent February 29, 2012 year end.

The property is self managed by the board of directors of the condominium corporation. Audited financial statements for the period ending February 28th 2011 were reviewed. We also received interim statements for the period up to and including February 29th, 2012. A breakdown of the accounts for repairs and maintenance was also reviewed and adjustments suggested to move costs associated with parking barriers and gates into the reserve fund account. Since audited financials were not available for the most recent year the reserve fund balance was obtained from the year end accounting records.

The balance sheet indicates expenditure totals, breakdown for reserve fund expenditures as well as investments of the Condominium Corporation. When reviewing the financials along with the capital expenditure report there were some inconsistencies mainly associated with timing. The financials have been used as the reference for entering capital expenditures where there was a difference. In some cases capital was not broken down in the financials as a reserve item so adjustments were made to show it as reserve expenditure with a corresponding amount shown as a transfer of excess funds from operating to reserve. Year end contingency reserve numbers were made to match financials in the majority of years reviewed.

Schedule A- Entitled Reserve Fund History has been included in the schedule section at the end of this report

6.1 Corporation's Financial Statements

Information available indicates that there will be a contribution to the reserve fund of $6720 in the current year. The only expenditures identified for the current year are $3675 for the reserve fund study.

The current years funding will need to be increased by 10% for the year ending February 28th 2014 and then increased as per the cash flow table projections. This will fund upcoming expenditures and eliminate the benchmark deficiency. Since the building is new current funding is minimal but it is important to be following a disciplined approach as set out in this reserve fund study to ensure that funding for future repairs and replacement are available. With a properly managed and funded reserve fund, future special assessments should not be required.

6.2 Benchmark Deficiency Analysis

The Benchmark Deficiency Analysis shows the difference between the actual reserve fund balance and the current reserve fund requirement, as calculated in the Benchmark Analysis.

The current reserve fund requirement is an estimate of a fully funded reserve fund, based on the Benchmark calculation.

The Benchmark Deficiency Analysis has been developed by Taycon Consulting Reserve Fund Planners as a guide for property managers and the board of directors to ensure that the reserve fund is neither under-funded nor over-funded.

The reserve fund of Frontier Business Park Condominium Corporation # 1010603 is showing a shortfall at the end of the 2013 fiscal year, as shown below:

Opening Balance, March 1, 2012	**$ 12,808**
Current Budgeted Reserve Fund Contribution for the Year	**$ 6,720**
Transfer from Operating	**$ 0**
Tax-Free Interest Income To be Earned on the Reserve Fund	**$ 128**
Less: Estimated Reserve Fund Expenditures for Fiscal Year 2013	**$ 3,675**
Projected Reserve Fund Balance As of February 28, 2013	**$ 15,981**
Estimated Reserve Fund Requirements after Expenditures in 2013	**$ 26,920**
Estimated Reserve Fund Deficiency	**$ 10,939**

The deficiency should be eliminated over time, as shown in cash flow tables included in the tables section at the end of this report.

6.3 Adequacy of Reserve Fund

Adequacy of Reserve Fund may be defined as the reserve fund balance together with regular contributions and investment income, which constitutes sufficient cash resources available for all possible and potential reserve fund expenditures, required repairing or replacing common elements or assets of the corporation when needed.

The most direct and stringent measure of the adequacy of reserve fund is the reserve fund deficiency analysis, whereby the actual closing reserve fund balance is compared with the currently required reserve fund balance, as estimated by a competent reserve fund planner.

Any significant difference between the actual reserve fund balance and the required reserve fund balance will show the amount of a reserve fund surplus or reserve fund deficiency (shortfall).

A reserve fund surplus, particularly when such surplus is increased by excessive reserve fund contributions, means that unit owners have contributed too much to the reserve fund, a situation which should be corrected to eliminate such reserve fund surplus.

A reserve fund deficit or shortfall indicates that unit owners have not contributed enough to the reserve fund, causing the discrepancy between a fully funded reserve fund and the actual reserve fund balance.

The adequacy of a reserve fund does not require the test of an estimated fully funded reserve fund. The test as to the adequacy of a reserve fund should be sufficient cash resources to fund all potential repairs and replacements, including unforeseen events and contingencies.

Therefore, a reserve fund deficiency or shortfall does not automatically mean that the reserve fund is not adequate. It is the judgment of the reserve fund planner to conclude whether the reserve fund is adequate or not.

In our opinion, the current reserve fund and proposed contributions for #1010603 Condominium Corporation will be adequate for future repairs and replacements of the common elements and assets of the Corporation.
It should be noted that all exterior windows and doors including overhead doors have been excluded from this study as per the condominium corporation's bylaws which exclude them from common property. If this ever changes it will have a significant effect on future reserve fund studies.

7. Reserve Fund Management – 25 Year Projections

7.1 25 Year Projected Cash Flow and Deficiency Analysis

The Reserve Fund - Projected Cash Flow and Deficiency Analysis presents a 25 year reserve fund projection showing cash positions, cash flows and cash expenditures in a form and detail, which conforms to financial statement presentation of reserve fund operations.

The twenty five year projection has been included as Schedule C1&C2 in the Schedule section at the end of this report.

Opening Cash Balance

This is the reserve fund position at the beginning of each and every fiscal year showing the cash resources available, which consist of (1) bank deposits, (2) qualified investments, and (3.0%) accrued interest earned.

Cash Flows

These are the regular reserve fund contributions, special assessments, and interest income based on 3.0% of the opening balance.

Opening Cash Funds

These represent the total cash resources available in any fiscal year and include the current year's cash flow.

Cash Expenditures

These are annual expenditures listed in the categories established by the Reserve Fund Study. Records or ledger accounts of these expenditure categories should be kept showing reserve fund allocations and charges in a chronological order for control and reference.

Closing Cash Fund

This is the reserve fund position at the end of each and every fiscal year, which is carried forward to the next year.

Deficiency Analysis

The Reserve Deficiency has been projected by formula taking into account the inflation factor, interest rates and reserve fund expenditures. Therefore, any reserve fund expenditures will not affect the reserve fund deficiency because such expenditures will also affect the reserve requirements.

7.2 Future Reserve Fund Management

Alberta Condominium Property Regulation 168/2000 Chapter 23(3)
Reserve Fund Study Report Plan for Future Funding

The Act provides that the Board of Directors are obliged to contribute to a plan for the future funding, however they are not bound by the recommendations of the reserve fund planner, to wit:

: 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.

***(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.

***(5)** 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 owners' 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.*

***(6)** Notwithstanding that a reserve fund plan has been approved under subsection (4), the corporation must provide to the owners for the owners' 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.

(7) *Until such time that a corporation has approved a reserve fund plan under subsection (4) and has met the requirement under subsection (6) so as to be eligible to collect funds in respect of the reserve fund, the corporation may, notwithstanding subsection (6), collect or otherwise receive funds for a fund that is similar in nature to a reserve fund and may make expenditures from and generally continue to operate that fund.*

AR 168/2000 s23;108/2004

Projected Reserve Fund Expenditures

The proposed reserve fund expenditures in the 25 Year Cash Flow Projection are mere guides in terms of timing, based on the remaining life span analysis.

Reserve fund expenditures should readily be varied to conform to actual management and maintenance plans, and therefore, they should not be dogmatically interpreted.

In essence, reserve fund expenditures are the responsibility of management, and any targeted expenditures guidelines only.

8. Recommendations

Taycon Consulting recommendations, set out below and detailed in this report, will assist the corporation to achieve and maintain an adequate reserve fund. In our opinion, the current reserve fund balance, recommended annual contributions and earned investment income will adequately fund immediate and future reserve fund expenditures.

1. **The corporation should prepare and implement a long-term reserve fund strategy.**

2. **Major repairs and replacements should be recorded in, and funded from, a reserve fund account.**

3. **All capital expenditures not included in the approved reserve fund plan should be pre-approved by unit owners by way of a special resolution.**

4. **Financial Statements of the Condominium Corporation should clearly identify the reserve fund account and itemize all individual reserve fund expenditures separately from the operating expenditures so they can be properly tracked and accounted for.**

5. **The reserve fund contribution of $6720 per annum for the year ending February 28th 2013 should be increased to $7392 in the year ending February 28th 2014 and increased by the amounts detailed in the cash flow table, each subsequent year thereafter.**

6. **The current bylaws exclude exterior windows, doors and overhead doors from common property therefore they are not included in this study. It should be made clear to all owners that repair and replacement is their responsibility.**

7. **The reserve fund should be fully invested in guaranteed securities, yielding at least 3.0% per annum over the life of the property.**

8. **The corporation should make such expenditures, as necessary to maintain the property in optimum condition.**

9. **The reserve fund should be reviewed every year to ensure that the underlying assumptions are still valid and that the estimates remain current.**

10. **Typically the corporation should update the Reserve Fund Study every five (5) years as per the regulations. Should conditions change dramatically interim updates can be provided.**

ADDENDA SECTION

2.2 Repair and Maintenance

In clarification of the repair and maintenance responsibilities of the Corporation and each Owner, as prescribed by the Act and this By-law:

(a) the Owner shall be responsible for the repair, maintenance and replacement (including, without limitation, repair, maintenance and replacement of landscaping), as and when reasonably necessary, of all equipment and fixtures which form part of the Unit, all appliances in the Unit, all heating, ventilating and air-conditioning equipment serving the Unit, all plumbing and electrical fixtures (including the wall plugs, panels and services) serving the Unit (including all kitchen and bathroom fixtures if any), anything designated as exclusive to the Unit including, without limitation, all windows (including the pane, sash and sill) and doors (including the garage or overhead doors, all access doors and door frames), balconies and patios (including balcony and patio doors) designated as Exclusive Use Areas to the Unit, all window vents, the doors to the Unit (including the entrance door, any loading dock doors, and any patio or balcony doors) and all locks and hardware (inclusive of hinges, rollers and tracks, as applicable) thereto, all carpentry and floor coverings (inclusive of carpeting, tile, and finished wood), wall coverings and all drywall and gyprock (inclusive of any wainscoting, kickplates, trim and baseboards), the surface of all ceilings comprising the Unit, and all non-load bearing partitions;

(b) the Owner shall be responsible to repair, maintain, keep clean and replace, as and when reasonably necessary all window coverings, subject to the

approval by the Corporation of design, color and materials, and shall be subject to any regulation thereof imposed from time to time by the Board;

(c) the Owner shall be responsible for the repair, maintenance and replacement of interior surfaces of all walls, hardware and accouterments affecting the appearance, usability, value or safety of the Unit, excepting firstly, outer boundaries, the exterior of exterior walls, outside surfaces, roofs, and eaves troughs of or to the Unit, and, secondly, such damage as is insured against by the Corporation;

(d) the Corporation shall be responsible for the repair, maintenance and replacement, as and when reasonably necessary, of the Common Property and the property of the Corporation, property insured by the Corporation to the extent of the proceeds of insurance paid to the Corporation, any common heating (including heat distribution), common ventilating, common plumbing, elevators, and common electrical systems in the Project (subject to the Owner's responsibility in Sections 2.2(a) and 2.2(b) above) and all structural elements of the Project within each Unit;

(e) in the event of any insured loss, the deductible under any claim shall be the responsibility of the party charged with the responsibility for repair, maintenance and replacement as if the loss was not insured;

(f) notwithstanding anything to the contrary expressed or implied above, repair, maintenance or replacement necessitated by the act or omission of an Owner (or someone for who such Owner is legally responsible), although the responsibility of the Corporation, shall be effected at the expense and cost of such Owner; and,

(g) for the purposes hereof, "replacement" shall include improvement, enhancement, redecoration and betterment, as the case may be.

SCHEDULE SECTION

1. **Schedule A- Reserve Fund History**
2. **Schedule B- Benchmark Analysis**
3. **Schedule C1- 25 Year Cash Flow Projection –Part 1**
4. **Schedule C2- 25 Year Cash Flow Projection- Part 2**
5. **Schedule D- Cash Flow Funding Summary**
6. **Schedule E- Cash Flow Funding Summary Alternative 1**
7. **Schedule F- Cash Flow Funding Summary Alternative 2**

CONDOMINIUM CORPORATION # 1010603-FRONTIER BUSINESS PARK
RESERVE FUND HISTORY -MAY 2012

HISTORICAL	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	
# 1010603	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	TOTAL
OPENING BALANCE																	
Year ending February 28/29																-	
Reserve Fund Contributions																2,800	2,800
Special Assessment																9,360	9,360
Transfer excess operating fund																17,229	17,229
Interest income																8	8
Computed interest rate																	-
																	-
Total Cash Resources	-															29,397	29,397
																	-
RESERVE FUND EXPENDITURES																	-
Foundations																	-
Metal Walls/Roof-Repairs																9,360	9,360
Caulking																	-
Eavestrough & Downspouts																	-
Water and Sewer System																	-
Electrical and Lighting																	-
Callout systems																	-
Fire Alarm System																	-
Fence& Gates- 30%																1,650	1,650
Concrete Sidewalks&Curbs-20%																5,579	5,579
Parking areas-Asphalt																	-
Parking areas-Gravel																	-
Site services																	-
Landscaping & Irrigation																	-
Reserve Fund Study																	-
																	-
																	-
																	-
																	-
																	-
																	-
																	-
																	-
																	-
																	-
	-																-
	-																-
																	-
																	-
																	-
																	-
Total Reserve Fund Expenditures												-	-	-	-	16,589	16,589
CLOSING BALANCE												-	-	-	-	12,808	12,808

TAYCON CONSULTING

CONDOMINIUM CORPORATION # 1010603 FRONTIER BUSINESS PARK
BENCHMARK ANALYSIS- MAY 2012

Inflation Factor-	3.00%														
Interest Rate	3.00%														
RESERVE COMPONENTS	Year of	Reserve	EXPECTED	OBSERVED	REMAINING	Unit	Unit	Unit	CURRENT	FUTURE	CURRENT	FUTURE	FUTURE	ANNUAL	RESERVE FUND
BENCH MARK ANALYSIS- # 1010603	Aquisition	Expenditures	LIFESPAN	CONDITION	LIFESPAN	Quanity	Measure	Cost	REPLACEMENT	REPLACEMENT	RESERVE FUND	RESERVE FUND	RESERVE FUND	RESERVE FUND	ASSESSMENT
			Years	Years	Years				COST	COST	REQUIREMENTS	ACCUMULATION	REQUIREMENTS	ASSESSMENT	ALLOCATION
Foundations	2010		25	3	22	1	allowance	10000	10,000	19,161	1,200	2,299	16,862	552	4.0%
Metal Walls/Roof-Repairs	2010	9,960	25	3	22	1	allowance	10000	10,000	19,161	1,200	2,299	16,862	552	4.0%
Caulking	2010		15	3	12	1	allowance	10000	10,000	14,258	2,000	2,852	11,406	804	5.8%
Eavestrough & Downspouts	2010		25	3	22	1	allowance	5000	5,000	9,581	600	1,150	8,431	276	2.0%
Water and Sewer System	2010		15	3	12	1	allowance	15000	15,000	21,386	3,000	4,277	17,109	1,206	8.7%
Electrical and Lighting	2010		15	3	12	1	allowance	10000	10,000	14,258	2,000	2,852	11,406	804	5.8%
Callout systems	2010		20	3	17	1	allowance	5000	5,000	8,264	750	1,240	7,025	323	2.3%
Fire Alarm System	2010		20	3	17	1	allowance	5000	5,000	8,264	750	1,240	7,025	323	2.3%
Fence& Gates- 50%	2010	1,650	25	3	22	500	l.ft.	31.5	15,750	30,179	1,890	3,621	26,557	870	6.3%
Concrete Sidewalks&Curbs-20%	2010	5,579	25	3	22	500	sq.ft.	20	10,000	19,161	1,200	2,299	16,862	552	4.0%
Parking areas-Asphalt	2010		25	3	22	36000	sq.ft.	1.6	57,600	110,368	6,912	13,244	97,123	3,181	23.1%
Parking areas-Gravel	2010		10	1	9	48000	sq.ft.	0.1	4,800	6,263	480	626	5,637	555	4.0%
Site services	2010		15	3	12	1	allowance	25000	25,000	35,644	5,000	7,129	28,515	2,009	14.6%
Landscaping & Irrigation	2010		10	3	7	1	allowance	10000	10,000	12,299	3,000	3,690	8,609	1,124	8.1%
Reserve Fund Study	2013		6	1	5	1	allowance	3675	3,675	4,260	613	710	3,550	669	4.8%
TOTAL		16,589							196,825	332,506	30,595	49,528	282,978	13,798	100%

TAYCON CONSULTING

CONDOMINIUM CORPORATION # 1010603- FRONTIER BUSINESS PARK

25 YEAR CASH FLOW PROJECTION- PART 1

# 1010603- 25 Year Projection	Historical	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year
Year ending February 28/29	Capital	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
OPENING BALANCE		12,808	15,981	22,613	31,196	39,920	50,957	58,048	57,153	57,501	71,755	86,062	97,528
Reserve Fund Contributions		6,720	7,392	8,131	8,944	9,839	10,823	11,364	11,932	12,529	13,155	13,813	14,503
Special Assessments/Transfer Op.													
Reserve Fund Interest Income		128	240	452	780	1,198	1,529	1,741	1,715	1,725	2,153	2,582	2,926
Total Cash Resources		19,656	23,613	31,196	40,920	50,957	63,308	71,153	70,800	71,755	87,062	102,457	114,957
RESERVE FUND EXPENDITURES													
Foundations													
Metal Walls/Roof-Repairs	9,360							2,000					
Caulking													
Eavestrough & Downspouts													
Water and Sewer System								2,000					
Electrical and Lighting								2,000					
Callout systems													
Fire Alarm System													
Fence& Gates- 50%	1,650							2,000					
Concrete Sidewalks&Curbs-20%	5,379							1,000					
Parking areas-Asphalt								5,000					
Parking areas-Gravel			1,000		1,000		1,000		1,000		1,000		1,000
Site services													
Landscaping & Irrigation									12,299				
Reserve Fund Study		3,675					4,260					4,929	
Total Reserve Fund Expenditures	16,389	3,675	1,000	-	1,000	-	5,260	14,000	13,299	-	1,000	4,929	1,000
Closing Balance		15,981	22,613	31,196	39,920	50,957	58,048	57,153	57,501	71,755	86,062	97,528	113,957
Deficiency Analysis	30,595												
Reserve Requirements		26,920	40,526	55,539	70,004	85,902	97,017	99,725	103,216	120,110	136,512	149,476	166,758
Reserve Fund Surplus		- 10,939	- 17,913	- 24,343	- 30,083	- 34,945	- 38,969	- 42,572	- 45,715	- 48,356	- 50,450	- 51,948	- 52,802

CONDOMINIUM CORPORATION # 1010603-FRONTIER BUSINESS PARK

25 YEAR PROJECTION- PART 2

# 1010603- 25 Year Projection	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year
Year ending February 28/29	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
OPENING BALANCE	97,528	113,957	37,058	53,160	71,544	84,593	105,641	94,191	107,424	131,075	150,869	176,895	52,274	16,577
Reserve Fund Contributions	14,503	15,229	15,990	16,789	17,629	18,510	19,436	20,408	21,428	22,499	22,499	22,499	18,918	13,798
Special Assessments/Transfer Op.														
Reserve Fund Interest Income	2,926	3,419	1,112	1,595	2,146	2,538	3,169	2,826	3,223	3,932	4,526	5,307	1,568	497
Total Cash Resources	114,957	132,604	54,160	71,544	91,319	105,641	128,247	117,424	132,075	157,506	177,895	204,701	72,761	30,872
RESERVE FUND EXPENDITURES														
Foundations												19,161		
Metal Walls/Roof-Repairs		2,000						2,000				19,161		
Caulking		14,258												
Eavestrough & Downspouts												9,581		
Water and Sewer System		21,386												
Electrical and Lighting		14,258												
Callout systems							8,264							
Fire Alarm System							8,264							
Fence& Gates- 50%		2,000						2,000				30,179		
Concrete Sidewalks&Curbs-20%		1,000						1,000				19,161		
Parking areas-Asphalt		5,000						5,000				33,184	33,184	
Parking areas-Gravel	1,000		1,000		1,000		1,000		1,000		1,000		1,000	
Site services		35,644												
Landscaping & Irrigation							16,528							
Reserve Fund Study					5,726					6,637				
Total Reserve Fund Expenditures	1,000	95,546	1,000	-	6,726	-	34,056	10,000	1,000	6,637	1,000	152,427	56,184	-
Closing Balance	113,957	37,058	53,160	71,544	84,593	105,641	94,191	107,424	131,075	150,869	176,895	52,274	16,577	30,872
Reserve Requirements	166,758	90,013	105,512	122,475	133,221	151,016	135,288	143,145	160,237	172,205	190,170	57,246	16,577	30,872
Reserve Fund Surplus	- 52,802	- 52,955	- 52,352	- 50,931	- 48,628	- 45,374	- 41,098	- 35,721	- 29,162	- 21,336	- 13,275	- 4,971	- 0	- 0

CONDOMINIUM CORPORATION # 1010603-FRONTIER BUSINESS PARK

CASH FLOW TABLE

# 1010603							
Cash Flow Table							
Year Ending	Opening	Recommended	Special	Estimated	Estimated	Percentage Increase	Closing
Feb. 28/29	Balance	Annual	Assessment	Inflation	Interest	in Recommended	Balance
		Contribution	Transfers	Adjusted	Earned	Annual Contribution	
				Expenditures	3%		
2013	12,808	6,720		3,675	128	n/a	15,981
2014	15,981	7,392		1,000	240	10%	22,613
2015	22,613	8,131		-	452	10%	31,196
2016	31,196	8,944		1,000	780	10%	39,920
2017	39,920	9,839		-	1,198	10%	50,957
2018	50,957	10,823		5,260	1,529	10%	58,048
2019	58,048	11,364		14,000	1,741	5%	57,153
2020	57,153	11,932		13,299	1,715	5%	57,501
2021	57,501	12,529		-	1,725	5%	71,755
2022	71,755	13,155		1,000	2,153	5%	86,062
2023	86,062	13,813		4,929	2,582	5%	97,528
2024	97,528	14,503		1,000	2,926	5%	113,957
2025	113,957	15,229		95,546	3,419	5%	37,058
2026	37,058	15,990		1,000	1,112	5%	53,160
2027	53,160	16,789		-	1,595	5%	71,544
2028	71,544	17,629		6,726	2,146	5%	84,593
2029	84,593	18,510		-	2,538	5%	105,641
2030	105,641	19,436		34,056	3,169	5%	94,191
2031	94,191	20,408		10,000	2,826	5%	107,424
2032	107,424	21,428		1,000	3,223	5%	131,075
2033	131,075	22,499		6,637	3,932	5%	150,869
2034	150,869	22,499		1,000	4,526	0%	176,895
2035	176,895	22,499		152,427	5,307	0%	52,274
2036	52,274	18,918		56,184	1,568	-16%	16,577
2037	16,577	13,798		-	497	-27%	30,872

CONDOMINIUM CORPORATION # 1010603-FRONTIER BUSINESS PARK

CASH FLOW TABLE-ALTERNATIVE 1

# 1010603							
Cash Flow Table							
Year Ending	Opening	Recommended	Special	Estimated	Estimated	Percentage Increase	Closing
Feb. 28/29	Balance	Annual	Assessment	Inflation	Interest	in Recommended	Balance
		Contribution	Transfers	Adjusted	Earned	Annual Contribution	
				Expenditures	3%		
2013	12,808	6,720		3,675	128	n/a	15,981
2014	15,981	7,728		1,000	240	15%	22,949
2015	22,949	8,887		-	459	15%	32,295
2016	32,295	10,220		1,000	807	15%	42,323
2017	42,323	11,753		-	1,270	15%	55,346
2018	55,346	13,516		5,260	1,660	15%	65,262
2019	65,262	14,192		14,000	1,958	5%	67,412
2020	67,412	14,547		13,299	2,022	2%	70,683
2021	70,683	14,911		-	2,120	2%	87,714
2022	87,714	15,656		1,000	2,631	5%	105,001
2023	105,001	16,439		4,929	3,150	5%	119,661
2024	119,661	17,261		1,000	3,590	5%	139,512
2025	139,512	18,124		95,546	4,185	5%	66,275
2026	66,275	18,124		1,000	1,988	0%	85,388
2027	85,388	18,124		-	2,562	0%	106,073
2028	106,073	18,124		6,726	3,182	0%	120,653
2029	120,653	18,124		-	3,620	0%	142,397
2030	142,397	18,124		34,056	4,272	0%	130,737
2031	130,737	18,124		10,000	3,922	0%	142,783
2032	142,783	14,171		1,000	4,283	-22%	160,237
2033	160,237	13,798		6,637	4,807	-3%	172,205
2034	172,205	13,798		1,000	5,166	0%	190,169
2035	190,169	13,798		152,427	5,705	0%	57,245
2036	57,245	13,798		56,184	1,717	0%	16,577
2037	16,577	13,798		-	497	0%	30,872

CONDOMINIUM CORPORATION # 1010603-FRONTIER BUSINESS PARK

CASH FLOW TABLE- ALTERNATIVE 2

# 1010603							
Cash Flow Table							
Year Ending	Opening	Recommended	Special	Estimated	Estimated	Percentage Increase	Closing
Feb. 28/29	Balance	Annual	Assessment	Inflation	Interest	in Recommended	Balance
		Contribution	Transfers	Adjusted	Earned	Annual Contribution	
				Expenditures	3%		
2013	12,808	6,720		3,675	128	n/a	15,981
2014	15,981	7,056		1,000	240	5%	22,277
2015	22,277	7,409		-	446	5%	30,131
2016	30,131	7,779		1,000	753	5%	37,664
2017	37,664	8,168		-	1,130	5%	46,962
2018	46,962	8,577		5,260	1,409	5%	51,687
2019	51,687	9,005		14,000	1,551	5%	48,243
2020	48,243	9,456		13,299	1,447	5%	45,847
2021	45,847	9,929		-	1,375	5%	57,151
2022	57,151	10,425		1,000	1,715	5%	68,291
2023	68,291	10,946		4,929	2,049	5%	76,357
2024	76,357	12,041		1,000	2,291	10%	89,688
2025	89,688	13,245		95,546	2,691	10%	10,078
2026	10,078	14,569		1,000	302	10%	23,949
2027	23,949	16,026		-	718	10%	40,694
2028	40,694	17,629		6,726	1,221	10%	52,818
2029	52,818	20,273		-	1,585	15%	74,676
2030	74,676	23,314		34,056	2,240	15%	66,174
2031	66,174	26,811		10,000	1,985	15%	84,971
2032	84,971	26,811		1,000	2,549	0%	113,331
2033	113,331	26,811		6,637	3,400	0%	136,905
2034	136,905	26,811		1,000	4,107	0%	166,824
2035	166,824	26,811		152,427	5,005	0%	46,213
2036	46,213	25,161		56,184	1,386	-6%	16,577
2037	16,577	13,798		-	497	-45%	30,872