

RESERVE FUND STUDY

FRONTIER BUSINESS PARK
CONDOMINIUM CORPORATION # 1010603
240040 FRONTIER PLACE
ROCKY VIEW COUNTY, ALBERTA



PREPARED FOR
THE BOARD OF DIRECTORS
BY



APRIL, 2018



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April 30, 2018

Frontier Business Park
Condominium Corporation # 1010603
C/o Barklay Street Real Estate Ltd.
200, 407 Eight Avenue S.W
Calgary, Alberta
T2P 1E5

Dear Sir or Madam:

**Reserve Fund Study
Condominium Corporation # 1010603
240040 Frontier Place , Rocky View County, 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 within the context of this report.

We recommend that a reserve fund plan and strategy be maintained, and that reserve fund contributions of \$11,400 for 2018/19 be increased to \$11,685 in 2020/21 and then increased by the amounts detailed in the cash flow table each subsequent year thereafter. A special assessment of \$30,000 is also projected in the current year to fund the cost for paving repairs. This report outlines various funding alternatives for the reserve fund to ensure 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

Terry Brown, Certified Reserve Planner

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Notwithstanding the foregoing, the applicant herein has permission to reproduce the report in whole or in part for the legitimate purposes of providing information to the board of directors, unit owners and others, who have an interest in the project.

Specifically, the applicant has permission to provide reserve fund study information in disclosure documents, such as a status certificate.

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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 C/o Barclay Street Real Estate Ltd. 200,407 Eight Avenue SW Calgary, Alberta T2P 1E5	
Date of Study	April 30, 2018	
Property	240040 Frontier Place Rocky View County, Alberta	
Reserve Fund Items	Architectural	4 Reserve Components
	Finishes	0 Reserve Components
	Mechanical and Electrical	4 Reserve Component
	Amenities	0 Reserve Component
	Site Improvements	6 Reserve Components
	Reserve Fund Consultants	1 Reserve Component
Inflation Factor	2.00%	
Interest Rate	2.00%	

Significant Reserve Fund Estimates

Current Replacement Costs	\$ 198,150
Future Replacement Costs	\$ 250,469
Current Reserve Fund Requirements	\$ 75,969
Future Reserve Fund Accumulation	\$ 95,079
Future Reserve Fund Requirements	\$ 155,390
Annual Reserve Fund Contributions	\$ 12,887

NOTE: It is not a requirement to be fully funded but rather to have a plan in place which shows a proposed funding level that will meet all the funding requirements for the repair and replacement of the common property for the corporation. The cash flow models provided in this report meet these requirements.

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.**

**FRONTIER BUSINESS PARK - CONDOMINIUM CORPORATION # 1010603
CASH FLOW TABLE**

# 1010603							
Cash Flow Table							
Year Ending February 28th	Opening Balance	Recommended Annual Contribution	Special Assessment Transfer Op	Estimated Inflation Adjusted Expenditures	Estimated Interest Earned	Percentage Increase in Recommended Annual Contribution	Closing Balance
2019	58,341	11,400	30,000	33,150	583	n/a	67,174
2020	67,174	11,685		8,000	672	2.5%	71,531
2021	71,531	11,977		-	1,073	2.5%	84,581
2022	84,581	12,277		6,500	1,269	2.5%	91,627
2023	91,627	12,583		8,000	1,833	2.5%	98,043
2024	98,043	12,898		19,500	1,961	2.5%	93,401
2025	93,401	13,221		29,000	1,868	2.5%	79,490
2026	79,490	13,551		8,000	1,590	2.5%	86,631
2027	86,631	13,890		-	1,733	2.5%	102,253
2028	102,253	13,890		-	2,045	0.0%	118,188
2029	118,188	13,890		48,400	2,364	0.0%	86,042
2030	86,042	13,890		35,100	1,721	0.0%	66,552
2031	66,552	13,515		-	1,331	-2.7%	81,398
2032	81,398	13,515		14,500	1,628	0.0%	82,041
2033	82,041	13,515		-	1,641	0.0%	97,196
2034	97,196	13,515		9,200	1,944	0.0%	103,455
2035	103,455	13,515		34,600	2,069	0.0%	84,439
2036	84,439	13,515		-	1,689	0.0%	99,642
2037	99,642	13,515		-	1,993	0.0%	115,150
2038	115,150	13,515		8,000	2,303	0.0%	122,968
2039	122,968	13,515		64,200	2,459	0.0%	74,742
2040	74,742	13,515		52,200	1,495	0.0%	37,552
2041	37,552	13,515		8,000	751	0.0%	43,817
2042	43,817	13,515		6,500	876	0.0%	51,708
2043	51,708	13,541		-	1,034	0.2%	66,284

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 maintain a long-term reserve fund strategy.**
- 2. Major repairs and replacements should be recorded in, and funded from, a reserve fund account which is separate from the operating 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. The Corporation should prepare financial statements that meet generally accepted accounting standards. The 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 \$11,400 per annum in 2018/19 should be increased to \$11,685 for 2018/19 and then increased by the amounts detailed in the cash flow table, each subsequent year thereafter. A special assessment of \$30,000 is projected in the current year to cover paving repairs.**
- 6. The reserve fund should be fully invested in guaranteed securities to maximize yield over the life of the property. See notes in report regarding short term rate assumptions.**
- 7. The Corporation should make such expenditures, as necessary to maintain the property in optimum condition.**
- 8. All owners should be aware that replacement of exterior windows, doors and overhead doors is their responsibility as per the bylaws. These components have therefore been excluded from this reserve fund study.**
- 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. The Corporation should update the reserve fund study in five years.**

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 Planners (CRP). Coverage is for \$1,000,000. Policy number is SRD488692.

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

Terry Brown

Terry Brown
Certified Reserve Planner

April 30, 2018

**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.

Drawings were reviewed on the original study in 2012 and were not reviewed again as there had been no significant changes to the common property since the last review. All other observations were obtained from a visual inspection of the building and site.

The bylaws of the Corporation exclude exterior windows, doors and overhead doors from common property, so their replacement is the sole financial responsibility of the individual owner. For this reason, these components have been excluded from this study.

The special assessment for paving repairs has been requested by the condominium board so that future reserve fund contribution increases can be minimized. If this is not handled this way it would have a material effect on the projections in 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 report 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. The report must not be abstracted but 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 a draft review 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

April 30th, 2018

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,*
- (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 or 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.*

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.

- **20 years from 1998 to 2018** **3.5%**
- **10 years from 2008 to 2018** **0.6%**
- **5 years from 2013 to 2018** **0.6%**
- **2 years from 2016 to 2018** **1.0%**

Means Historical Cost Index

The Means Historical Index used to calculate annual inflation rates, is based on the computed value as of January 1, 2018, for an average North American construction rate of inflation. The following are selected rates over various time periods:

- **20 years from 1998 to 2018** **3.2%**
- **10 years from 2008 to 2018** **1.8%**
- **5 years from 2013 to 2018** **1.4%**
- **2 years from 2016 to 2018** **2.0%**

These numbers indicate that the trend of construction inflation rates over the past 20 years has been fluid, but the trend appears to be decreasing in recent years.

While useful as overall indications 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 1998 and 2018.

- **20 years from 1998 to 2018** **2.7%**
- **10 years from 2008 to 2018** **2.2%**
- **5 years from 2013 to 2018** **1.5%**
- **2 years from 2016 to 2018** **1.0%**

We have adopted the median rate of 2.0% for annual inflation in calculating the future replacement costs. This was obtained by taking the average figures for each of the above sources and then averaging them again to come up with the 2.0% rate.

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	0.5% to 1.5%
\$ 100,000 - \$ 250,000	1.5% to 2.0%
\$ 250,000 - \$ 500,000	2.0% to 2.5%
\$ 500,000 and over	2.5% to 3.0%

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 \$50,000 and \$200,000 for much of the time horizon. With this projected balance, we have selected a 2.0% interest rate in calculating the future investment performance of the Corporation's reserve fund. With the current low interest rate environment, we have decided to phase in the higher rate with rates of 1.0% (2018/19), 1.0% (2019/20), 1.5% (2020/21), 1.5% (1921/22) and 2.0% thereafter.

3. Property Information

3.1 Property Description

Frontier Business Park Condominium Corporation # 1010603
240040 Frontier Place
Rocky View County, Alberta

This property was designed and constructed as a commercial condominium complex in 2009/10 and is considered to be 9 years old for the purpose of this study. The building is built on a concrete slab on grade. There is an office and mezzanine for each unit as well as a back-work bay area. Exterior walls and roof are galvanized metal. Interior walls are assumed to be steel stud and drywall. The building consists of 16 individual condominium units. The outside area is landscaped at the front and on both sides. The front area has a paved parking area. The back of the complex as well as the south side is gravelled. There is an irrigation gathering system that runs the full length on the east side of the property. The complex is outside the Calgary city limits and is on its own self-contained water and sewer system. This is a multi use commercial property. All units have large 16-foot overhead doors at the back 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 currently managed by Barclay Street Real Estate Ltd. in conjunction with the board of directors.

3.2 Building Plans

The following plans were reviewed during the original study in 2012 and were not reviewed again for this study since there had been no significant changes to the common property:

Project Name	Frontier Business Park Condominium Corp. # 1010603
---------------------	---

Architectural Plans	D.F.K. Engineering, Calgary Alberta
Mechanical Plans	D.F.K. Engineering, Calgary Alberta
Electrical 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
Condo Plans	Condominium Plan # 1010603 & Bylaws

In addition to the condominium plan, measurements were also obtained on site. The buildings and site improvements were inspected on April 13, 2018. A meeting was held with Hans Eskesen who is the Condominium President. Hans was very helpful in providing all required background information as was Dion Chrapko the property manager.

3.3 Property Data, Site Plan and Basic Construction

Project Data

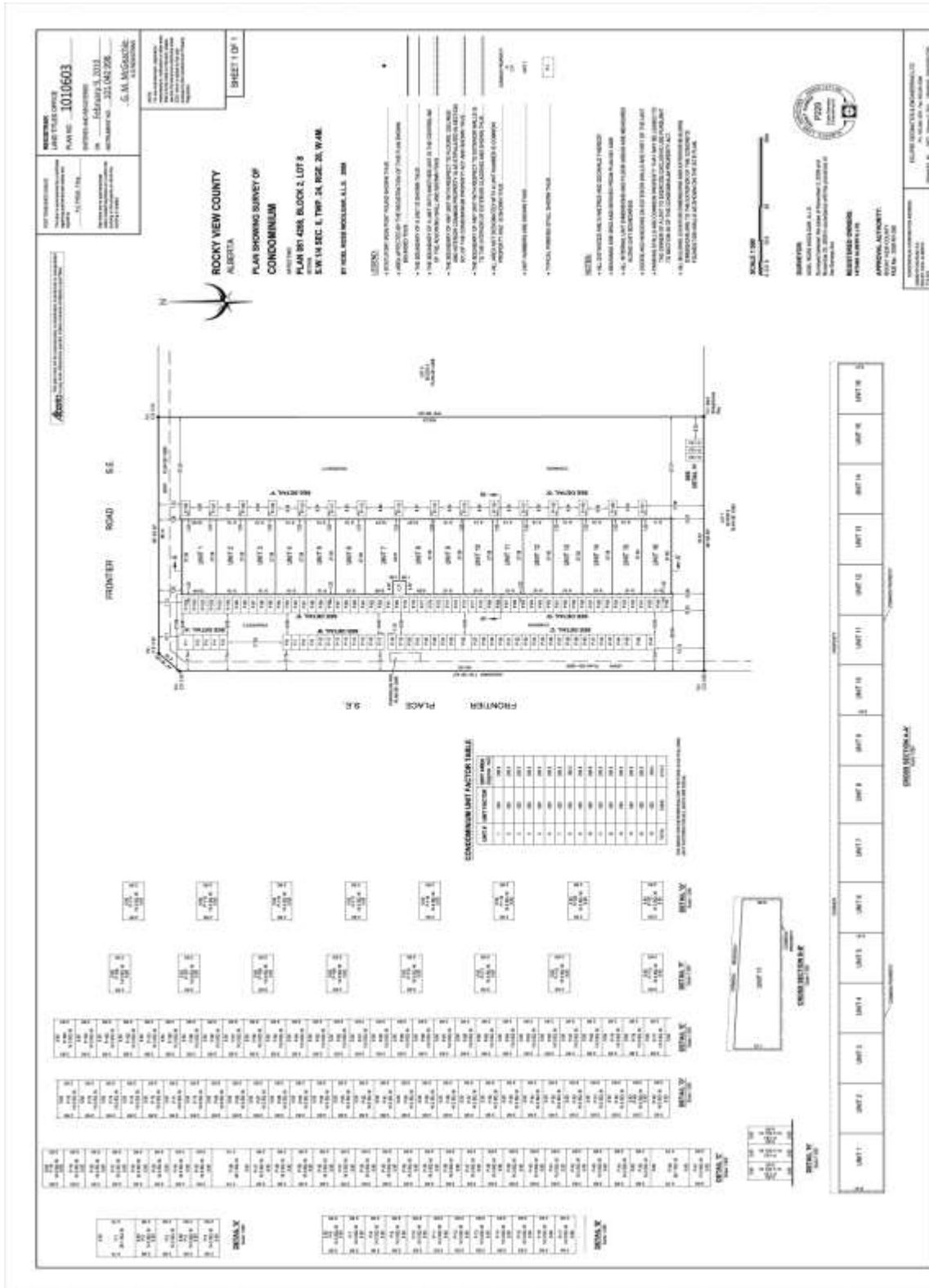
The following data and information has been compiled from the available plans, and the inspection of the buildings and improvements. The data has been calculated using dimensions taken from condominium plan documents and on-site measurement.

Property Statistics-Approximate

Site Area	167,500 sq. ft.
Building Coverage	44,500 sq. ft.
Paved Area	36,000 sq. ft.
Gravel Area	48,000 sq. ft.
Irrigation Area	19,000 sq. ft.
Landscaped Area	20,000 sq. ft.
Condominium Number	16

Condominium Plan

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 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. Eave troughs are located along the entire back side complete with downspouts. The roof is insulated and has an inner shell in the bay areas.

Interior Construction

Not part of the common property. Each bay has an office 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 also 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 elevators with the mezzanine levels accessed by stairs in each unit.

Electrical

The local utility provides electrical service through to a pad mounted on site. From there it is run underground to the electrical room at the front of the unit which is also the common mechanical room. The main shutoff, electrical panels along with meters for individual units are considered common property. Telephone and cable entry points are located in this same room along with a fire alarm panel and a callout system. Exterior lighting is considered common property. Lighting inside the mechanical/electrical room as well as an electric space heater are common property. All electrical downstream of the individual meters is considered owner responsibility.

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 13, 2018 by Terry Brown.

4.2 Reserve Fund Studies

The last reserve fund study done in April/May 2012 by Taycon Consulting was reviewed.

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.

Good 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 wherever applicable.

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 or building envelope issues in future years. See Figure 1-1 & 1-2.	
Financial Analysis	This component has had no recorded expenditures in the last 3 years.	
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 major issues with the building foundations.	
Life Cycle Analysis	Date of Acquisition	2010
	Normal Life Span	25 Years
	Effective Age	9 Years
	Remaining Life Span	16 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	2030/35/40
Deficiency Analysis	There were no deficiencies identified with this component.	



Figure 1-1



Figure 1-2

Reserve Component: (2) Building – Metal Walls & Roof- Repairs		
Physical Description	This component includes repairs only to the metal building walls and roof as well as the one common metal door accessing the utility room. It also includes repairs to the canopies which were installed over the front entrance doors. Component replacement is beyond the 25-year review period. See Figure 2-1 & 2-2.	
Financial Analysis	There have been no expenditures on this component in the last 3 years. The canopies were installed in 2011/12 for a cost of \$9,360.	
Potential Deterioration	Metal surfaces can be dented by mechanical contact. Screws used to secure the metal can come loose or require replacement over time. The metal roof may require repairs associated with holes or protrusion for equipment or from heavier items being moved over it. The metal utility room door may require repairs as could the canopies over the doors.	
Condition Analysis	The metal roof and walls were in good condition. The utility room door and canopies were in good condition with no issues identified.	
Life Cycle Analysis	Date of Acquisition	2010
	Normal Life Span	25 Years (Repair)
	Effective Age	9 Years
	Remaining Life Span	16 Years
Unit Quantity And Cost Estimates	Unit Quantity	Allowance
	Unit Cost Estimate	\$20,000
	Current Repair or Replacement Cost Estimate	\$20,000
	Estimated Year of Major Repair or Replacement	2025/30/35
Deficiency Analysis	Funds have been included for a roof inspection and repairs every 5 years starting in 2025.	



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. Even though windows and doors are owner responsibility the caulking around them is the responsibility of the Condominium Corporation. See Figure 3-1& 3-2.	
Financial Analysis	There have been no expenditures on this component in the last 3 years.	
Potential Deterioration	Caulking breaks down over time and becomes hard leading to cracking and shrinkage. If the seal is broken moisture infiltration may occur causing significant damage to the building envelope.	
Condition Analysis	The caulking appeared to be in average condition where it could be accessed and inspected. The caulking was starting to dry out and crack on some windows viewed.	
Life Cycle Analysis	Date of Acquisition	2010
	Normal Life Span	15 Years
	Effective Age	10 Years
	Remaining Life Span	5 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	2024
Deficiency Analysis	Areas with cracked caulking should be repaired prior to a more major replacement in 5 years. Make sure all protrusions through the roof are checked for proper caulking as part of the roof inspection.	



Figure 3-1



Figure 3-2

Reserve Component: (4) Building – Eavestroughs & Downspouts		
Physical Description	This component includes the repairs and replacements as required to the eavestroughs and downspouts. Full replacement should not be required over the 25- year review period. See Figure 4-1 & 4-2.	
Financial Analysis	There have been no expenditures on this component in the last 3 years.	
Potential Deterioration	Metal eavestroughs can come loose from the area they are secured to. They can be bent or broken by contact with equipment used for landscaping. Ice buildup and freezing can cause damage. The eavestroughs and downspouts can develop leaks and can also fade. Connection joints may require caulking.	
Condition Analysis	The eavestroughs and downspouts appeared to be in good condition.	
Life Cycle Analysis	Date of Acquisition	2010
	Normal Life Span	25 Years
	Effective Age	9 Years
	Remaining Life Span	16 Years
Unit Quantity And Cost Estimates	Unit Quantity	Allowance
	Unit Cost Estimate	\$5,000
	Current Repair or Replacement Cost Estimate	\$5,000
	Estimated Year of Major Repair or Replacement	2035
Deficiency Analysis	There were no deficiencies identified with this component.	



Figure 4-1



Figure 4-2

Reserve Component: (5) Mechanical & Electrical- Water & Sewer System		
Physical Description	This component includes the repairs and replacement of the self-contained water and sewer system for this condominium complex. It includes the underground water and sewer tanks, charge pump, surge tank and all piping to and from the tankage. Everything that would become redundant when connected to the city services is included. See Figure 5-1 & 5-2.	
Financial Analysis	There have been no expenditures on this component in the last three years.	
Potential Deterioration	Underground storage tanks can develop leaks. Underground piping can fail. Charge pumps and controls may require repair or replacement.	
Condition Analysis	The water and sewer system appeared to be in good condition. The charge pump showed evidence of leaking and the motor was very noisy when inspected. There were some gaps on the top of the water tank man cover from usage and breakage. There was an open coupling on the top of the sewer tank that should have a plug in it.	
Life Cycle Analysis	Date of Acquisition	2010
	Normal Life Span	15 Years
	Effective Age	9 Years
	Remaining Life Span	6 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	2020/25
Deficiency Analysis	See comments above. Funds have been included to replace the charge pump and motor in 2020. Actual timing could vary.	



Figure 5-1



Figure 5-2

Reserve Component: (6) Mechanical & Electrical – Electrical & Lighting		
Physical Description	This component includes all the electrical switch gear, panels, transformers and wiring. It includes the telephone, cable and all lighting inside the utility room. It includes the electric space heater in the utility room as well as the outside lighting. This is an allowance to allow for any major repairs that may arise over time. See Figure 6-1 & 6-2.	
Financial Analysis	There have been no expenditures on this component in the last 3 years. Exterior lights are being changed over to LED as they burn out and this is being done as part of general maintenance.	
Potential Deterioration	Most electrical should be maintenance free. Code changes can require upgrades to panels and wiring. Electrical lighting becomes dated and is usually changed out for visual reasons or better technology. Electrical heaters can fail and require replacement.	
Condition Analysis	There were no issues identified with this component.	
Life Cycle Analysis	Date of Acquisition	2010
	Normal Life Span	20 Years
	Effective Age	9 Years
	Remaining Life Span	11 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	2025/30/35
Deficiency Analysis	There were no deficiencies identified with this component.	



Figure 6-1



Figure 6-2

Reserve Component: (7) Mechanical & Electrical – Callout/Security 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 & 7-2.	
Financial Analysis	There have been no expenditures on this component in the last three years.	
Potential Deterioration	Callout systems should be relatively maintenance free. These systems are usually changed out as part of a building upgrade or if technology makes them obsolete.	
Condition Analysis	The callout system was reported to be functioning okay with no issues identified.	
Life Cycle Analysis	Date of Acquisition	2010
	Normal Life Span	20 Years
	Effective Age	9 Years
	Remaining Life Span	11 Years
Unit Quantity And Cost Estimates	Unit Quantity	Allowance
	Unit Cost Estimate	\$5,000
	Current Repair or Replacement Cost Estimate	\$5,000
	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 this equipment. See Figure 8-1 & 8-2.	
Financial Analysis	There have been no expenditures on this component in the last three years.	
Potential Deterioration	Fire alarm panels need to be routinely serviced. Fire requirements and codes change making older systems obsolete.	
Condition Analysis	There were no issues identified with this component.	
Life Cycle Analysis	Date of Acquisition	2010
	Normal Life Span	20 Years
	Effective Age	9 Years
	Remaining Life Span	11 Years
Unit Quantity And Cost Estimates	Unit Quantity	Allowance
	Unit Cost Estimate	\$5,000
	Current Repair or Replacement Cost Estimate	\$5,000
	Estimated Year of Major Repair or Replacement	2030
Deficiency Analysis	No deficiencies were identified with this component. Maintain annual inspections and carried out any repairs recommended.	



Figure 8-1



Figure 8-2

Reserve Component: (9) Site Improvements – Site Services		
Physical Description	This component is a contingency for replacement of underground water, sewer, natural gas lines and all related piping and valves providing service on site prior to the point of distribution to individual units. It includes all the firewater system, valves, standpipes and the sprinkler system. It includes the backflow prevention devices. See Figure 9-1 & 9-2.	
Financial Analysis	There have been no expenditures on this component in the last three years.	
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 includes the common distribution of water and sewer throughout the complex. Natural gas is provided individually to each unit and is the individual owners responsibility. The fire water system is common property. Piping for these items from the mechanical room through the building and back is considered common property and the condominium responsibility. Vales and piping can leak. The firewater valves may require replacement. Settling can cause lines to break and require servicing. Sprinkler heads may require repair or replacement. Most of the equipment should last the life of the facility and this is simply a contingency for any minor failure that may occur.	
Condition Analysis	Most of the site services are not visible. Where viewing was possible equipment appeared in good condition. There was mention of sediment being identified in the sprinkler system in a couple of locations.	
Life Cycle Analysis	Date of Acquisition	2010
	Normal Life Span	20 Years
	Effective Age	9 Years
	Remaining Life Span	11 Years
Unit Quantity And Cost Estimates	Unit Quantity	Allowance
	Unit Cost Estimate	\$30,000
	Current Repair or Replacement Cost Estimate	\$30,000
	Estimated Year of Major Repair or Replacement	2023/26/29
Deficiency Analysis	See comments above. Timing of future costs for this component is at best an estimate with actual timing to vary. The above amount is simply a contingency to ensure funds are available. During the next annual inspection of the fire control system have them check for sediment in the lines.	



Figure 9-1



Figure 9-2

Reserve Component: (10) Site Improvements – Concrete Sidewalks & Curbs		
Physical Description	This component includes replacement of the front entrance concrete sidewalks as well as the curbs and spillways. It includes the parking barriers at the front and the vertical barriers at the back that were put in to protect the overhead doors. It is being assumed that 25% of the concrete will require replacement over the review period. See Figure 10-1 & 10-2.	
Financial Analysis	The have been no expenditures on this component in the last three years. There was an expenditure of \$5,579 in 2011/12 to install parking barriers at the front of the building.	
Potential Deterioration	Concrete will crack due to poor compaction of the ground it is poured on. It will deteriorate over time due to weathering from the elements. Products put on concrete to melt ice can also harm the surface of the concrete. Curbs can crack from poor installation or from mechanical contact with snow clearing equipment. Parking barriers can be dislodged or damaged with vehicle contact.	
Condition Analysis	The concrete sidewalks, spillway and barriers were in good condition. There was some evidence of mechanical contact with the curbs at the entrance ways to the complex. Some of the parking barriers were damaged and will require replacement.	
Life Cycle Analysis	Date of Acquisition	2010/12
	Normal Life Span	25 Years
	Effective Age	12 Years
	Remaining Life Span	13 Years
Unit Quantity And Cost Estimates	Unit Quantity	600 sq. ft. (25%)
	Unit Cost Estimate	\$25 per sq. ft.
	Current Repair or Replacement Cost Estimate	\$15,000
	Estimated Year of Major Repair or Replacement	2022/32/42
Deficiency Analysis	See comments above. It is being assumed that parking barriers will be repaired as part of maintenance but funds have been included in 2022 for their replacement.	



Figure 10-1



Figure 10-2

Reserve Component: (11) Site Improvements – Paving Repairs		
Physical Description	This component includes repairs and resurfacing the asphalt pavement at the front of the complex as well as the north gate entrance. It is being assumed that 25% of the pavement will be redone every 10 years. See Figure 11-1 & 11-2.	
Financial Analysis	There have been no expenditures on this component in the last three years. There is a proposed expenditure of \$30,000 in the current year to repair and resurface areas that have settled. Crack sealing will also be carried out.	
Potential Deterioration	If the ground settles the asphalt will settle and crack. Cracking allows moisture to get in and if not sealed it can lead to bigger cracks and major repair. Often utility installations are poorly compacted and settling can occur.	
Condition Analysis	There has been significant settling in several places which now hold water. There was a lot of cracking noted.	
Life Cycle Analysis	Date of Acquisition	2010/2019
	Normal Life Span-25%	11 Years
	Effective Age	1 Years
	Remaining Life Span	10 Years
Unit Quantity And Cost Estimates	Unit Quantity	Allowance
	Unit Cost Estimate	\$30,000
	Current Repair or Replacement Cost Estimate	\$30,000
	Estimated Year of Major Repair or Replacement	2029/39
Deficiency Analysis	See comments above. Funds have been included every 10 years starting in 2029 for repairs and resurfacing similar to what is being proposed in the current year. Timing may vary.	



Figure 11-1



Figure 11-2

Reserve Component: (12) Site Improvements – Gravel Roadways		
Physical Description	This component includes repairs and re-gravelling of the gravel roadways that run along the south and east side of the complex. See Figure 12-1 & 12-2.	
Financial Analysis	There have been no expenditures on this component in the last 3 years.	
Potential Deterioration	If the ground settles it may require grading to relevel and some new gravel to maintain a proper base.	
Condition Analysis	The roadways appeared to be in need of grading and gravel in the near future.	
Life Cycle Analysis	Date of Acquisition	2010
	Normal Life Span	15 Years
	Effective Age	9 Years
	Remaining Life Span	6 Years
Unit Quantity And Cost Estimates	Unit Quantity	Allowance
	Unit Cost Estimate	\$5,000
	Current Repair or Replacement Cost Estimate	\$5,000
	Estimated Year of Major Repair or Replacement	2020/25/30
Deficiency Analysis	See comments above. Funds have been included every 5 years starting in 2020. Actual timing could vary.	



Figure 12-1



Figure 12-2

Reserve Component: (13) Site Improvements – Fencing		
Physical Description	This component includes the replacement of the chain link fencing around the complex as well as the automated north entrance gate and secondary south manual gates. It includes the automated gate opener on the north gate. It is being assumed that 25% of the fencing and gates require replacement over the review period. See Figure 13-1 & 13-2.	
Financial Analysis	There have been no expenditures on this component in the last three years. There was an expenditure of \$1,650 in 2011/12 to install secondary swing gates.	
Potential Deterioration	Chain link fencing can be damaged by mechanical contact. The fencing can come loose from the posts and rails and the posts can become loose if not properly secured to the concrete base. Automated opening mechanisms will need ongoing repair and replacement.	
Condition Analysis	The chain link fencing appeared in good condition. There was some evidence of mechanical contact along the south side of the property. The automated north gate system was functioning satisfactorily when there. It was reported that there were some issues with gate clearance in the winter months that was going to be resolved as part of maintenance this year.	
Life Cycle Analysis	Date of Acquisition	2010
	Normal Life Span	30 Years
	Effective Age	9 Years
	Remaining Life Span	21 Years
Unit Quantity And Cost Estimates	Unit Quantity	250 l. ft. (25%)
	Unit Cost Estimate	\$60 per l. ft.
	Current Repair or Replacement Cost Estimate	\$15,000
	Estimated Year of Major Repair or Replacement	2024/34/40
Deficiency Analysis	No deficiencies were identified with this component. Funds have been included every 10 years starting in 2024 for minor repairs as may be required.	



Figure 13-1



Figure 13-2

Reserve Component: (14) Site Improvements – Landscaping & Irrigation		
Physical Description	This component includes non-annual costs to maintain the landscaping and the irrigation system. It includes any retaining wall repairs as well as repairs to the cable barrier at the back of the complex. See Figure 14-1 & 14-2.	
Financial Analysis	There have been no expenditures on this component in the last 3 years. There has been some work done to install a drainage system along the south side entrance to the property. The irrigation pump has been relocated since the last study.	
Potential Deterioration	Trees may require pruning as they mature. Sprinkler systems may need repair to heads and controllers may need replacement. The irrigation pump may require replacing. Retaining walls and barriers may require repairs due to mechanical contact. Drainage areas may require reworking and irrigation pumps may need repair or replacement.	
Condition Analysis	The landscaping appeared in average condition. The trees at the front appeared to be struggling and may be lacking water. Some dead and diseased trees were noticed. The parking barrier at the back has been damaged in several areas by mechanical contact.	
Life Cycle Analysis	Date of Acquisition	2010
	Normal Life Span	15 Years
	Effective Age	5 Years
	Remaining Life Span	10 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	2020/23/26/29
Deficiency Analysis	See comments above. This is a contingency for any of the above related work. Timing is an estimate. Funds have been included every 3 years starting in 2020.	



Figure 14-1



Figure 14-2

Reserve Component: (15) Reserve Fund – Reserve Fund Study		
Physical Description	This component includes the cost to prepare a reserve fund study every 5 years.	
Financial Analysis	A reserve fund study is being completed in the current year at a cost of \$3,150.	
Potential Deterioration	A reserve fund study is a requirement under the condominium act of Alberta and must be done every 5 years.	
Condition Analysis	The current reserve fund study will provide a guideline for the repair and replacement of the common property of the condominium corporation. It should always be used as a guideline and the board of directors should do work as it actually becomes needed so as to ensure the common property is maintained in optimum condition.	
Life Cycle Analysis	Date of Acquisition	2018/19
	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	\$3,150
	Current Repair or Replacement Cost Estimate	\$3,150
	Estimated Year of Major Repair or Replacement	2024
Deficiency Analysis	The reserve fund study can be updated at any time should conditions warrant.	

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- Benchmark

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 which are as follows:

Long-term inflation rate:	2.0%
Long-term interest rate:	2.0%

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 Condominium Corporation # 1010603 are as follows:

Current Replacement Reserves or Costs **\$ 198,150**

Which are provisions for all major repairs and replacements at current prices

Future Replacement Reserves or Costs **\$ 250,469**

Which are provisions for all major repairs and replacement costs in the future at the end of the expected life span

Current Reserve Fund Requirements **\$ 75,969**

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

Future Reserve Fund Accumulations **\$ 95,079**

Which is the current reserve fund requirements together with interest compounded over the remaining life span

Future Reserve Fund Requirements **\$ 155,390**

Which are to be funded by unit owners' payments to the reserve fund plus any interest earned

Annual Reserve Fund Assessments **\$ 12,887**

Which are the annual reserve fund payments to be made by unit owners

In accordance with these estimates, the corporation should have **\$75,969** 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 **\$12,887** based on the stated assumptions. **It is not a requirement to be fully funded but rather to have a plan in place which shows a proposed funding level that will meet all the funding requirements for the repair and replacement of the common property for the Corporation. The cash flow models provided in this report meet these requirements.**

6. Analysis of Reserve Fund Operations

Reviewing and analyzing the reserve fund operation of Condominium Corporation # 1010603 we have examined the financial statements provided for the year's ending February 28, 2015 through 2016 which were in draft format. We were not provided with a current year's budget but did get financial statements from the property manager for the year ending February 28th, 2018.

The property is managed by Barclay Street Real Estate Ltd. in conjunction with the board of directors of the Condominium Corporation.

The balance sheet indicates expenditure totals, breakdown for reserve fund expenditures as well as investments of the Condominium Corporation. The financials have been used as the reference for entering all reserve fund balances, interest and expenditures. The reserve expenditures identified were taken from the previous report. For the purpose of this report we used the February 28th, 2018 financial statements as the starting point.

Schedule A – Entitled Reserve Fund History has been included in the schedule section at the end of this report for illustrative purposes only.

6.1 Corporation's Financial Statements

Information available indicates that the opening balance for the reserve fund as of March 1, 2018 was \$58,341. The current years contribution is estimated as being \$11,400 as per the recommendation in the previous reserve fund study. Expenditures in the current year are estimated at \$33,150 which includes \$30,000 for paving repairs and \$3,150 for a reserve fund study. There is also a projected special assessment of \$30,000 to cover the cost of the paving project. Since no budget was provided these expenditures are a best estimate only.

The current years funding of \$11,400 should be increased by 2.5% for 2020/21 and then increased as per the cash flow table projections each subsequent year thereafter. With a properly managed and funded reserve fund, future special assessments should not be required. **It should be noted that current reserve contributions are about 15% of total budgeted expenses so a 2.5% increase as recommended above will result in only a .375% fee increase of \$18 per year per unit.**

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 Condominium Corporation # 1010603 is showing shortfall at the end of the 2018/19 fiscal year, as shown below:

Opening balance, March 1, 2018	\$ 58,341
Current assumed reserve fund contribution for the year	\$ 11,400
Special Assessment	\$ 30,000
Tax-free interest income to be earned on the reserve fund	\$ 583
Less: Estimated Reserve Fund expenditures for Fiscal Year 2018/19	\$ 33,150
Projected Reserve Fund Balance as of February 28, 2019	\$ 67,174
Estimated Reserve Fund Requirements after expenditures in 2018/19	\$ 72,819
Estimated Reserve Fund Deficiency	\$ 5,645

The deficiency should be eliminated over time, as shown in cash flow tables included in the tables section at the end of this report. **The Condominium Corporation is currently 92% funded.**

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 for 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, proposed contributions and special assessments for Condominium Corporation #1010603 will be adequate for future repairs and replacements of the common elements and assets of the Corporation.

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. Three cash flow models have been prepared for this report. From these three-cash flow schedules the preferred cash flow table is presented in this report. The funding schedules for the other two alternate cash flow assumptions have been included in the attachments after the recommended funding schedule.

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 deposit, (2) qualified investments, and (2.0%) accrued interest earned.

Cash Flows

These are the regular reserve fund contributions, special assessments, and interest income based on 2.0% 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:

(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

Projected Reserve Fund Expenditure

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 maintain a long-term reserve fund strategy.**
- 2. Major repairs and replacements should be recorded in, and funded from, a reserve fund account which should be separate from the operating 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. The Corporation should prepare financial statements that meet generally accepted accounting standards. The 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 \$11,400 per annum in 2018/19 should be increased to \$11,685 in 2019/20 and then increased by the amounts detailed in the cash flow table, each subsequent year thereafter. A special assessment of \$30,000 is projected in the current year to cover costs for paving repairs.**
- 6. The reserve fund should be fully invested in guaranteed securities to maximize yield over the life of the property. See notes in report regarding short term rate assumptions.**
- 7. The Corporation should make such expenditures, as necessary to maintain the property in optimum condition.**
- 8. All owners should be aware that replacement of exterior windows, doors and garage doors is their responsibility and the costs have been excluded from this report.**
- 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. The Corporation should update the Reserve Fund Study in 5 years.**

ADDENDA SECTION

CONDOMINIUM CORPORATION # 1010603 – BYLAWS

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- (v) all and any repair, maintenance, replacement, and cleaning to his Unit or the Common Property required to be done by the Corporation or resulting from any act or omission of the Owner or any Occupant; and
- (f) maintain improvements on and comprising the Unit consistently with and in total integrity with the balance of the Project, and in so doing, each Owner shall:
 - (i) observe, comply and adhere to all architectural restrictions, guidelines, Rules, Regulations and By-laws existing or in the future promulgated in respect to the Project to maintain architectural integrity of design and appearance (including without limitation matters relating to maintaining fuel efficiency and sound attenuation) of the Project as a whole;
 - (ii) insure the Unit and all improvements in and comprising the Unit in accordance with these By-laws; and,
 - (iii) permit the Corporation, its representatives, and persons authorized by the Corporation to enter the Unit to carry out maintenance and repair work required to be performed in maintenance and betterment of the Project generally.

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

CONDOMINIUM CORPORATION # 1010603- BYLAWS (CONT'D)

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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.

2.3 General Obligations

The duties and obligations of each Owner under this By-law are in addition to the duties and obligations imposed upon an Owner under the Act.

2.4 Leasing of Units

An Owner shall be entitled to lease or rent his Unit or any part thereof; provided that:

- (i) in the case of the lease of a Unit only, any lease or tenancy of a Unit shall be subject to all of the provisions of sections 53 through 57 of the Act and the By-laws and all Rules and Regulations of the Corporation;
- (ii) in the case of the lease of a Unit, the Owner shall cause any lessee or tenant to acknowledge in writing to the Corporation that he has received a copy of the By-laws, Rules and Regulations of the Corporation and agrees to observe the same as if he were an Owner;
- (iii) no act or omission or waiver by the Corporation of any breach or default by an Owner pursuant to this provision, shall operate as a waiver of any other or subsequent breach or default; but shall apply to the breach or

CONDOMINIUM CORPORATION #1010603 – BYLAWS (CONT'D)

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default so waived, and shall not be deemed to be a release of any of an Owner's duties and obligations under the By-laws, Rules and Regulations.

**ARTICLE 3
THE CORPORATION****3.1 Non Profit Organization**

The Corporation is not organized for profit. Accordingly, no Owner, Board Member, or person from whom the Corporation may receive property or funds shall receive or be lawfully entitled to legally receive any pecuniary profit from the operations of the Corporation; provided that the foregoing shall not either prohibit, prevent, or restrict payment by the Corporation and receipt by Owners or Board Members of compensation, reimbursement, or remuneration as are hereinafter expressly provided or prohibit any such person or party from contracting with the Corporation in the normal course of such person's or party's business irrespective of any project to such person or party thereunder.

3.2 Duties of Corporation

In addition to the duties imposed upon the Corporation under the Act, the Corporation shall:

- (a) control, manage, maintain, repair and administer the Common Property (except as expressly required to be done by an Owner pursuant to this By-law) and all real property, chattels, personal property or other property owned by the Corporation for the benefit of all of the Owners and for the benefit of the entire Project;
- (b) do all things required of it by the Act, this By-law and any other By-laws, Rules and Regulations, and Resolutions in force from time to time;
- (c) maintain and repair (including renewal where reasonably necessary) heating systems, pipes, wires, cables, ducts, conduits, plumbing systems, sewers and other facilities for the furnishing of utilities existing in the Parcel and servicing the Project and capable of being used in connection with the enjoyment of one or more Unit or Common Property, all as prescribed in and subject to Section 2.2 hereof;
- (d) maintain, carry out, observe, comply with, adhere to and otherwise do such things as may be required of the Corporation by the Appropriate Authority by direct requirement, direction, order, or otherwise or indirectly through the continuing obligations imposed by appropriate Authority in connection with the approval to the development of the Project, including without limiting the generality of the foregoing:
 - (i) comply with or cause compliance with the requirements of any of the Restrictive Covenants until discharge thereof; and,
 - (ii) ensure compliance with any vehicular parking requirements imposed on the Project by the Appropriate Authority;
- (e) provide and maintain in force all such insurance as is required by the Act,

CONDOMINIUM CORPORATION #1010603 – BYLAWS (CONT'D)

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if any, and by the provisions of this By-law and enter into insurance trust agreements from time to time as required by the Insurance Trustee and approved by the Board and, on the written request of any Owner or Mortgagee of a Unit, or the duly authorized agent of such Owner or Mortgagee, provide a certified copy of the policy or policies of insurance effected by the Corporation or a certificate or memorandum thereof and the receipt or receipts for the last premium or premiums in respect thereof;

- (f) except as otherwise specifically provided in this By-law, maintain and repair the exterior or outside surfaces of the Building comprising the Units (including common property windows and all other outside accouterments affecting the appearance, usability, value or safety of the Project) and the Common Property, and any lawn, which is located on any part of the Common Property and all fencing and posts;
- (g) collect and receive all contributions towards the Common Expenses and deposit same in a separate account with a chartered bank, trust company, credit union or any Alberta Treasury Branch;
- (h) pay all sums of money properly required to be paid on account of all services, supplies and assessments pertaining to or for the benefit of the Project, the Corporation and the Owners as, to the Board, may deem justifiable in the management or administration of the Project;
- (i) subject to Section 2.2 hereof, remove ice, snow, slush, and debris from and keep and maintain in good order and condition all areas of the Common Property designated for vehicular or pedestrian traffic or outside parking and keep and maintain in good order and condition (to the extent the Owners or any of them are not responsible to maintain same), as applicable, and common garbage storage areas, common telephone rooms, water and common sump rooms, common generator rooms, common mechanical, common furnace and common electrical rooms, common gas meter rooms, central alarm and common control rooms, common cooling towers, common stairs and common stairwells and all common grassed or landscaped areas of the Common Property; provided that the maintenance of any Exclusive Use Area designated under Article 8 hereof shall be the prime responsibility of the Owner to whom such Exclusive Use Area has been assigned;
- (j) at all times keep and maintain for the benefit of the Corporation and all owners, copies of all warranties, guarantees, drawings and specifications, plans, written agreements, certificates and approvals provided to the Corporation pursuant to section 46 of the Act;
- (k) maintain and keep current registers pertaining to Exclusive Use Areas and leases of Common Property in respect to the Project as may be reasonably necessary; and

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**



**FRONTIER BUSINESS PARK - CONDOMINIUM CORPORATION # 1010603
BENCHMARK ANALYSIS- APRIL 2018**

Inflation Factor-	2.00%															
Interest Rate	2.00%															
RESERVE COMPONENTS	Year of	Reserve	EXPECTED	OBSERVED	REMAINING	Unit	Unit	Unit	CURRENT	FUTURE	CURRENT	FUTURE	FUTURE	ANNUAL	RESERVE FUND	
BENCH MARK ANALYSIS- # 1010603	Acquisition	Expenditures	LIFESPAN	CONDITION	LIFESPAN	Quantity	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	9	16	1	allowance	10000	10,000	11,728	3,600	4,942	8,786	471	3.7%	
Metal Walls & Roof- Repairs	2010		25	9	16	1	allowance	20000	20,000	27,456	7,200	9,884	17,572	945	7.3%	
Caulking	2010		25	10	5	1	allowance	10000	10,000	11,041	6,867	7,361	3,680	707	5.5%	
Eavestroughs & Downspouts	2010		25	9	16	1	allowance	5000	5,000	6,864	1,800	2,471	4,395	236	1.8%	
Water & Sewer System	2010		25	9	6	1	allowance	15000	15,000	16,892	9,000	10,135	6,757	1,071	8.3%	
Electrical & Lighting	2010		20	9	11	1	allowance	15000	15,000	18,651	6,750	8,393	10,258	845	6.5%	
Callout & Security System	2010		20	9	11	1	allowance	5000	5,000	6,217	2,250	2,798	3,419	281	2.2%	
Fire Alarm System	2010		20	9	11	1	allowance	5000	5,000	6,217	2,250	2,798	3,419	281	2.2%	
Site Services	2010		20	9	11	1	allowance	30000	30,000	37,301	13,500	16,786	20,516	1,686	13.1%	
Concrete Sidewalks & Curbs-25%	2010		25	12	15	600	sq. ft.	25	15,000	19,404	7,200	9,314	10,090	667	5.3%	
Paving Repairs-25%	2010/2019		11	1	10	1	allowance	30000	30,000	36,570	2,727	3,325	33,245	3,086	23.6%	
Gravel Roadways	2010		15	9	6	1	allowance	5000	5,000	5,631	3,000	3,378	2,252	357	2.8%	
Fencing- 25%	2010		30	9	21	250	L.ft.	60	15,000	22,735	4,500	6,820	15,914	617	4.8%	
Landscaping & Irrigation	2010		25	5	10	1	allowance	15000	15,000	18,285	5,000	6,085	12,190	1,115	8.6%	
Reserve Fund Study	2018/19		6	1	5	1	allowance	3150	3,150	3,478	525	580	2,898	557	4.3%	
TOTAL		-							198,150	250,469	75,969	95,079	155,390	12,887	100%	



**FRONTIER BUSINESS PARK - CONDOMINIUM CORPORATION # 1010603
CASH FLOW TABLE-ALTERNATIVE 2**

# 1010603							
Cash Flow Table							
Year Ending	Opening	Recommended	Special	Estimated	Estimated	Percentage Increase	Closing
February 28th	Balance	Annual	Assessment	Inflation	Interest	in Recommended	Balance
		Contribution	Transfer Op	Adjusted	Earned	Annual Contribution	
				Expenditures	2.0%		
2019	58,341	11,400	30,000	33,150	583	n/a	67,174
2020	67,174	11,970		8,000	672	5.0%	71,816
2021	71,816	12,569		-	1,077	5.0%	85,462
2022	85,462	13,197		6,500	1,282	5.0%	93,441
2023	93,441	13,395		8,000	1,869	1.5%	100,704
2024	100,704	13,395		19,500	2,014	0.0%	96,613
2025	96,613	13,395		29,000	1,932	0.0%	82,941
2026	82,941	13,395		8,000	1,659	0.0%	89,994
2027	89,994	13,395		-	1,800	0.0%	105,189
2028	105,189	13,395		-	2,104	0.0%	120,688
2029	120,688	13,395		48,400	2,414	0.0%	88,096
2030	88,096	13,395		35,100	1,762	0.0%	68,153
2031	68,153	13,395		-	1,363	0.0%	82,911
2032	82,911	13,395		14,500	1,658	0.0%	83,464
2033	83,464	13,395		-	1,669	0.0%	98,528
2034	98,528	13,395		9,200	1,971	0.0%	104,694
2035	104,694	13,395		34,600	2,094	0.0%	85,583
2036	85,583	13,395		-	1,712	0.0%	100,689
2037	100,689	13,395		-	2,014	0.0%	116,098
2038	116,098	13,395		8,000	2,322	0.0%	123,815
2039	123,815	13,395		64,200	2,476	0.0%	75,486
2040	75,486	13,395		52,200	1,510	0.0%	38,190
2041	38,190	13,395		8,000	764	0.0%	44,349
2042	44,349	13,395		6,500	887	0.0%	52,131
2043	52,131	13,110		-	1,043	-2.1%	66,283

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